



ccc

Experience

NON-FINANCIAL REPORT CCC GROUP
FOR JANUARY 1ST 2020 – JANUARY 31ST 2021



ccc Experience



FROM THE PRESIDENT OF THE MANAGEMENT BOARD

[GRI 102-14, 102-26, 102-32]



Ladies and Gentlemen,

It is the fourth time we present to you the CCC Group's Sustainability Report. This past year was an extraordinary period that presented us with numerous challenges. Although it was a time of hard work, change and unexpected events, we have come out stronger, with new knowledge and experience that we share in this report.

Sustainability is at the core of our business and one of the pillars of the GO.22 Business Strategy we unveiled in late January 2020. It is an integral part of our business, which is why we stepped up efforts to deliver on our sustainability commitment despite the difficult pandemic reality and implemented the Group's first ever Sustainable Development Strategy a few months later. The Strategy sets forth clear goals, with our activities split into four areas: responsible product, environmental responsibility, responsibility towards employees, and responsibility towards society.

In line with the Strategy, over the past year we sought to further tackle climate change, use resources responsibly, improve energy efficiency, and reduce greenhouse gas emissions. A vital element of our activities was also effective supply chain management and building lasting relationships with partners, which are a guarantee we provide customers with safe and good quality products that are manufactured, sold and used responsibly.

We are aware that our actions have an impact on the entire ecosystem, therefore we monitor and assess them on a regular basis, revising strategic goals accordingly and monitoring our environmental and social impacts. We require our business partners to commit to doing the same – all of them have signed the CCC Group's Supplier Code of Conduct. The document sets out the standards of conduct for CCC's partners with respect to human rights, labour rights, environmental protection and principles of business integrity. In addition to the Supplier Code of Conduct, we also expect adherence to the 'Policies and good practices of cooperation with suppliers of the CCC Group', which clearly defines the rules of conduct during the process of selecting new collections and regulates issues related to the ban on using real fur in production.

Responsible use of raw materials is a priority for the CCC Group. In 2020, we began implementing the principles of circular economy across our organisation. They specify what and how raw materials are used in our footwear manufacturing processes, how they are processed, and what we should do to make our products durable or easily convertible at the end of life. The principles of circular economy are applied to products as well as packaging. We have withdrawn plastic bags from our brick-and-mortar stores in favour of recycled paper packaging, and online orders are delivered in recycled cardboard boxes. We aim to reuse our materials as much as possible. We expect that in 2021 70% of our internally made packaging will be from recycled materials, and by 2022 80% of the packaging will be recyclable.

We are also working to improve the energy efficiency of our operations. We have enhanced smart management systems in our buildings, helping to reduce energy consumption. Our stores account for the most part of our energy usage. The pandemic restrictions enacted last year and our efforts to increase the efficiency of our store operations led to a 25.3% reduction in annual energy consumption per square metre of retail space, down to 8.19 kWh/m²/year. Starting from 2021, we have committed to purchase electricity only from renewable sources (small hydropower plants and wind power). Energy efficiency measures helped us to reduce our greenhouse gas emissions (scope 1+2) by 19.1% over the past year, exceeding the target set in the Sustainable Development Strategy.

The CCC Group's research and development activities conducted by the Research and Development Centre (RDC) in Polkowice, contribute towards the achievement of our emissions reduction targets. This is where our teams work on a range of innovations that support footwear manufacture, distribution and sale, and help to optimise materials use and reduce waste. We continue to strengthen our position in the FashionTech market, consistently implementing latest technologies.

Our ambition is to drive growth of the footwear industry in Europe, while improving our organisational culture, searching for improvements and groundbreaking ideas and initiating grassroots initiatives that could be implemented across the organisation. We know how important our employees are in the process of change. Therefore, in 2020 we provided them with a multidimensional space for development and acquisition of new competencies and made sure the epidemiological situation did not interfere with the process of acquiring the necessary knowledge and skills by new hires and long-standing employees. Responsibility towards our employees is one of the pillars of the GO.22 Sustainable Development Strategy. We want everyone, regardless of their position, to be aware of where we are headed as an organisation and what goals we have set ourselves. We strive for equal development and promotion opportunities for all, therefore we set Gender Pay Gap Ratio and Glass Ceiling Ratio reduction targets in the Sustainable Development Strategy.

Team diversity is crucial to us. It is a source of competitive advantage, and confrontation of different views, opinions, work styles, skills and experiences produces new quality and creates conditions leading to even stronger business performance. In order to create a friendly workplace and build a strong organisational culture based on diverse teams, we have put a diversity policy in place. We believe this will help every employee to fully develop their potential.

Our transition would not be possible without feedback from our customers, who are increasingly conscious in making their purchasing decisions. They expect us to manufacture products with no damage to the environment and with due respect to worker rights. We want to be a company that supplies customers with quality footwear, apparel, bags and other accessories as well as a valuable insight into environmental protection and sustainable development issues. Therefore we listen closely, share experience and expertise and offer sought-after solutions, including our special line of green products Go For Nature.

Although last year was different and more challenging than the preceding one, there were many things we are proud of. The effectiveness and efficiency of our efforts were confirmed by the awards and accolades won by the CCC Group for its ESG performance. In 2020, we secured an 'A' rating from MSCI, we took 11th place in general and second place in our industry

in the global Refinitiv diversity and inclusion index, and we received a 'C' CDP Climate Change rating (on a six-point scale of A–F, where 'A' is the highest rating). We are proud of these achievements, which demonstrate we are headed in the right direction. We are also the first Polish company to join the UN Fashion Industry Charter for Climate Action and become one of the 100 top global fashion brands committed to a collective effort aimed at protecting the environment and the climate.

In this report, we have the pleasure to present to you the results of our previous efforts and the goals we will work towards in the coming years. Our plans are ambitious and require the involvement of many parties. Therefore, we take this opportunity to thank all those who contribute to growing the CCC Group in line with the principles enshrined in the GO.22 strategy on a daily basis.

We believe that through dialogue and mutual understanding we can work out even better solutions that will strengthen CCC's position as a leader of this fast-changing market.

Yours faithfully,

Marcin Czaczerski
CEO and President
of the Management Board

Mariusz Gnych
Vice President
of the Management Board

Karol Półtorak
Vice President
of the Management Board

Adam Holewa
Vice President
of the Management Board

SUMMARY OF NON-FINANCIAL INFORMATION FOR THE FINANCIAL YEAR 2020/2021

YEAR 2020/21 IN THE CCC GROUP ARE:

 44.8 million pairs of shoes sold

 1.8 million pairs of shoes made

 PLN 5.8 billion in revenue

 52,511.6 Mg CO₂e (Scope 1+2)

 139,897.7 MWh of electricity used


 68,389.1 m³ of water used

 6,869.7 Mg of waste generated

**AVERAGE PAIR OF SHOES
MADE BY CCC:**

- consumed: 3.1 kWh of electricity, 3.2 l of water

- contributed to emitting 1.2 kg of CO₂ into the air



- produced: 183 g of waste 3.2 l of wastewater

- was manufactured using:
373 g of natural leather
64 g of materials made of natural fibres
499 g of synthetic materials
17 g of adhesive

- with the following used to make average packaging:
114 g cf cardboard
154 g of paper, tissue paper
20 g of film and tape

KEY RATINGS AND SCORES OF THE CCC GROUP – ACHIEVEMENTS AND GOALS

Metric	Unit	2018	2019	2020	2021	2022
ESG Sustainalytics	Score	–	–18	–17	–16	–15
ESG MSCI	Rating	BB	BBB	BBB	A	A+
CDP Climate Change	Rating	–	–	C	C	B–
Refinitiv D&I top 100	Score	–	–	77.25	Top 10	Top 10

11th rank

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CCC Group

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MANAGEMENT
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MANAGEMENT
RISKS

CCC Group

1.1. BUSINESS MODEL

1.1.1. CCC Group overview

The CCC Group is an undisputed leader of the Polish footwear retail market and one of the fastest growing footwear companies in Europe. CCC S.A. is one of the largest footwear retail companies in Central and Eastern Europe. Through its subsidiary eobuwie.pl S.A., the CCC Group is also an e-commerce leader in the region. The Group is currently present on 29 markets in Europe and the Middle East, offering primarily footwear and other complementary products (handbags, accessories, and apparel clothing) to retail customers. [GRI 102-1, 102-2, 102-4, 102-7]

The CCC Group has its head office in the Legnica Special Economic Zone in Polkowice, which is home to office facilities as well as a modern logistics centre. In Warsaw, CCC has its Regional Office and the innovative Creative City Concept showroom, which is dedicated to the promotion of the CCC Group brands among prominent figures of the fashion world. eobuwie.pl is based in Zielona Góra, where a logistics centre featuring state-of-the-art technology was launched in 2020. The facility will be expanded in step with the rapid growth of CCC Group's online segment. [GRI 102-3]

The Group's business model is centred around a unique omnichannel footwear retail system comprising 1,025 brick-and-mortar stores, 72 online platforms, 25 hybrid stores, 27 mobile apps, esize.me foot scanners, social media and other customer touchpoints.



Section 1. CCC GROUP

THE CCC GROUP STANDS FOR:



1,025 stores located in modern shopping centres, malls and retail parks and on important traffic routes in prestigious urban locations across 22 countries.

The Group's offline retail network comprises: 984 CCC stores, 25 eobuwie.pl stores, and 16 Gino Rossi stores,

13,220 employees, [GRI 102-7] some 44.8 million pairs of shoes sold every year, [GRI 102-7]

more than 143 million customers visiting visiting CCC stores every year, 72 online retail platforms.

Retail space	January 31st 2021	YoY ('000 m²)	YoY (%)
Company-owned, including:	630.3	+5.3	+1%
• eobuwie.pl	17.1	+3.8	+28%
• Gino Rossi	1.7	-3.6	-68%
Franchised stores	34.5	+0.48	+4%
Total ['000 m²]	683.7	-5.9	+1%

Number of stores	January 31st 2021	YoY
Company-owned, including:	940	+2
• eobuwie.pl	25	+4
• Gino Rossi	14	-31
Franchised stores	46	-3
Total	1,025	-28

Geographical availability
of CCC Group’s e-commerce platforms


	CCC		eobuwie.pl		MODIVO		DeeZee		gino rossi	
	WWW	APP	WWW	APP	WWW	APP	WWW	APP	WWW	APP
PL	✓	✓	✓	✓	✓	✓	✓		✓	
CZ	✓	✓	✓	✓	✓	✓	✓			
RO	✓	✓	✓	✓	✓	✓	✓			
HU	✓	✓	✓	✓	✓	✓	✓			
SK	✓	✓	✓	✓	✓		✓			
BG			✓	✓	✓					
UA			✓	✓	✓		✓			
DE			✓	✓	✓	✓				
IT			✓	✓	✓					
GR			✓	✓	✓					
SE			✓	✓						
IT			✓	✓	✓					
ES			✓	✓						
FR			✓	✓	✓					
CHE			✓	✓						
AT	✓	✓								
HR			✓	✓	✓					
1*			✓	✓			✓			
2**			✓	✓						

* 1 – Global website dedicated to english-speaking users
** 2 – Global website dedicated to russian-speaking users in Ukraine

Omnichannel footwear retailing ecosystem
at the CCC Group


Traditional shops

- Evolving store function
- Much more digital experience in stores




Mobile apps

- CCC, Modivo, eobuwie mobile app
- Ultimately the main point of contact with the loyalty club
- Ultimately available on all local markets




esize.me – perfect fit and recommendations

- Size recommendation (today) → style and model recommendation
- Ultimately available across all channels
- Custom-fit insoles




E-com sites
eobuwie.pl, CCC.eu, deezee.pl, Gino-Rossi.com


- Ultimately single platform/backend/warehouse
- Focus on excellent mobile experience and organic traffic
- Shared logistics



Hybrid stores (eobuwie.pl)

- Based on 100% digital experience
- Excellent logistics and dual function
- Self-service stores in the future






CUSTOMERS


Advanced CRM

- One customer base for the entire Group
- Record and understand online and offline events/conversions
- Migrate to purchasing decisions offering optimum margins
- Customer touchpoint automation (bots)




Add and leverage various touchpoints along the customer journey:

- Facebook
- Instagram
- Messenger
- Asistent
- Google




Mobile sales points and esize.me

- Islands in shopping centres, offices
- Mobile islands at traffic points




Clothing sites MODIVO.com

- Product mix expansion
- X-sell with eobuwie and improved customer monetisation



Continuous customer-focused innovation

- Self-service/mobile checkouts
- Voice and AR shopping
- Streaming
- New forms of payment
- Promotion of social commerce and UGC



1.1.2. Market position

The CCC Group is one of the largest and most recognised footwear market players in Europe and a leader in the CEE region.

The share of the CCC Group in the country’s extremely fragmented footwear retail market is estimated at about 30%, which makes the Group an undisputed market leader. In terms of the number of retail outlets in Poland, the CCC Group is almost twice as big as its largest competitors. The CCC Group is a top three player in its six core markets, which account for about 80% of its revenue. CCC’s share in the footwear market in Central and Eastern Europe is around 20%. [GRI 102-4]

The middle-market retail segment is the main market for the CCC Group and also the largest section of the domestic footwear market. CCC offers fashionable, good quality products at attractive prices. Through eobuwie.pl and the MODIVO platform, the CCC Group offers higher-priced products for the most demanding customers. A broad product range and a multitude of complementary sales channels available to customers makes the CCC Group their retailer of choice. [GRI 102-6]

The Group constantly expands its product mix. The diverse product portfolio allows customers to find a product meeting their individual expectations, so the purpose of expanding a product category is to drive revenue growth and consolidate market position.

1.1.3. CCC Group Brands [GRI 102-2]

Within its footwear retail model and complementary sales channels, the Group offers a wide selection of footwear spanning all pricing tiers as well as a broad range of footwear and complementary product categories.

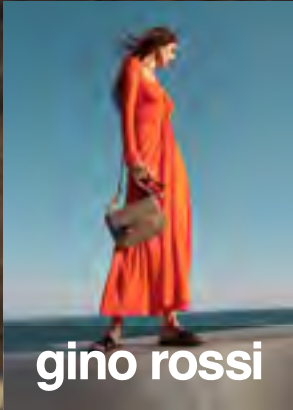
In its CCC branded sales channels, the Group focuses on its private label products Lasocki, Gino Rossi, Jenny Fairy, DeeZee, Sprandi and other), which account for approximately 90% of sales, complemented by selected third-party

sports brands (Adidas, Puma, Reebok, New Balance, Converse and other).

In its eobuwie branded sales channels (eobuwie being the e-commerce market leader in the footwear segment in Central and Eastern Europe), the Group offers mainly third-party brand footwear (approx. 500 brands accounting for ca. 90% of sales), complemented by CCC and eobuwie private label products (Eva Minge, QUAZI, Togoshi, Sergio Bardi, Creole, Rage Age).



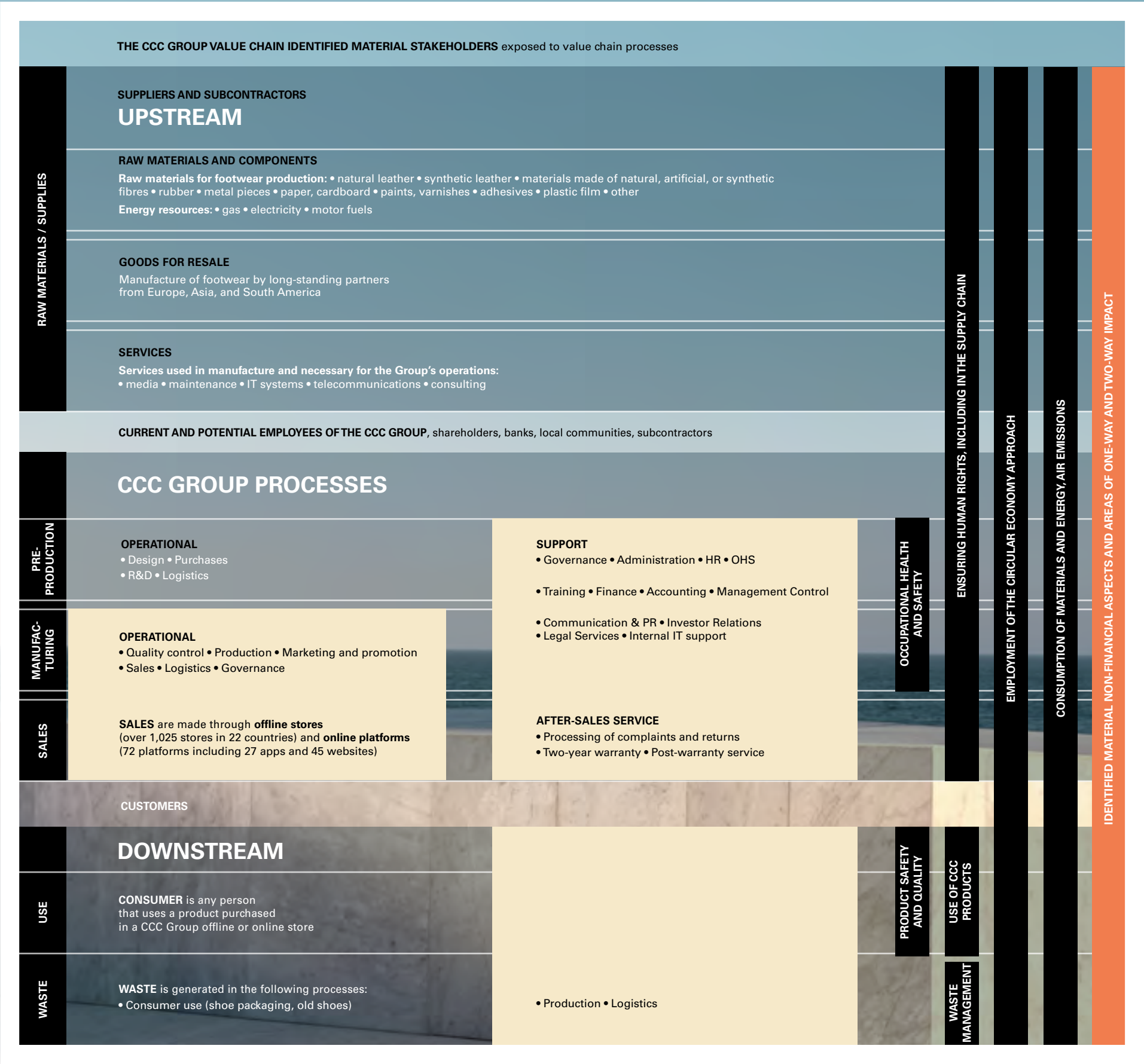
Leading CCC own brands



and many other brands...



1.1.4. Value chain



The CCC Group has a value chain model based on material flow analysis. It covers extraction of resources, production and transport of materials and components to the CCC Group, manufacture and a complete range of operational processes taking place at the CCC Group, transport of products to a logistics centre for subsequent dispatch to customers, use, and end of life. This model is used in calculating greenhouse gas emissions, analysing processes in line with the circular economy model, and analysing mutual impacts of the CCC Group and its external environment

1.1.5. Product life cycle

As a business operating in the fashion industry, it is our task to respond to customer needs in the best possible manner, considering the product itself, customer service as well as the services we provide. At CCC, we take care of every phase of a product's life cycle because we know that our initial choices will have an impact on our customers purchasing decisions and on the environment.

Strong pre-production and production teams offer a competitive advantage to the CCC Group, and so does the Research and Development Centre in Polkowice.

1. Design

The CCC Group has its own Design Department, where footwear manufactured by the Group's factories in Polkowice and Słupsk as well as our suppliers around the world is designed.

The life of any pair of shoes starts with a design that takes account of the needs of millions of CCC store shoppers. The design, pattern, material and colour are selected, and a number of business factors are also taken into consideration, for instance the price, market and fashion trends, along with environmental factors such as certifications, up to the final approval of the model that will be put into production. All purchasing decisions and choice of collections are the responsibility of the Product Division, based in Polkowice.

2. Purchasing

In view of the increasing weather volatility in the recent years and the blurring of the seasons, the CCC Group remains flexible and responsive when planning its collections. Aside from the supply structure, the changes affect the choice of the nature and the materials used in products (for instance winter shoes have less padding and the sole thickness changes), and the weather impulse weakens in favour of fashion and prevailing trends.

In order to implement its plans and deliver just under 45 million pairs of shoes to the market annually, the CCC Group needs advanced and well-performing production facilities, which are gradually being expanded. The Group has its own factories in Poland, and it additionally orders goods from the plants of its highly reliable long-term business partners in Europe, Asia and South America. The goods supplied by contractors must conform to high quality standards and the contractors are obligated to respect human rights and social standards in their operations. Regular inspections are carried out to ensure that the suppliers meet all the requirements.

3. Logistics

The strong growth of the CCC Group is enabled by an innovative approach to logistics. The Group's Logistics Centre in Polkowice, one of the largest facilities of its kind in Central Europe, together with the Logistics Centre in Zielona Góra, are the core elements of the entire logistics chain. That is where the new shoe collections go before they are sent to individual stores.



PRODUCT LIFE CYCLE



* The points where waste is generated

1.1.6. Calendar 2020/2021

January	<ul style="list-style-type: none">– Announcement of the GO.22 Business Strategy– Launch of the Shared Services Centre in Polkowice
February	<ul style="list-style-type: none">– First anniversary of the CCC mobile app – over 1.4m downloads– Robotisation of business processes – a UiPath robot launched at the Company’s head office
March	<ul style="list-style-type: none">– Launch of the Go for Nature collection
April	<ul style="list-style-type: none">– CCC first in Poland to implement a technologically advanced financial and accounting system SAP S4/HANA delivered by SAP– Factory converted to produce shoe covers for medical establishments at the frontlines in the fight against COVID-19
May	<ul style="list-style-type: none">– Issue of 13.7m shares at PLN 37 per share, with gross proceeds to the Company of PLN 506.9m– Opening of online DeeZee stores on four new markets: Hungary, the Czech Republic, Slovakia and Romania
June	<ul style="list-style-type: none">– Announcement of the first comprehensive GO.22 Sustainable Development Strategy– Appointment of Henry McGovern to the Supervisory Board
July	<ul style="list-style-type: none">– Opening of the first Modivo offline store– Pilot shoe collection project ‘Give your shoes a second life’ is launched in CCC offline stores
August	<ul style="list-style-type: none">– Eobuwie.pl launches the new Rage Age collection– ‘A’ rating assigned to CCC by MSCI ESG in recognition of the Group’s sustainability efforts
September	<ul style="list-style-type: none">– First apparel collection in DeeZee– First Gino Rossi capsule collection
October	<ul style="list-style-type: none">– Launch of the Visual Search functionality for CCC customers
November	<ul style="list-style-type: none">– Launch of new services for retail: PayPo in e-store and launch of CCC Express service– CCC rebranding
December	<ul style="list-style-type: none">– Collaboration with universities in footwear design
January	<ul style="list-style-type: none">– Development of a new retail concept based on the off-price model is announced at the CCC Group



1.1.7. 1.1.7. Membership of organisations and associations
[GRI 102-13, 102-12]

RESPONSIBLE BUSINESS FORUM
odpowiedzialnybiznes.pl/

JAN WYŻYKOWSKI UNIVERSITY CONVENTION
ujw.pl/index.php/wspolpraca/konwent-uczelni/

POLISH ASSOCIATION OF LISTED COMPANIES
seg.org.pl

LOWER SILESIA EDUCATIONAL CLUSTER LSSE
lsse.eu/dolnoslaski-klasterek-educacyjny/

THE WITELON STATE UNIVERSITY
OF APPLIED SCIENCES IN LEGNICA
www.pwsz.legnica.edu.pl/

UNICEF unicef.pl

THE POLISH TRADE AND SERVICES EMPLOYERS’
ASSOCIATION zpphiu.pl/czlonkowie/
In 2020, CCC S.A. became a member of the Polish Trade and Services Employers’ Association, established by several dozen Polish businesses driven by a sense of utmost responsibility and aware of the consequences of the crisis caused by the spread of the coronavirus. The Association aimed to work out common demands and special legal solutions for the difficult time of the pandemic, which were submitted to the government.

THE CHAMBER OF ELECTRONIC ECONOMY
eizba.pl/
In 2020, CCC S.A. was invited by the Chamber of Electronic Economy for the first time to work on the research project and report ‘Green Generation. Together for the Earth’. The report offers an insight into environmental awareness in various areas of life and retail categories, including fashion, beauty, transport, and travel. In the report, CCC provided examples of real environmental protection measures taken by businesses that should inspire companies lagging behind on environmental matters, with a strong focus on customer behaviour in the context of environmental protection and building environmental awareness of people in Poland.

SUCCESS WRITTEN IN LIPSTICK
sukcespisanyszminka.pl/
The CCC Group became a partner of the 12th edition of the Businesswoman of the Year competition organised by the Success Written in Lipstick Foundation, which recognises women entrepreneurs who embark on ambitious professional projects.

DIVERSITY CHARTER
CCC S.A. has been a signatory of the Diversity Charter since 2019. The Diversity Charter commitments for its signatories include elimination of discriminatory practices within their respective organisations, promotion of diversity and equal treatment, and in particular readiness to involve its employees, trading and social partners in those efforts. [GRI 102-12]

PARTNERSHIP FOR SDGS
The CCC Group joined the United Nations’ Partnership for Sustainable Development Goals (SDGs) platform during the 2030 Agenda Stakeholder Forum. The Group made an individual commitment to implement concrete actions/projects fitting into selected sustainable development goals relevant to its business.

UN FASHION INDUSTRY CHARTER
FOR CLIMATE ACTION
In the first quarter of 2021, the CCC Group was the first Polish company to join the UN Fashion Industry Charter for Climate Action and become one of the 100 top global fashion brands committed to a collective effort aimed at protecting the environment and the climate. Becoming signatory of the Charter marks another step taken by the CCC Group to deliver on its commitment to protecting the environment and stopping climate change.

BUSINESS LOVES BUSINESS
CCC joined the #BiznesKochaBiznes (Business Loves Business) campaign organised by Ringier Axel Springer Poland, in which the advertising budget of the big advertisers is increased by 25% and another 25% of spending is allocated to campaigns of small-sized ‘agile businesses’, who struggle for survival and cannot afford to pay for advertising.

1.2. STRATEGY AND BUSINESS MODEL

1.2.1. Business strategy

The CCC Group devised a comprehensive business strategy which was adopted under the name GO.22 Strategy in January 2020. The development of the strategy was preceded by several months’ work on identifying the situation of the Group and analysing its environment and the way it functioned, with an active and leading role played by the CCC S.A. Management Board, the management boards of subsidiaries, and dozens of the Group’s key managers. The Strategy focuses on maximising the Group’s value by satisfying the needs of current and future customers. The GO.22 Strategy relies on five pillars covering key strategic areas.

Pillar I: CUSTOMER-FOCUSED OMNICHANNEL MODEL

Pillar II: PRODUCT

Pillar III: AGILITY AND EFFICIENCY

Pillar IV: FINANCIAL STABILITY

Pillar V: SUSTAINABLE DEVELOPMENT

The objectives set in each of the pillars will be pursued in 2020–2022 with the use of new technologies and data analytics.

Key strategic areas



1.2.2. Sustainable Development Strategy

Sustainable development underpins our business practice and is a pillar of the GO.22 Business Strategy for 2020–2022. The CCC Group, a leader of the footwear sector in Central and Eastern Europe, is aware of its environmental and social impacts, therefore it seeks to use resources in a rational and responsible manner. In June 2020, CCC announced its comprehensive GO.22 Sustainable Development Strategy

providing for a range of diverse performance metrics, which assume the targets in the following four key strategic areas will be raised annually:

- PILLAR I: Responsible product
- PILLAR II: Environmental responsibility
- PILLAR III: Responsibility towards employees
- PILLAR IV: Responsibility to society

Key strategic goals and assumptions

PRODUCT		2020	2021	2022
	RAW MATERIALS CERTIFICATION – raise the share of leather from LWG-certified tanneries in production processes			
	• M1: Percentage of leather from LWG-certified tanneries	17%	19%	21%
	RESPONSIBILITY IN THE SUPPLY CHAIN – extend the supplier Code of Conduct to include service providers			
	• 5M1: Percentage of suppliers who have signed the Code	Inclusion of investment service providers	Inclusion of digital service providers	Inclusion of other service providers
	• 5M2: Percentage of suppliers who have performed audits of compliance with the Supplier Code of Conduct (production)	45%	50%	60%
	POST-CONSUMER FOOTWEAR MANAGEMENT – seek to close the loop by collecting and properly managing post-consumer footwear			
	• M1: The number of collected pairs of used shoes to the number of pairs of shoes sold	Pilot project	Analysing the results of the pilot project and setting targets for 2021 and 2022	—
	• M2: Percentage of CCC stores participating in the used footwear collection effort	11 stores in Poland	Analysing the results of the pilot project and setting targets for 2021 and 2022	—



NATURAL ENVIRONMENT		2020	2021	2022
	GREENHOUSE GAS EMISSIONS REDUCTION – calculate greenhouse gas emissions, identify their sources and reduce greenhouse gas emissions at a rate that facilitates the implementation of the Paris Agreement and the European Union’s climate policy			
	• M1: Accuracy of greenhouse gas emission data	Calculation of Scope 1 and Scope 2 emissions	Calculating Scope 1, 2 and 3 emissions (from sources accounting for 40% or more of Scope 3 emissions)	Calculating Scope 1, 2 and 3 emissions (from sources accounting for 60% or more of Scope 3 emissions)
	• M2: Adoption and approval of greenhouse gas emission reduction targets	Setting reduction targets for Scope 1 and Scope 2 emissions	Approval of reduction targets for Scope 1 and Scope 2 emissions under Science Based Targets; Setting reduction targets for Scope 3 emissions	Approval of reduction targets for Scope 3 emissions under Science Based Targets
	• M3: Scope 1 and Scope 2 greenhouse gas emission reduction vs 2019 Reduction of total Scope 1 and Scope 2 greenhouse gas emissions vs 2019	-2%	-5%	-7%
	ENERGY EFFICIENCY – increase electrical energy efficiency across the CCC Group			
	• M1: Reduction of electricity consumption per pair of shoes sold vs 2019	-2%	-5%	-7%
	CIRCULAR ECONOMY – incorporate the principles of circular economy into the CCC Group’s operations to reduce waste and demand for virgin materials			
	• M1: Implementation of the circular economy approach	Mapping (identification and analysis) of raw material flows within the CCC Group’s value chain; Analysis of the principles set out in the Circular Economy Action Plan (update of March 2020)	Identification of possibilities to close particular loops and implementation of selected solutions ahead of statutory requirements	Implementation of selected solutions ahead of statutory requirements
	• M2: Environmentally sustainable packaging	Phase-out of plastic bags in all CCC Group stores	Raising the percentage of recycled cardboard packaging material to 70% and maintaining this percentage in subsequent years	Raising the percentage of recyclable cardboard packaging to 80% and maintaining this percentage in subsequent years
	• M3: Ecodesign	Identification of principles and criteria compatible with eco-design	Identification of possibilities to develop new products compliant with eco-design principles	Planning design work towards eco-design

	2020	2021	2022	
EMPLOYEES	PROTECTING EMPLOYEES' LIFE AND HEALTH – minimise the number of accidents and reach a zero accident rate within five years			
	<ul style="list-style-type: none">M1: Percentage reduction in the accident frequency rate (accidents at work per 1,000 employees) compared with 2019	3.83%	2.87%	1.92%
	EQUAL PAY FOR EQUAL WORK – ensure men and women receive equal pay for doing equal work			
	<ul style="list-style-type: none">M1: Gender Pay Gap Ratio	Revision of the remuneration policy and preparation of its implementation from the beginning of the next year, and preparation of a detailed system for collecting and analysing data on employee remuneration at individual levels	Implementation of a (uniform) remuneration policy and starting the collection of detailed data reduction of GPGR for each group by one fifth of the initial value	Reduction of the GPGR for each group by two fifths of the initial value
	WORKFORCE DIVERSITY – create effective development opportunities for all employees			
	<ul style="list-style-type: none">M1: Increasing equal promotion opportunities for both genders, expressed as the Glass Ceiling RatioM2: Development, implementation and dissemination of a Diversity Policy at the CCC Group	Revision of the HR Policy and establishment of an action plan to ensure equal promotion opportunities in subsequent years Development and publication of the CCC Group's Diversity Policy	Implementation of the revised HR Policy GCR reduction to 12% Implementation and training of at least 50% of senior management staff and 50% of managers	GCR reduction to 10% Training of 100% of senior management staff, 100% of managers and 50% of other employees

	2020	2021	2022	
SOCIETY	ETHICS – update and implement a new Code of Ethics for the CCC Group			
	<ul style="list-style-type: none">M1: Update and implementation of a new Code of Ethics for the CCC Group	Updating the Code with the participation of employees and stakeholders	Disseminating the Code among 100% of CCC S.A.'s employees and 50% of subsidiaries' employees	Disseminating the Code among 100% of the CCC Group's employees
	COLLABORATION WITH UNICEF – implement the Global Partnership programme with UNICEF			
	<ul style="list-style-type: none">M1: Implementation of the Global Partnership programme with UNICEFM2: Implementation of projects supporting local communities and knowledge transfer to selected partners	Funding for UNICEF programmes to save the lives of children around the world Implementation of local community projects partly relying on employee volunteers	Revision of the partnership with UNICEF Setting further objectives and local community projects partly relying on employee volunteers	— Local community projects partly relying on employee volunteers and transfer of community engagement knowledge to selected key partners in the supply chain
	SPORT PROMOTION WITH A SPECIAL FOCUS ON CYCLING AND SPORTSMANSHIP VALUES – support training programmes for talented young athletes			
<ul style="list-style-type: none">M1: Supporting training programmes for talented young athletes	Promotion of cycling through CCC Team and CCC Development teams Cooperation with Michał Kwiatkowski Copernicus Academy and the local sports club MKS Polkowice	Promotion of cycling as a sports activity Supporting training programmes for young cyclists (e.g. CCC Development Team, Michał Kwiatkowski Copernicus Academy and MKS Polkowice)	Promotion of cycling as a sports activity Supporting training programmes for young cyclists (e.g. CCC Development Team, Michał Kwiatkowski Copernicus Academy and MKS Polkowice)	

The Sustainable Development Strategy covers the CCC Group’s activities in 2020–2022. The following goals have been delivered to date:

GO.22 Sustainable Development Strategy – 2020 performance

I. Responsible product

- Raise the share of leather from LWG-certified tanneries used in production processes to 17%
- Ensure responsible practices in the supply chain: increase the percentage of suppliers who have signed the Supplier Code of Conduct (SCC)
- Ensure responsible practices in the supply chain: increase the proportion of suppliers audited for compliance with the SCC to 45%
- Manage post-consumer footwear: a pilot shoe collection project (ACCOMPLISHED)
- Manage post-consumer footwear: increase the percentage of stores participating in the shoe collection (a pilot project covering 21 stores)

Detailed information on performance against the goals set out in the GO.22 Strategy can be found in the relevant sections of this report..

II. Environmental responsibility

- Calculate Scope 1, 2 emissions
- Adopt and approve reduction targets for Scope 1, 2 greenhouse gas emissions
- Achieve a 2% reduction of Scope 1 and 2 greenhouse gas emissions vs 2019
- Achieve a 2% reduction of electricity consumption per pair of shoes sold vs 2019
- Implement circular economy principles: map (identify and analyse) raw material flows within the CCC Group’s value chain; analyse the principles set out in the Circular Economy Action Plan
- Phase out plastic bags in all CCC Group stores
- Identify principles and criteria compatible with ecodesign

III. Responsibility towards employees

- Reduce the accident frequency rate to 3.83% (by 20% vs 2019)
- Revise the remuneration policy and prepare it for implementation, prepare a detailed system for collecting and analysing data on employee remuneration at individual levels
- Revise the HR Policy and establish an action plan to ensure equal promotion opportunities in subsequent years
- Develop and publish a diversity policy for the CCC Group

IV. Responsibility towards society

- Update the CCC Code of Ethics with the participation of employees and stakeholders
- Collaboration with UNICEF
- Implement local community projects partly relying on employee volunteers
- Promote cycling through CCC Team and CCC Development teams; collaboration with Michał Kwiatkowski Copernicus Academy and the local sports club MKS Polkowice

Context and key strategic assumptions


The CCC Group tailors its sustainability initiatives based on international and EU directions and strategies and emerging laws and regulations. The GO.22 Business Strategy is underpinned by the Paris Agreement, the EU’s European Green Deal, the TCFD Recommendations on Climate-Related Financial Disclosures, and the EU’s new circular economy action plan.

The CCC Group pursues its sustainable development and non-financial reporting activities in line with applicable laws and international regulations, including the following:


- EU Directive on the disclosure of non-financial and diversity information (Directive 2014/95/EU),
- Act amending the Accounting Act of December 15th 2016,
- European Commission’s Guidelines on non-financial reporting (2017/C 215/01),
- European Commission’s Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01).

The Sustainable Development Goals


CCC Group is actively contributing to the Sustainable Development Goals (SDGs) adopted by the Member States of the United Nations. These goals focus on attaining sustainable development across its three dimensions: economic growth, social inclusion and environmental protection. Our activities, particularly those implementing our GO.22 Sustainable Development Strategy, contribute to delivering the following SDGs:

**2015 Paris Agreement**

It requires all countries to reduce their greenhouse gas emissions to avoid a climate crisis and prevent average temperatures from rising by more than 1,5-2°C.

**Recommendations of the Task Force On Climate-Related Financial Disclosures Operating at the International Financial Stability Board, announced in 2017**

They set out climate change-related disclosures (on risks, strategy, targets, greenhouse gas emissions, etc.) that investors, including the world’s largest investment funds, expect companies to provide.

**Taxonomy for Sustainable Business – established on the basis of the regulation on the establishment of a framework to facilitate sustainable investment, agreed upon in December 2019**

The taxonomy defines sustainable business activity and is designed for investors and other institutions providing finance to businesses.

2015 EU Directive On Non-Financial Reporting

Its provisions, introduced into Polish law in the Accounting Act, together with two sets of European Commission Guidelines (2017 and 2019), define what information ESG (environmental, social, human rights and governance information) should be reported by large listed companies.

European Green Deal – a new growth strategy for the European Union, announced in December 2019

It creates a framework for the EU’s transition to a climate neutral economy.

EU new circular economy action plan for a cleaner and more competitive Europe, announced in March 2020

It provides that sustainable products will become the norm in the EU and the EU itself will be the most advanced circular economy in the world.

Section



1.3. PERFORMANCE INDICATORS

KEY NON-FINANCIAL PERFORMANCE INDICATORS OF THE CCC GROUP

	Unit	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
LABOUR AREA				
Accident rate (accidents at work per 1,000 employees)		5.74	3.03	-47.3%
SOCIAL AREA				
Gender pay gap ratio	%	41.10	43.00	+1.9pp
Glass ceiling ratio	%	0.0	0.5	+0.5pp
Complaint rate*	%	1.06	0.78	-0.28pp
Percentage of CCC suppliers who have signed the Supplier Code of Conduct	%	93.29	100	+7.2pp
ENVIRONMENTAL AREA				
Use of energy from all sources (fuels and purchased electricity and heat) per pair of shoes sold	kWh/pair	2.8	3.1	+9.9%
Scope 1+2 GHG emissions per pair of shoes sold	kg CO ₂ e	1.3	1.2	-4.4%
Percentage of waste sent for recycling	%	84.2	90.9	+7.9pp
Percentage of leather from certified tanneries used in products	%	15.00	17.00	+2.00pp

*Customer complaint rate in the offline channel at CCC S.A, CCC Czech Republic, CCC Slovakia, CCC Austria, CCC Hungary, CCC Slovenia, CCC Croatia, CCC Bulgaria, CCC Romania, CCC Serbia.

Non-financial key performance indicators are monitored only at the consolidated level, i.e. for the CCC Group as a whole, except for the complaint rate, which is relevant to the following companies: CCC S.A, CCC Czech Republic, CCC Slovakia, CCC Austria, CCC Hungary, CCC Slovenia, CCC Croatia, CCC Bulgaria, CCC Romania, CCC Serbia.

FINANCIAL PERFORMANCE INDICATORS OF THE CCC GROUP

[PLNm]	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
Revenue	5,780.20	5,638.60	-141.60
Gross profit	2,755.50	2,456.50	-299.00
EBITDA	812.30	11.20	-801.10
Net profit on continuing operations	19.80	-988.90	-1,008.70
CAPEX expenditure	-524.10	-206.40	317.70

The table above presents key financial performance indicators for the CCC Group. Excluding Voegele. For more information, see Section 6. [GRI 201-1, 102-7]



1.4. CORPORATE GOVERNANCE

1.4.1. Structure of the CCC Group [GRI 102-5]

As at January 31st 2021 and as at the date of approval of this report for issue, the CCC Group consisted of CCC S.A. as the parent and the following subsidiaries:



The CCC Group runs franchise operations in Qatar, Oman, United Arab Emirates, Saudi Arabia, Bahrain, Ukraine, Kosovo, Moldova, Lithuania, Latvia, and Estonia.

CCC S.A. GROUP			
MANUFACTURING	CCC Factory Sp. z o.o. 100% Poland	Gino Rossi S.A. 100% Poland	
DISTRIBUTION	CCC Czech SRO 100% Czech Republic	GARDA Sp. z o.o. 100% Poland	Gino Rossi SRO 100% Czech Republic
	CCC Austria Ges.m.b.H 100% Austria	CCC Shoes Bulgaria 100% Bulgaria	CCC Russia Sp. z o.o. 75% Russia
	CCC Shoes & Bags d.o.o. Beograd – Strai Grad 100% Serbia	CCC Obutev d o.o. 100% Slovenia	Karl Voegele AG 70% Switzerland
	CCC.eu Sp. z o.o. 100% Poland	CCC Slovakia s.r.o. 100% Slovakia	Vögele Verwaltung G.m.b.H 70% Switzerland
	CCC Hrvatska d o.o. 100% Croatia	CCC Shoes Ayakkabicilik Ticaret Limited Sirketi 100% Turkey	DeeZee Sp. z o.o. 75% Poland
	Shoe Express S.A. 100% Romania	CCC Hungary Shoes Kft. 100% Hungary	
	eobuwie.pl S.A. 74.99% Poland	Eschuhe.ch GmbH 74.99% Switzerland	Eschuhe.de UG 74.99% Germany
			Eobuv.cz SRO 74.99% Czech Republic
OTHER		eobuwie.pl Logistics Sp. z o.o. 74.99% Poland	Branded Shoes & Bags Sp. Z o.o. 74.99% Poland
	NG2 Suisse S.a.r.l. 100% Switzerland	CCC Shoes & Bags Sp. z o.o. 100% Poland	C-AirOp Limited 50% Isle of Man
ASSOCIATES	HR Group Holding S.a.r.l. 30.55% Luxemburg	Pronos Sp. z o.o. 10% Poland	

Changes in the CCC Group structure in the reporting period

In 2020, the CCC Group launched the process to recapitalise eobuwie.pl by acquiring an external investor. On March 31st 2021, the CCC Group signed agreements governing ownership changes in eobuwie.pl S.A. The Company will secure two new minority investors, Cyfrowy Polsat S.A. and A&R Investments Limited, who will acquire a 10% equity interest each. The Group also entered into an agreement with MKK3, which provides for the sale of 20% of shares in eobuwie.pl to CCC over the next two quarters, leaving a 5% interest with MKK3, and long-term cooperation between the parties on the development of the platform.

Furthermore, on January 7th 2021, the Management Board of CCC S.A. made a decision to establish the CCC Tax Group, comprising:

- CCC S.A. as the parent of the CCC Tax Group;
- CCC Shoes & Bags Spółka z ograniczoną odpowiedzialnością as a subsidiary.

The agreement establishing the CCC Tax Group was concluded for a period of three fiscal years, i.e. for the tax years beginning on March 1st 2021, February 1st 2022 and February 1st 2013.

CCC S.A. shares

The Company’s share capital is divided into 54,868,000 shares, comprising:

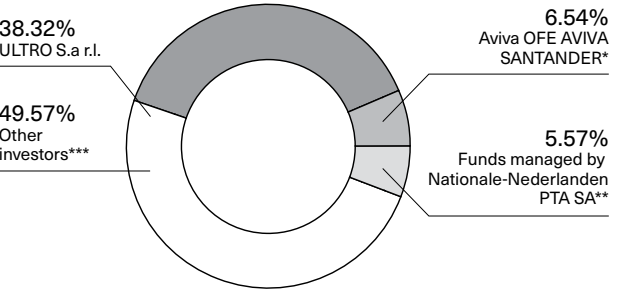
- 48,218,000 ordinary bearer shares, each conferring one vote at the Company General Meeting,
- 6,650,000 registered shares with a voting preference so that each share confers two votes at the Company General Meeting.

In 2020, the Company’s share capital was increased from PLN 4,116,800.00 to PLN 5,486,800.00 through the issue, pursuant to Resolution No. 3/NWZA/2020 of the Extraordinary General Meeting of April 17th 2020, of 6,850,000 Series I ordinary bearer shares with a par value of PLN 0.10 per share, and 6,850,000 Series J ordinary registered shares with a par value of PLN 0.10 per share.

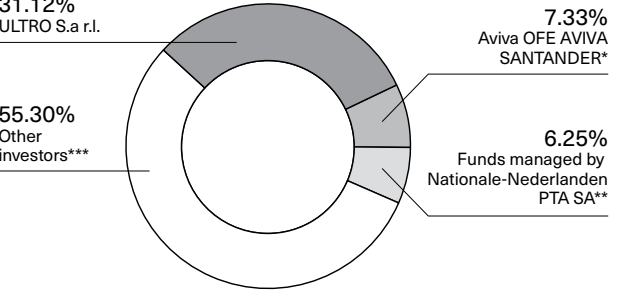
CCC S.A. shareholding structure

List of shareholders holding directly or indirectly, through subsidiaries, 5% or more of total voting rights at the General Meeting of CCC S.A. as at January 31st 2021 was as follows:

% VOTING INTEREST



% OWNERSHIP INTEREST



* As per the list of shareholders entitled to participate in the Extraordinary General Meeting on December 14th 2020.

** As per the Notification by Nationale-Nederlanden PTE S.A. of December 28th 2020. (Current Report No. 71/2020), including: Nationale-Nederlanden OFE and other Funds managed by Nationale-Nederlanden PTE S.A. specified in the Notification.

*** Other investors holding less than 5% of voting rights.



1.4.2. Governance structure of CCC S.A.

Management Board of CCC S.A.

[GRI 102-18, 102-22, 405-1]

On January 31st 2021, the Management Board of CCC S.A. comprised the following three members:

Marcin Czyczerski – President of the Management Board

Mariusz Gnych – Vice President of the Management Board

Karol Półtorak – Vice President of the Management Board

During the reporting period from January 1st 2020 to January 31st 2021, all members of the Management Board were men, with two members in the age group of 30–50 and one member in the age group of over 50. In the reporting period, the Management Board passed 33 resolutions.

On March 29th 2021, the Supervisory Board passed resolutions to increase the number of members of the Management Board to six persons and to appoint Adam Holewa as Vice President of the Management Board, with effect from April 1st 2021, Igor Matus as Vice President of the Management Board, with effect from June 7th 2021, and Kryspin Derejczyk as Vice President of the Management Board, with effect from July 1st 2021.

Following the changes, as at the date of authorisation of this Report for issue, the Management Board consisted of:

Marcin Czyczerski – President of the Management Board

Mariusz Gnych – Vice President of the Management Board

Karol Półtorak – Vice President of the Management Board

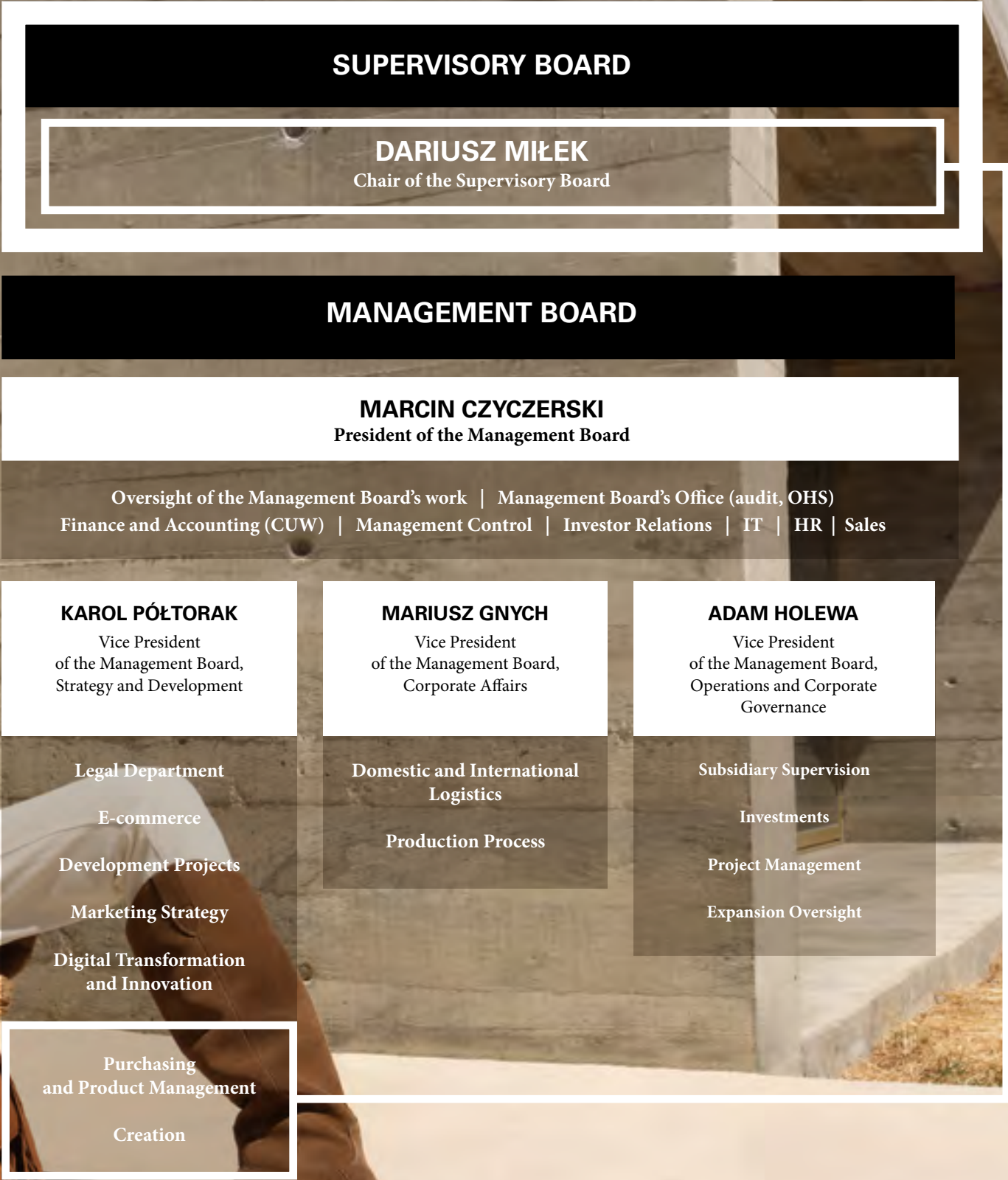
Adam Holewa – Vice President of the Management Board

The powers and rules of procedure of the Management Board are set out in the following regulations:

- Commercial Companies Code,
- The Company’s Articles of Association, which are available on the Company’s website <https://corporate.ccc.eu/lad-korporacyjny>,
- Rules of Procedure for the Management Board, which are available on the Company’s website <https://corporate.ccc.eu/lad-korporacyjny>,
- Chart showing the division of responsibility for particular areas of the Company’s operations among the Management Board members. <https://corporate.ccc.eu/wladze-ccc>

Members of the Company’s Management Board are appointed and removed from office by the Supervisory Board.

Division of responsibilities among Management Board members [GRI 102-18, 102-22, 102-23]



For detailed information on the expertise and experience of the Management and Supervisory Board members, visit the Company’s website at <https://corporate.ccc.eu/wladze-ccc>.

Supervisory Board [GRI 102-18, 102-22, 405-1]

As at January 31st 2021 and as at the date of authorisation of this report for issue, the Supervisory Board comprised the following members:

- **Dariusz Milek** – Chair of the Supervisory Board,
- **Wiesław Oleś** – Deputy Chair of the Supervisory Board,
- **Waldemar Jurkiewicz** – Member of the Supervisory Board,
- **Zofia Dzik** – Member of the Supervisory Board,
- **Filip Gorczyca** – Member of the Supervisory Board,
- **Henry McGovern** – Member of the Supervisory Board since June 24th 2020.

The Supervisory Board consists of five to seven members appointed by the General Meeting for a joint three-year term of office. In the reporting period from January 1st 2020 to June 24th 2020, 20% of the Supervisory Board members were women and 80% were men. On June 24th 2020, the Company’s Annual General Meeting increased the number of Supervisory Board members to six and appointed Henry McGovern to the Supervisory Board of the current term of office. Accordingly, from June 24th 2020 to January 31st 2021, 17% of the Supervisory Board members were women and 83% were men. Thirty-three percent of the Supervisory Board members belonged to the age group of 30–50 and the remaining 67% to the age group of over 50. Supervisory Board members do not belong to under-represented social groups.

In the reporting period, the Supervisory Board met 16 times and passed 29 resolutions.

For detailed information on the expertise and experience of the Management and Supervisory Board members, visit the Company’s website at <https://corporate.ccc.eu/wladze-ccc>.

Remuneration of Management Board and Supervisory Board members [GRI 102-35, 102-36, 102-37]

The Company remunerates members of the Management and Supervisory Boards in accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of CCC S.A., effective since June 24th 2020, that is the date when a relevant resolution was passed by the General Meeting and entered into force.

The remuneration policy was introduced in view of the key role of the Management Board and Supervisory Board members at the Company. It aims to support delivery of the Company’s business strategy and promote its long-term interests and stability, including by motivating Management and Supervisory Board members to work effectively for the Company, encouraging them to stay with the Company over the long term and linking the interests of the Management Board members to those of the Company.

The remuneration paid to Management and Supervisory Board members should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the Company. The amount of remuneration for the Management Board and Supervisory Board members is determined taking into account the amount of work necessary to properly perform the functions of individual members of the above bodies and the scope of duties, responsibilities and competencies connected with the performance of those functions. The remuneration amount corresponds to the size of the Company’s business and is reasonable in relation to its financial performance. In order to improve the quality and efficiency of the work of Management Board members, their remuneration is determined taking into account its incentivising role and smooth and effective management of the Company. Therefore, the remuneration consists of fixed components (base pay) and variable components (cash bonuses). Remuneration consists of:

- fixed components, including extra cash and non-cash benefits;
- variable components (in the case of Management Board members).

Members of the Management Board are awarded variable remuneration in the form of [GRI 102-35]:

- 1) An individual short-term bonus contingent on the achievement of individual short-term targets, granted for the first and the second half of the year, determined on the basis of four-times monthly remuneration of a Management Board member, payable by March 31st for the second half of the year, and by September 30th for the first half of the year.
- 2) A short-term collective bonus contingent on the achievement of short-term targets set for the Manage-

ment Board as a whole, granted for annual periods, determined on the basis of four-times monthly remuneration of a Management Board member, payable by March 31st.

- 3) A long-term bonus contingent on an increase in CCC S.A.’s value (understood as an increase in the share price), payable to each Management Board member for a three-year period and calculated as: 100,000 x difference between the average price of Company shares in the fourth quarter of 2022 and the issue price of Series I and Series J shares, payable by March 31st 2023.

Criteria for awarding variable remuneration components [GRI 102-35]:

- 1) Financial performance
 - A. Financial performance criteria. The amount of variable pay depends on the level of achievement of financial targets, including the Company’s profitability and financial performance.
 - B. Methods applied to determine the degree of achievement of financial criteria. The degree of achievement of particular financial criteria is determined by reference to financial data disclosed by the Company in its stand-alone or consolidated financial statements for the period to which a given criterion pertains or data from its financial and management accounting systems.
- 2) Non-financial performance
 - A. Non-financial performance criteria. The criteria include fulfilment of tasks assigned individually or collectively to each Management Board member by the Supervisory Board under a business strategy adopted by the Company and not directly linked to financial criteria, in particular strategic tasks set taking into account the Company’s current situation; taking into account corporate social responsibility.
 - B. Methods applied to determine the degree of achievement of non-financial criteria. The degree of achievement of particular non-financial criteria is determined by reference to data disclosed by the Company in its annual non-financial report or other non-financial documents and reports of the CCC Group.

The Company permits one-time payments awarded to members of the Management Board in extraordinary circumstances that do not constitute remuneration for holding office or rendering services for the Company. Such payments may include:

- severance pay on termination of the relationship, including retirement and disability severance pay;
- sign-on fee and retention bonus;
- compensation for relocation on appointment or change of position.

The Company has not implemented and does not plan to implement any additional old-age or disability retirement or early retirement schemes for Management or Supervisory Board members. For details of the Remuneration Policy, visit <https://corporate.ccc.eu/lad-korporacyjny>.

No issues regarding remuneration or remuneration policy were raised during the most recent stakeholder dialogue session. [GRI 102-37]

Average annual total remuneration for employees and the ratio of remuneration of the highest-paid individual at CCC to the average annual total remuneration at the Company [GRI 102-38, 102-39]

In the financial year 2020/2021, the Company paid PLN 3,459,995 in gross base pay plus bonuses to members of the Management Board, which was 15% less than in the preceding year. PLN 506,619, gross, was paid to the Supervisory Board members, 12% more than in 2019.

The ratio of remuneration of the highest-paid individual at the Company to the average annual total remuneration for all other employees under contracts of employment in the financial year 2020/2021 was 25.1x. [GRI 102-38]

The ratio of the average remuneration of Management Board members to the average remuneration of other employees under employment contracts stood at 23.8x in the financial year 2020/2021, up 2.1x from 21.7x in 2019. For details of employee remuneration at the CCC Group and CCC S.A., see Appendix 1 to this report. [GRI 102-39]

REMUNERATION OF MANAGEMENT BOARD MEMBERS IN THE FINANCIAL YEAR 2020/2021 IN PLN	
Remuneration received in the financial year 2020/2021	
Marcin Czyczerski	1,212,695
Mariusz Gnych	1,121,700
Karol Półtorak	1,125,600

Activities of executive-level bodies in the area of ESG

[GRI 102-19, 102-20, 102-21, 102-27, 102-29, 102-32]

ESG considerations in business activities are an important element of the Company’s strategy and are of interest to the Company’s Management Board, Supervisory Board and managers. ESG initiatives in the individual areas are implemented with the cooperation of various functions, including Procurement, Product Environmental, OHS and Fire Protection, HR and other company employees.

ESG-related issues are regularly monitored at the executive level. The Management Board periodically meets with the people who are responsible for the individual areas, and the Supervisory Board receives the results of ESG reports at least twice a year and discusses the planned ESG activities. Furthermore, the Company’s Management Board takes an active part in the drafting of the non-financial report by approving its structure and main assumptions. It also holds stakeholder dialogue sessions every two years to define the relevance and increase the Company’s ESG commitments.

The Management Board plays a vital role in managing the objectives set in the CCC Group’s GO.22 Sustainable Development Strategy, approving the direction and scope of particular activities, providing opinions and oversight of the process of integrating sustainable development and corporate social responsibility initiatives into the CCC Group’s business objectives. As sustainable development concerns all areas of activity of the CCC Group, management personnel across departments and organisational levels are involved in the process by providing expert guidance and organisational support in the execution of sustainable development tasks.

Managers have been assigned sustainable development objectives which are periodically evaluated and reported to the Management Board and Supervisory Board.

Work on the current GO.22 Business Strategy and the CCC Group’s Sustainable Development Strategy was preceded by several months’ work on identifying the situation of the Group and analysing its environment and the way it functioned, with an active and leading role played by the CCC S.A. Management Board, the management boards of subsidiaries, and dozens of the Group’s key managers.

In June 2020, the Management Board of CCC S.A. approved the CCC Group’s Sustainable Development Strategy 2020–2022, which sets out general and specific ESG targets and provides for raising them on an annual basis. The Management Board along with the Sustainable Development Department periodically monitor progress against targets and revise the Strategy.

A report on performance against targets is submitted to the Management Board. All targets were met in 2020.

Procedure for selecting governing bodies of the Company:

- The procedures for selecting the Supervisory Board and the Management Board are set out in the Company’s Articles of Association;
- The General Meeting appoints the Chair and members of the Supervisory Board;
- The Supervisory Board appoints and removes members of the Management Board. [GRI 102-24]

Decisions concerning appointments to the Management and Supervisory Boards are made on the basis of objective criteria. In line with the Diversity Policy applied to the governing bodies and key management personnel of the Company, CCC S.A. makes every effort to ensure versatility and diversity of its governing bodies, particularly with respect to gender, education, age and professional experience, with the main selection criteria being the qualifications, professionalism and competencies necessary for a particular position. In selecting members of its governing bodies, CCC S.A. is guided by equality and non-discrimination.

Supervisory Board members should also have an appropriate education background and professional and life experience, uphold high ethical standards and be able to devote the necessary amount of time to properly discharge their responsibilities on the Supervisory Board. Nominations of candidates for members of the Supervisory Board should be submitted and justified in a manner that facilitates an informed decision. Candidates for Supervisory Board members are also required to provide the Company with written representations to the effect that they meet the independence criteria prescribed in applicable laws.

The Audit Committee

The Audit Committee has been operating as part the Supervisory Board since June 2nd 2016. It serves as a permanent consultative and advisory body for CCC S.A. and the Supervisory Board. Appointed by the Supervisory Board in 2019, the current Audit Committee is composed of:

- Filip Gorczyca, Chair of the Audit Committee;
- Zofia Dzik, Member of the Audit Committee;
- Waldemar Jurkiewicz, Member of the Audit Committee.

The Audit Committee met seven times during the reporting period 2020/2021.

CCC is subject to corporate governance principles set out in the ‘Best Practice of GPW Listed Companies 2016’. CCC makes every effort to comply with all the principles set out in that document. A detailed statement of compliance with the ‘Best Practice of GPW Listed Companies 2016’ forms part of CCC’s annual report for the financial year 2020/2021 and is also published on the Company’s website at <https://corporate.ccc.eu/lad-korporacyjny>.

Evaluating the Management Board’s performance [GRI 102-28]

sets individual targets for each member of the Management Board, which are aligned with the critical aspects of the Company’s operations. The Supervisory Board also evaluates and issues opinions on the performance of the targets twice a year. As the Company’s Supervisory Board consists of members who meet the independence criteria and those who do not, the evaluation is not independent.

The Supervisory Board follows the Rules of Procedure for the Supervisory Board, which are approved by the General Meeting.

Evaluation by the Audit Committee

The main responsibility of the CCC’s Audit Committee is to advise the Supervisory Board on the proper implementation and control of financial reporting processes within the Company, the effectiveness of internal controls and risk management systems, and the selection and oversight of auditors as well as cooperation with auditors.

The Audit Committee’s responsibilities include, without limitation, continuous monitoring of the financial reporting process and submitting recommendations to the Company’s governing bodies to ensure reliability of the process within the Company. The Audit Committee controls and monitors the independence of the auditor. Other responsibilities of the Audit Committee include monitoring of the effectiveness and periodic reviews of the Company’s internal control and risk management systems, as well as its internal audit function. The Rules of Procedure for the Audit Committee are approved by the Supervisory Board.

Evaluation by the General Meeting

The General Meeting evaluates the Supervisory Board by approving the report on its activities and deciding on granting discharge to its individual members at the Annual General Meeting. Furthermore, has the right to remove a Supervisory Board member from office at the General Meeting. The General Meeting may be convened at the request of shareholders whenever they so request during the year, in which case it takes the form of an Extraordinary General Meeting.



1.5. ETHICS AND HUMAN RIGHTS AT THE CCC GROUP

The CCC Group upholds and promotes high standards along its supply chain and strengthens its ethics management system. Ethics is a vital area therefore the CCC Group is committed to developing its values and refining its approach to ethics management by actively managing the area and building relationships with internal stakeholders and external partners based on mutual respect and trust. The area is an important one as any infringement of human rights leads to major reputational damage and financial losses.

Effective management of the supply chain and relationships with partners is an equally important aspect of the Group's operations. The CCC Group uses its best efforts to ensure that human rights are respected and high standards are met in its upstream value chain and business operations.

The GO.22 Sustainable Development Strategy sets the following main goals in value chain ethics and responsibility:

update and implement the new Code of Ethics of the CCC Group in 2021 and disseminate it among all employees of the Group by 2022;

ensure responsible practices in the supply chain by requiring suppliers to comply with the Supplier Code of Conduct and undergo audits.

The CCC Group undertakes numerous initiatives to reduce impacts of the risk of human rights violations in the supply chain, carries out inspections and monitors manufacturing processes and working conditions in factories on a regular basis and conducts social compliance audits of suppliers to evaluate the existing mechanisms and amend them where necessary. The Management Board and the Sustainable Development Department periodically monitor progress towards the goals set out in the Sustainable Development Strategy and adjust their policies and actions accordingly. Examples include the adoption of new ethical values in 2021, update of the Code of Ethics of the CCC Group and the update and expansion of the Supplier Code of Conduct, which now also covers service providers. [GRI 102-16, 103-1, 103-2, 103-3]

1.5.1. Ethical values [GRI 102-16]

The CCC Group is committed to ensuring that employees uphold ethical values, lead by example and observe the rules laid down in the Code of Ethics in their daily work. New values for the CCC Group were developed and approved by the Management Board in 2020. The key ethical values of the Group include:

CUSTOMER AND PRODUCT FOCUS

Focus on internal and external customers so that the mindset helps to build strong relationships. Competencies translate into excellent products matching customer needs and the best shopping experience available on the market.

DYNAMISM, ENTHUSIASM, DEDICATION

Appreciate outstanding dedication and innovative ideas supported by development and succession programmes, and exert real influence on the design and product development process.

OPENNESS AND COOPERATION

Build a culture of feedback, cooperation and openness to change. Work in interdisciplinary/cross-functional teams exchanging experiences and competencies to be able to leverage their full potential to create innovative solutions.

RESPONSIBILITY

Take varied and responsible actions to build an attractive and multinational working environment. Successfully implement the sustainable development plan, minimise environmental impacts of the business and support activities undertaken for the benefit of the environment and society.

PERSONAL DEVELOPMENT

As employees are our most valuable asset, development and promotion paths are created incorporating solutions that facilitate identification of goals and competencies. Management development for more effective direction, inspiration, and team engagement.

Documents and Procedures [GRI 102-16]

The CCC Group and its member companies do business openly, transparently and in compliance with generally applicable laws and internal policies. The CCC Group Code of Ethics provides the foundation for the development of transparent, convenient and equal working conditions. An additional set of considerations and regulations relating to Ethics, Respect for Human Rights and Anti-

Corruption in the CCC Group is covered by documents such as:

- Anti-Corruption Code;
- Whistleblowing Procedure;
- CCC Group Supplier Code of Conduct;
- Chemicals Management Policy;
- Restricted Substance List;
- CCC S.A. Equal Treatment, Non-Discrimination and Anti-Harassment Rules.



OUR VALUES

- 
CUSTOMER AND PRODUCT FOCUS
- 
DYNAMISM, ENTHUSIASM, DEDICATION
- 
OPENNESS AND COOPERATION
- 
RESPONSIBILITY
- 
PERSONAL DEVELOPMENT

The Code of Ethics [GRI 102-16]

The CCC Group Code of Ethics presents the attitudes expected of all employees of CCC Group companies and describes the obligations relating to standards of conduct, regardless of the business area and responsibilities within the Group. The Code of Ethics formulates the key values that reinforce the process of fostering ethical conduct and mutual trust within the Group. The Code is an important complement to legal regulations, setting out a framework and standards of conduct to ensure that the organisation functions in a way that supports building the Group's reputation and value.

The CCC Group Code of Ethics has been in place since 2014. A project to update the Code of Ethics was initiated in 2020, with the update completed and approved by the Management Board in May 2021. The updated CCC Group Code of Ethics reflects the provisions of generally accepted legal norms such as:

- Universal Declaration of Human Rights;
- Charter of Fundamental Rights of the European Union;
- Ten Principles of the United Nations Global Compact;
- ILO (International Labour Organisation) Conventions;
- OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business and Human Rights.

All individuals providing work for CCC Group companies, regardless of the legal form of the employment relationship, are required to comply with the Code of Ethics. The CCC Group expects that the Code of Ethics will also be respected by individuals and entities cooperating with the Group.

The person responsible for overseeing the content of the Code, implementing relevant reporting procedures and overseeing the process of handling Code violation reports is the Ethics Officer, who is supported by the Compliance Officer.

Every Group employee may approach the Ethics Officer if they are in doubt as to whether their conduct, or that of their colleagues, complies with the Code of Ethics, as well as to make suggestions concerning inclusion of additional principles which are not covered by the Code of Ethics. [GRI 102-17]

The process to update the Code of Ethics included improvements to the violation and misconduct reporting system, as described in detail below.

The CCC Group constantly refines the procedures ensuring ethical business practices.

The CCC Group Code of Ethics is available on the Company's official website in a Polish and English language version at <https://corporate.ccc.eu/etyka>.



Conflicts of interest [GRI 102-25]

A conflict of interest arises when an employee's personal interest conflicts with that of the Group.

Employees who are, or believe that they may be, in a conflict of interest situation should immediately report this to their line manager or Internal Auditor. The questionnaire attached as Appendix 1 to the Procedure Manual – Conflicts of Interest should be used to report any conflicts of interest.

All employees must complete and return the questionnaire within 14 days of hire. The conflict of interest declaration must be submitted to the Internal Auditor, who maintains a record of conflicts of interests within the CCC Group, or to the HR and Payroll Department.

The Group's management are required to submit the conflict of interest declarations every year. Conflicts of interest are not disclosed to stakeholders.

Anti-corruption procedures

The CCC Group has a policy of zero tolerance for corruption in each of its business areas. The CCC Anti-Corruption

Code and the Whistleblowing Procedure introduced in 2018 offer a set of ethical standards applicable to CCC and its subsidiaries, which aim, inter alia, to prevent corrupt practices undertaken by persons acting on behalf of or for the benefit of the CCC Group and to improve management processes in order to effectively protect the assets and reputation of the CCC Group.

The Company has in place the Code of Ethics and other regulations, including the Anti-Corruption Code. In addition, CCC S.A. and CCC.eu Sp. z o.o. have implemented the Compliance Policy promoting ethical practices. Moreover, by implementing the Anti-Corruption Code, the Company meets the standards recommended for the compliance management systems with respect to anti-corruption measures and whistleblower protection arrangements for companies listed on markets operated by the Warsaw Stock Exchange.

Also, the Company identifies and assesses the risks of fraud and other misconduct as part of its risk management system on an annual basis, with the results of the assessment reported to the Management Board. The results are also used to review the Anti-Corruption Code annually and to update it as needed.

The CCC Group is committed to ensuring that its dealings with employees and third parties are in compliance with national laws and regulations, considering the cultural context. At the same time, it makes every effort to create an environment that fosters open and honest communication.

The Anti-Corruption Code is available at <https://corporate.ccc.eu/etyka>.

An assessment of corruption risks in the Company's key business areas (investment, logistics, and procurement) was carried out in the financial year 2020/2021. The focus was mainly on the selection and verification of service providers. Corruption risks are described in Section 1.6.2.

In the financial year 2020/2021, all new hires were required to read the Code of Ethics and the Anti-Corruption Code.

Information on anti-corruption policies and procedures is included in the General Terms and Conditions of Purchase

(GTC), which are attached to each request for quotation/proposal. By submitting its offer, the supplier automatically accepts the GTC.

Non-discrimination policy

The CCC Group does not tolerate any discrimination based on gender, age, disability, sexual orientation, race, nationality, ethnic origin, religion, religious denomination or irreligion.

The matters concerning prevention of discriminatory practices at the CCC Group are provided for in the CCC Group Equal Treatment, Non-Discrimination and Anti-Harassment Rules originally adopted in 2017 and amended in April 2021. The purpose of the Rules is to put in place adequate corporate measures and protect the victims of discrimination and harassment. They cover the responsibilities of the employer and employees and the activities of the Conciliation Board, which examines discrimination and harassment cases.

Non-discrimination measures additionally include the principles set forth in the Recruitment Policy. The recruitment policy is based on non-discriminatory criteria and the recruitment process ensures a level playing field for participants and an objective assessment of candidates with the use of appropriate position-specific selection tools.

Communication and training about human rights and anti-corruption policies [GRI 410-1, 412-2]

In order to remind employees of the Group's core values and policies regarding ethics, respect for human rights, non-discrimination and equal treatment, relevant communications are sent to employees by email.

The CCC Group held no human rights training in the financial year 2020/2021.

Respect for human rights in the supply chain
– Supplier Code of Conduct

CCC S.A. is one of the largest shoe manufacturers and one of the fastest growing footwear companies in Europe, and therefore commitment to sustainable development and social responsibility within the Company and along its supply chain is a priority.

The document that governs all social issues in the supply chain is the Supplier Code of Conduct, which has been in place at the CCC Group since 2018. It sets out the standards of conduct for the CCC Group's suppliers with respect to human rights, labour rights, environmental protection and principles of business integrity. The Supplier Code of Conduct and the related compliance monitoring system have been prepared on the basis of international standards and guidelines, including the ILO standards, ISO 26000, SA 8000, guidelines of the Leather Working Group and Fair Wear Foundation, and OECD guidelines for the garment and footwear sector.

To cooperate with CCC, suppliers are required to follow the provisions of the Code in their business. This applies to the supplier's employees and to all its subcontractors or sub-suppliers involved in the execution of orders for CCC.

In the financial year 2020/2021, the CCC Group extended the scope of the Supplier Code of Conduct to also include service providers, and compliance audits were conducted at 64 suppliers, accounting for 45% of all manufacturing suppliers. [own indicator]

The Supplier Code of Conduct is available at <https://corporate.ccc.eu/download/pobierz/kodeks-do-pobrania>

In 2020/2021, the Group adopted a new document, Policies and Best Practices for Collaboration with CCC Group Suppliers, which sets out standards of conduct for CCC suppliers with regard to human rights and other matters. For details, see Section 2.1 and visit the Company's website at <https://corporate.ccc.eu/download/pobierz/zasady-oraz-dobre-praktyki-wspolpracy-z-dostawcami-ccc>.

Prohibition of forced labour [GRI 409-1]

Suppliers do not tolerate forced or compulsory labour. Forced or compulsory labour means all work and service

which is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily. The countries where exposure to this risk in suppliers' activities is the greatest include India, Bangladesh and China. The CCC Group requires its suppliers to accept all principles of the Supplier Code of Conduct, including the prohibition of child labour. In order to eliminate any form of forced or compulsory labour, the CCC Group requires its suppliers to accept all the rules laid down in the Supplier Code of Conduct.

Freedom of association and collective bargaining [GRI 407-1]

Employees of suppliers have the right to associate at their own discretion, to form trade unions and to engage in collective bargaining. Employees must not be intimidated, discriminated against or harassed because of their trade union involvement. The countries where exposure to this risk in suppliers' activities is the greatest include India, Bangladesh and China. The CCC Group requires its suppliers to accept all the rules laid down in the Supplier Code of Conduct.

Child labour [GRI 408-1]

Suppliers are expected not to employ children and not to tolerate child labour. In accordance with ILO Convention No. 138 on Minimum Age, the minimum age of a supplier's employee must not be lower than the age at which a child leaves compulsory education, and in any case not lower than fifteen years. The critical area with a potential risk of child labour is manufacturing. The countries where exposure to this risk in suppliers' activities is the greatest include India, Bangladesh and China. The CCC Group requires its suppliers to accept all principles of the Supplier Code of Conduct, including the prohibition of child labour.

Human rights clauses [GRI 412-3]

In 2019, a new clause was incorporated in the CCC Group General Terms and Conditions of Purchase, which requires all suppliers and contractors providing goods or services to the CCC Group to comply with the rules and regulations contained in the CCC Group Code of Ethics and to apply all provisions contained therein, particularly those relating to anti-corruption, respect for human dignity,

mutual respect, tolerance and environmental protection, in their activities. By signing a purchase order, the supplier /contractor accepts the General Terms and Conditions of Purchase, although some suppliers/contractors make collaboration conditional on compliance with their own General Terms and Conditions of Business. In the financial year 2020/2021, the relevant clauses were signed by 98% of suppliers, with the remaining 2% of suppliers following their own procedures equivalent to those required by CCC.




1.5.2. Misconduct reporting and handling system


Misconduct reporting procedure [GRI 102-17]


The CCC Group is committed to ensuring that its dealings with employees and third parties are in compliance with national laws and regulations, considering the cultural context. At the same time, it makes every effort to create an environment that fosters open and honest communication. Whenever a violation of the law, the rules of Code of Ethics or the Anti-Corruption Code is suspected, any person (whether an employee or a third party) can use the available information tools to report the violation/misconduct. As part of the 2021 update of the CCC Group Code of Ethics, the misconduct reporting and handling system was enhanced.

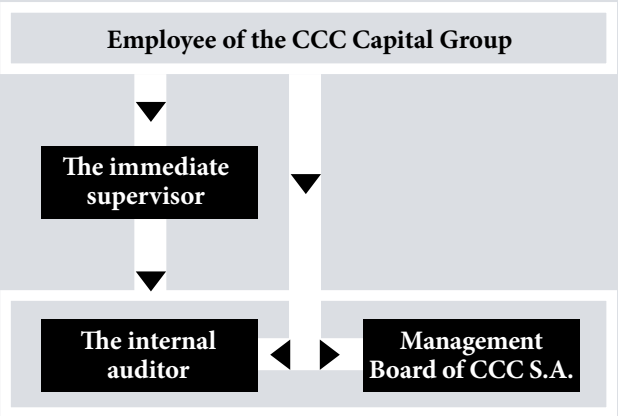
Misconduct reporting mechanism [GRI 102-17]

The following channels can be used to report misconduct:

**contact**
form available on the Company's website at <https://corporate.ccc.eu/etyka>

**dedicated email address**
etyka@ccc.eu

**dedicated automated hotline**
available in Polish and English.



The rules for reporting misconduct and the misconduct prevention policy are set out in the CCC Group Code of Ethics available at <https://corporate.ccc.eu/etyka> and the Misconduct Reporting Procedure available at <https://corporate.ccc.eu/polityki-i-prezentacje>.

Reports management [GRI 102-17, 102-33, 102-34]

Reports are first processed by the Ethics Officer to protect the data of the whistleblowers. Reports are investigated by the Ethics Officer assisted by the Compliance Officer. In extraordinary cases, the Management Board will be involved in investigating a report if it concerns the Ethics Officer or the Compliance Officer.

Local Ethics Officer's Representatives may be appointed at the CCC Group's subsidiaries and affiliates to manage reports of misconduct. The powers and responsibilities of the Representatives will be to locally monitor compliance with the Code of Ethics, handle reports of ethical violations, oversee ethics training, coordinate implementation of ethics regulations at the local level and submit semi-annual reports on their activities to the Ethics Officer.

The flow of information required to investigate a case is handled in keeping with the rules on data privacy, whistleblower protection, and whistleblower anonymity. All individuals involved in the investigation are required to keep information disclosed to them confidential.

In harassment and discrimination cases, a separate report handling procedure is applied due to the serious nature of this type of violations. If misconduct is reported, a Committee is appointed consisting of three members who must not have any links with the case. The head of the organisational unit where the person named in the report is employed may not be a member of the Committee. The Committee is led by the Head of the HR Department. The Committee considers cases during meetings. The proceedings before the Committee are confidential.

Misconduct reports statistics [GRI 102-34]

In the financial year 2020/2021, the CCC Group recorded no cases of:

- corruption [GRI 205-3],

- non-compliance with product and service safety regulations;
- anti-competitive behaviour;
- discrimination and harassment [GRI 406-1];
- non-compliance with environmental laws and regulations [GRI 307-1];
- other proceedings related to economic and social issues;
- product and service safety violations; there were no proceedings regarding anti-competitive behaviour or other proceedings regarding economic and social issues
- non-compliance with product and service safety regulations;
- anti-competitive behaviour;
- discrimination and harassment [GRI 406-1];
- non-compliance with environmental laws and regulations [GRI 307-1];
- other proceedings related to economic and social issues;
- product and service safety violations; there were no proceedings regarding anti-competitive behaviour or other proceedings regarding economic and social issues. [GRI 206-1]

During the reporting period:

- no proceedings were pending against the CCC Group for anti-competitive violations;
- no significant fines or non-financial sanctions were imposed on the CCC Group for non-compliance with social, economic or environmental laws and regulations.

Major personal data protection statistics and activities of the CCC Group

CCC S.A. as well as other CCC Group companies make consistent efforts to ensure compliance with personal data protection laws and regulations. They maintain data protection documentation and keep records required by law:

- mandatory: records of processing activities, categories, access, personal data security breaches, and requests of data subjects;
- optional: personal data processing outsourcing agreements.

The main activities performed by CCC Group companies are responding to requests submitted by data subjects, processing of personal data and advising data subjects of data processing policies laid down in Articles 13 and 14 of the GDPR, ensuring there is a legal basis for data processing

as referred to in Article 6(1) of the GDPR and Article 9(2) of the GDPR, applying the principle of data minimisation when collecting and accessing data, implementing the principle of privacy by design and privacy by default, and ensuring data processing accountability.

The President of the Personal Data Protection Office is not conducting any inspections at the stated companies.

In the financial year 2020/2021, CCC S.A. submitted one report of personal data breach to the President of the Personal Data Protection Office. Proceedings in the case are pending. No personal data breach reports were submitted to the regulator by the other CCC Group companies as no indication of breach was identified. [GRI 418-1]

The President of the Personal Data Protection Office has initiated the following proceedings:

- CCC S.A. – proceedings in one case concerning a customer complaint against the Company's actions (delay in responding to a request for access to data);
- Gino Rossi S.A. – proceedings in one case concerning a customer complaint against the Company's actions (processing of personal data despite withdrawal of consent to receive marketing communications). [GRI 418-1]

All replies to requests from the President of Personal Data Protection Office are provided in a timely and reliable manner.

Personal data protection incidents are followed up with preventive measures seeking to avoid similar occurrences in the future. These include amendments to existing procedures and other corrective measures. Audit and supervisory activities are undertaken with respect to the application of data protection documentation at CCC Group companies. [GRI 418-1]

1.6. MANAGEMENT SYSTEM AND SIGNIFICANT MANAGEMENT RISKS

Management system during the COVID-19 pandemic

In the financial year 2020/2021, the fast-changing epidemiological situation in Poland and globally required the CCC Group to engage in the fight against the coronavirus. Therefore CCC took active measures across the various areas of its activities, as listed below:

Management and leadership

- Establishment of a management emergency team and a crisis management team;
- Appointment of an Emergency Team Coordinator;
- Introduction of restrictions on the physical presence of administrative staff – remote working;
- Implementation of the Group’s business continuity plan;
- Ongoing monitoring;
- Operations briefing;
- Communications/store operations briefing;
- Status of crisis management measures;
- Daily monitoring of the virus spread.

Sales

- Use of mobile phones to stimulate online shopping;
- Increased safety (plexiglass partitions at checkout counters, etc.);
- Product security;
- Application of all available and applicable safety procedures/measures;
- Increased focus on omnichannel (referring customers to online platforms);
- Engaging employees to drive additional sales through SM;
- Webinar training programme set up to increase employee activity.

OHS and administration

- Order of the President of the Management Board introducing a COVID-19 procedure in the event of an infection and a procedure in the event of a suspected infection;
- Introduction of a COVID-19 occupational risk assessment card;

- Introduction of an OHS instruction for sanitising hands and disinfecting high-touch surfaces;
- Remote work (home office) health and safety rules for CCC Group employees;
- Temperature screening gates, temperature checks at the entrance to company offices;
- Monitoring of inventories of cleaning supplies and personal protective equipment (face masks, gloves, disinfectants and sanitisers);
- Monitoring of regulations/legislation related to the COVID-19 pandemic (restrictions, orders, prohibitions);
- Regular disinfection of shared spaces after workday;
- Instructions for operation of the esize.me zone;
- Instructions for customer service during an epidemic emergency;
- Introduction of a store disinfection schedule – disinfecting doorknobs, scanner screens, checkout counters, shoe horns;
- Store webinars – general rules of working in stores during an epidemic emergency;
- Online OHS training for head office and store employees.

HR

- Formalisation of remote working rules;
- Enhanced communication regarding remote working policies;
- Procedure for using private devices for business purposes;
- Action pathway established for standardising regulations and securing grants;
- Flu vaccination campaign;
- COVID-19 testing locations confirmed;
- Readiness to conduct recruitment and training processes online;
- Expanded e-commerce team.

IT

- Digitalisation of document circulation processes – electronic document circulation;
- New mailroom – new document workflows for incoming and outgoing mail;
- Remote work requests;

- Electronic signature for documents (contracts, orders, project charters, clearance slips);
- Introduction of remote working tools;
- Launch of remote access service for all Group employees;
- Introduction of additional security features in the email system and Zoom communication platform.



1.6.1. The risk management system of the CCC Group

Risk management system of the CCC Group [GRI 102-11, 102-29, 102-30, 102-31]

In response to stakeholder expectations and global trends in corporate governance, CCC S.A. has implemented a risk management system covering all areas of the Company's operations. The systemic approach to risk management is based on clearly defined rules arising from the Risk Management Policy and the Risk Management Procedure. In 2019, both documents were reviewed, evaluated, and subsequently updated. The Risk Management Policy applies to all employees of the Group who perform any tasks on its behalf, regardless of the scope and duration of their contracts.

Risk management is part of the company management system, which is a critical element of long-term protection and creation of business value. It includes both business risks causing adverse effects and a potential decrease in business value (negative – threats), as well as risks relating to the execution of strategies and processes and risks accompanying development opportunities (positive – opportunities). Risk management spans all levels of corporate management and is a continuous process.

The purposes of the risk management system in place at CCC are to:

- improve the Company's ability to achieve its objectives and the effectiveness and efficiency of its processes, as well as ensure safety;
- reduce the prevalence of adverse events, ensure better

- preparation for such events and minimise losses incurred as a result of such events;
- support a better use of the organisation's resources and promote continuous improvement.

The risk management system in place at CCC S.A. was designed relying on the guidance provided in the international standard ISO 31000:2012 Risk management – principles and guidelines. The standard sets out the principles which must be followed to ensure effective risk management and it recommends that organisations continuously improve their risk management framework. The basic

assumption is to integrate the risk management process across various corporate areas and the overall corporate governance.

The evaluation of the risk and organisational environment assessment context covers both the internal and external environment. The context assessment includes such elements as social and cultural conditions, political and legal environment, regulations applicable to the organisation, technological conditions, economic situation, natural environment, other economic operators and their activities, etc. Furthermore, key trends and factors that are likely to affect

the objectives of the organisation are also considered, and so are stakeholder relations. The internal environment of the organisation is evaluated mainly in terms of corporate governance, structure and culture (including but not limited to roles and responsibilities, accountability), policies, objectives and strategies established to deliver such objectives, available resources and expertise (e.g. capital, time, people, processes, systems and technologies), IT systems, information flows, decision-making processes (formal and informal), relations with internal stakeholders, their per-



ceptions and values, standards, guidelines and models adopted by the organisation, as well as the form and extent of contractual relationships. Additionally, the organisational environment provides the basis for defining the adopted and approved business objectives and for determining the risk appetite level and tolerance for individual risk categories. The definition of those elements makes it possible to specify the strategic framework of the risk management process throughout the organisation.

The risk management system is based on:

- the corporate structure, which includes the allocation of powers and responsibilities between the companies' governing bodies, business units, organisational units and projects;
- the risk management process, including risk identification, measurement and assessment methods, mitigation measures, risk monitoring, controlling and reporting.

Role of the Management Board and Supervisory Board in the non-financial risk identification and management system [GRI 102-30, 102-31]

SUPERVISORY BOARD

The Supervisory Board exercises permanent supervision over the risk management process and evaluates the adequacy and effectiveness of this process as part of its tasks prescribed by the Articles of Association and the Rules of Procedure for the Supervisory Board, as well as through the Audit Committee, with the Company's Supervisory Board being responsible for the supervision of the risk management process across the CCC Group.

MANAGEMENT BOARD

The Management Board organises and guarantees operation of the risk management system by adopting risk identification and assessment principles, being responsible for the oversight of the risk management process across the CCC Group, while the Management Boards of individual Group companies are responsible for risk management processes in their respective companies.

As part of the above-described risk management process, the Company's Management Board is responsible for the final approval of the risk acceptability threshold, of the Risk Register and the Corporate Risk Map, as well as of the unacceptable risk handling plan. The adopted risk manage-

ment strategy and tactics were also used to assess risks associated with the 2020 COVID-19 pandemic, which necessitated a number of changes in the way risks were managed to provide greater organisational flexibility, with pandemic risk response plans focused on minimising potential financial losses.

Risk reviews are carried out by the Management Board depending on the risk level: once a month as a minimum or once a quarter as a minimum. The Manager of the Internal Audit Department is responsible for reporting risks to the Management Board every six months and to the CCC Supervisory Board on a quarterly basis or whenever the aforesaid bodies so request. Moreover, the Management Board and the Supervisory Board perform reviews of the economic, environmental and social impacts as well as opportunities of the Group at least once a year.

In 2020, as part of the risk management system in place, the Manager of the Internal Audit Department undertook a risk identification exercise with key stakeholders, who evaluated the identified risks and the effectiveness of relevant controls in a self-assessment process. A list of key risks was submitted to the Management Board and the Audit Committee. Response plans were prepared for all unacceptable risks. They are monitored on an ongoing basis and updated as necessary to effectively adjust the related risk mitigation strategies.



1.6.2. Material management risks

LIST OF IDENTIFIED MATERIAL NON-FINANCIAL RISKS [GRI 102-15]

Area	Risk	Details
Management area	Corruption risk Risk of changes in the global economic climate Risk of constraints due to unforeseeable economic and political developments Risk of inadequate sales network efficiency Risk of loss of the brand value and recognition Risk associated with location of the retail stores Risk of the ICT system failure Risk related to insufficiently secured contracts Risk related to fashion trends and unsuccessful collections	Described in Section 1.6.2
Supply chain area	Risk of human rights violations in the supply chain Corruption risk Risk of limited availability of suppliers Risk related to transport (rail, port or warehouse) infrastructure constraints and random events occurring in land transport Risk associated with a shipowner’s conduct (negotiating position)	Described in Section 2.4
Product and customer service area	Risk related to product quality and safety Risk related to customer complaints Risk of insufficient transparency in customer and consumer communication Risk of mistakes in handling customer orders Risk of personal data leakage	Described in Section 2.4
Environmental issues area	Risk of regulatory changes related to environmental protection and climate change Risk of changes in prices of materials and raw materials Risk related to the availability of raw materials Risk of an adverse event involving a breakdown or fire Risk of increased water consumption Risk associated with the use of chemicals	Described in Section 3.6
Labour issues area	Risk of wage pressure Risk of skilled labour shortage Risks to human life and health	Described in Section 4.4
Social issues area	No material risks were identified in the social area	Described in Section 5.4



SIGNIFICANT MANAGEMENT RISKS [GRI 102–15]

Risks description	Risk management approach
1. Corruption risk Corruption involves the possibility of loss of the Group's reputation, imposition of legal sanctions, and significant deterioration of the Group's financial results.	The Group takes the following measures to mitigate the corruption risk: – obligation of the employees and contractors to observe the rules and prevent corrupt behaviour in accordance with the CCC Group Anti-Corruption Code, Code of Ethics, and anti-corruption procedures; – regular identification of corruption risks within the scope of the managers' activities, robust internal control, and ensuring the transparency of processes and activities in terms of anti-corruption; – anti-corruption clauses extending to investment orders; – making available the tools and creating the possibility of anonymous reporting of violations and misconduct (whistleblowing); – anti-corruption training for employees.
2. Risk of changes in the global economic climate The CCC Group operates primarily in the Polish, Czech, Hungarian, Romanian and Slovakian markets, so the consumers' purchasing power is an important factor to the Group. Any deterioration of the economic conditions may have an adverse effect on the Group's operating results and financial standing. The CCC Group also operates in several dozen other foreign markets (including Austria, Croatia, Slovenia, Bulgaria, Serbia, and Russia).	The Group takes steps to mitigate the effects of the risk relating to the general economic climate by: – diversifying its operations in terms of countries in which it is present (reducing the economic situation interdependency between countries); – monitoring the economic situation globally and in the countries relevant to the Group, and adjusting the Group's strategy accordingly; – monitoring important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).
3. Risk of constraints due to unforeseeable economic and political developments Any dynamic changes taking place in the foreign markets with which the CCC Group cooperates may result in international trade constraints due to strikes, conflicts, customs controls, epidemics, etc.	The Group's activities designed to mitigate the effects of the risk associated with the changing political and economic situation include: – diversifying operations in terms of countries in which the Group is present; – monitoring the political and economic situation and adjusting the Group's strategy accordingly; – appropriate inventory management; – development of emergency procedures.
4. Risk of inadequate sales network efficiency It also intends to increase the e-commerce channel's contribution to total revenue. If the Group fails to achieve those objectives, it may lose market share to the competition, which may affect its revenue levels. At the same time, in the event that the sales network development proceeds in a way that is not in line with the market demand, the Group may incur costs in excess of the planned and necessary expenditures.	In order to mitigate the risk of inadequate efficiency of the sales network, the Group has introduced the following solutions: – monitoring of activities undertaken by the competition; – monitoring of the situation in the industry; – monitoring of the macroeconomic situation; – creating a detailed plan and a dedicated team responsible for the implementation of objectives related to the development of own sales network; – launch and development of the ccc.eu online platform; – launch and development of the CCC mobile application; – development of multi-channel sales, with a particular focus on e-commerce.
5. Risk of loss of the brand value and recognition Brand recognition improvement and brand value growth are important factors driving customer retention and contributing to a regular expansion of the customer base, which translates into higher market shares and revenue. A decrease in the brand recognition and value may lead to customer attrition, a drop in market shares and, consequently, lower revenue.	In order to further increase its brand recognition and value, the Group has taken the following measures: – application of appropriate advertising and promotion instruments and media; – store upgrades; – ensuring the presence of stores in prestigious locations; – new channels to reach the client such as mobile applications and the ccc.eu platform; – increased presence in social media; – operating own social media channels with high quality content.

Risks description	Risk management approach
6. Risk associated with location of the retail stores Location of the retail stores is an important factor that determines the brand's attractiveness to consumers. Inappropriate choice of a location may lead to low profitability of a store and may affect profitability of the entire Group. Strengthening of the Group's market position through dynamic development of the retail chain may involve the risks of wrong choice of location and of a limited number of new attractive sites.	In order to ensure an appropriate choice of locations, the Group performs a detailed location analysis before a decision on signing the lease contract is made, and bases its decisions on historical data.
7. Risk of the ICT system failure The CCC Group's business model relies to a significant extent on ICT solutions, which determine a major part of its logistics, procurement, sales and e-commerce processes. Any ICT system failure and lack of adequate contingency plans may result in a temporary interruption of a process, potentially leading to adverse business consequences.	In order to ensure efficient operation of the IT systems and to mitigate the risk of their failure, the Group takes care to have in place an appropriate technological backup of its IT processes and emergency power supply for the key components of its IT structure.
8. Risk related to insufficiently secured contracts This risk is directly related to the potential insolvency of our trading partners and the resulting financial bottlenecks. If such a bottleneck occurs and the contract is insufficiently secured, the Group may lose the shipped goods or a specific amount of money. A potential violation of laws or regulations through, for instance, data leakage or unauthorised use of data and content, gives rise to reputational and financial risks (penalties, fines).	The Group drafts detailed contracts with its suppliers and freight forwarders, standardises contracts, uses contract cards, and verifies contracts in cooperation with the legal department.
9. Risk related to fashion trends and unsuccessful collections The CCC Group is exposed to the risk that its collections of footwear and other products may not appeal to customers.	A factor that facilitates mitigation of this risk is the many years' market experience of the parent as well as constant monitoring of trends in European and world fashion



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SUPPLY CHAIN

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SALES
AND PRODUCT
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RESPECTING
CUSTOMER RIGHTS

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RISKS RELATED
TO SUPPLY CHAIN,
PRODUCT AND
CUSTOMER SERVICE
ISSUES

RESPONSIBLE

product

PRODUCT	2020		Performance
	RAW MATERIALS CERTIFICATION – raise the share of leather from LWG-certified tanneries in production processes		
	• M1: Percentage of leather from LWG-certified tanneries	17%	✓
	RESPONSIBILITY IN THE SUPPLY CHAIN – extend the Supplier Code of Conduct to include service providers		
	• M1: Percentage of suppliers who have signed the Code	Inclusion of investment service providers	✓
	• M2: Percentage of suppliers who have performed audits of compliance with the Supplier Code of Conduct (production)	45%	✓
	POST-CONSUMER FOOTWEAR MANAGEMENT – seek to close the loop by collecting and properly managing post-consumer footwear		
	• M1: The number of collected pairs of used shoes to the number of pairs of shoes sold	Pilot project	✓
	• M2: Percentage of CCC stores participating in the used footwear collection effort	21 stores in Poland	✓

2.1. SUPPLY CHAIN

Effective management of the supply chain and relations with partners is an essential part of the Group’s activities and a guarantee that our products are safe, high quality and manufactured and sold responsibly. Two processes are extremely important in the product area today. One is the pressing need for transition to a circular economy model with a view to optimising the use of raw materials and prolonging the value of products throughout their life cycle. The other is the need to ensure all human rights are respected along the supply chain.

The fast-paced changes in trade resulting from evolving consumer purchasing patterns and new technologies pose a major challenge for the entire retail industry. Our striving for excellence and the aspiration to become the most responsible retail company in the Central European region are among the most important aspects that determine improvement of processes within the supply chain. CCC is also aware of the interdependencies and the wide range of impacts arising from its presence in numerous foreign markets and cooperation with multiple suppliers.

For this reason, effective supply chain management and relationships with partners are an important part of the Group’s activities. These relationships are based on mutual trust, long-standing cooperation, shared goals and values. The CCC Group is committed to delivering a positive partnership experience to its suppliers: it engages in dialogue, visits their factories, discusses any emerging problems and

solutions, and invites the suppliers to the corporate head office in Polkowice.

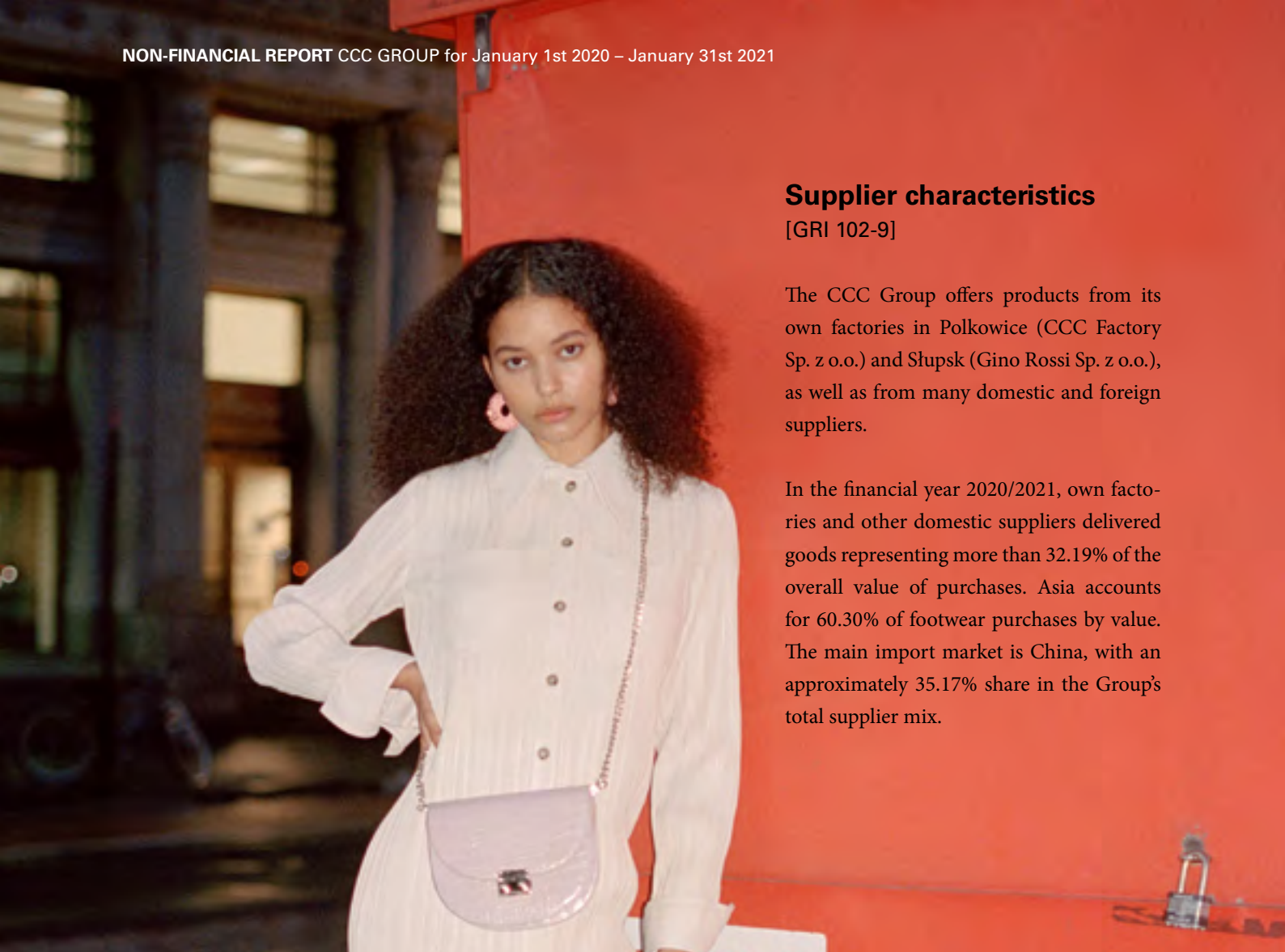
By developing partner relationships and high standards and imposing clear requirements on contractors, the Group minimises its operational and reputation risks, and the suppliers improve the living conditions of their employees and local communities and the performance of their business processes.

Effectively managing the supply chain and marketing responsible products are pillars of the GO.22 Sustainable Development Strategy adopted in 2020. The key strategic elements in this area are to:

- increase the share of leather sourced from Leather Working Group certified tanneries in manufacturing processes to 19% in 2021 and 21% in 2022 compared with the 2019 levels;
- ensure responsible practices in the supply chain by requiring suppliers to comply with the Supplier Code of Conduct and undergo audits;
- close the loop by collecting and properly managing post-consumer footwear – run a pilot project, conduct analyses and set targets for 2021 and 2022.

A detailed description of strategic objectives for responsible product and responsible supply chain is provided in Section 1.2.2.





Supplier characteristics
[GRI 102-9]

The CCC Group offers products from its own factories in Polkowice (CCC Factory Sp. z o.o.) and Słupsk (Gino Rossi Sp. z o.o.), as well as from many domestic and foreign suppliers.

In the financial year 2020/2021, own factories and other domestic suppliers delivered goods representing more than 32.19% of the overall value of purchases. Asia accounts for 60.30% of footwear purchases by value. The main import market is China, with an approximately 35.17% share in the Group’s total supplier mix.

Supplier selection

Long-standing relationships with its trading partners enable CCC to develop common labour standards, with the resulting benefits including satisfaction of strict requirements relating to product safety and quality, timely production and deliveries, as well as respect for human rights and compliance with social and environmental criteria.

CCC.eu Sp. z o.o. of Polkowice, the entity that orders products for the whole Group, sets out standards and implementation guidelines for suppliers to ensure that every product meets customer expectations and is safe to use. CCC.eu Sp. z o.o. builds its base of footwear suppliers based on clearly defined rules aligned with the internal requirements regarding cooperation.

Before a contract is signed, the supplier needs to meet certain requirements in areas such as:

- Price – when selecting its footwear/bags suppliers, Sp. z o.o. looks at pricing and considers which party covers the costs of delivery and transport;
- Production quality and timeliness – which are key factors taken into account when choosing a supplier. CCC only works with reliable partners who are capable of meeting all safety and quality requirements. Suppliers are required to deliver products that meet all required standards and do not pose any risks to the health and life of consumers;
- Potential – which takes into account the production capacity of the plant or factory;
- Service which the supplier is able to offer in the manufacture and delivery of the goods. The quality of machinery and equipment as well as the supplier’s experience in dealing with European customers are very important.

In addition, specific requirements for the production of footwear as well as labour and environmental standards are communicated to each supplier.

Suppliers are selected for more than one season. We search for suppliers capable of meeting relevant requirements and growing with us on multiple levels: design, material quality, manufacturing quality, environmental performance, transport.

The CCC Group has had a base of cooperating factories for years, and its areas of focus for the future are long-term

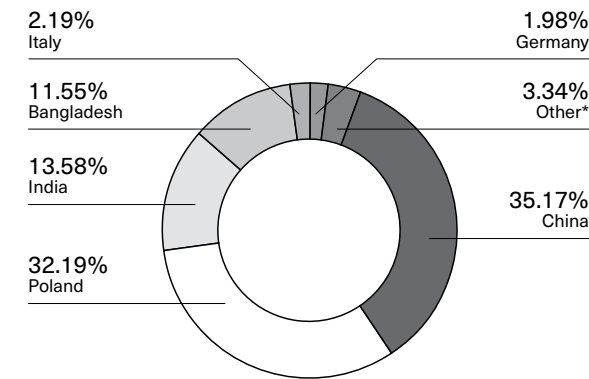
business relationships, manufacturing in Poland, factories producing exclusively for CCC, onsite supervision by CCC staff and regular visits to factories abroad.

More than 17 years of cooperation – 9 suppliers: 5 from Poland, 2 from China, 1 from Italy, 1 from Bangladesh

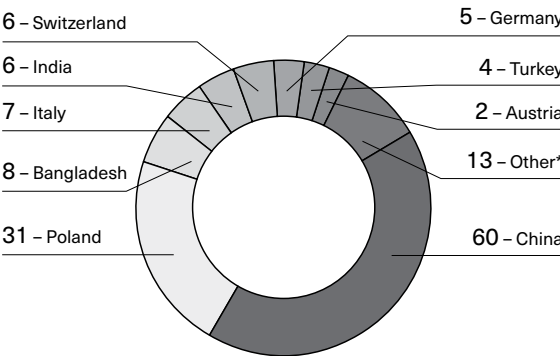
Between 11 and 15 years of cooperation – 19 suppliers: 4 from Poland, 8 from China, 7 from India

In the financial year 2020/2021, the Company worked with over 142 footwear and bag suppliers from Poland and abroad. No major changes occurred in the CCC Group’s supply chain in the financial year 2020/2021. [GRI 102-10]

NUMBER OF SUPPLIERS AND THEIR SHARE BY VALUE IN TOTAL SUPPLIES TO THE CCC GROUP IN 2020



* Other: Switzerland – 0.80%, Netherlands – 0.57%, Serbia – 0.41%, Turkey – 0.41%, Austria – 0.05%, Czech Republic – 0.01%, other – 1.08%, including: Albania, Bosnia and Herzegovina, Spain, Hong Kong, Indonesia, Cambodia, Morocco, Portugal, Tunisia, and Ukraine



*Other: Czech Republic – 1, Netherlands – 1, Serbia – 1, Albania – 1, Bosnia and Herzegovina – 1, Spain – 1, Hong Kong – 1, Indonesia – 1, Cambodia – 1, Morocco – 1, Portugal – 1, Tunisia – 1, Ukraine – 1



22 supply countries
142 suppliers



Cooperation with suppliers

The CCC Group offers its partners a sense of stability, guaranteeing payments for the services provided as well as a minimum guaranteed order volumes required to maintain the continuity of production. The cooperation between the CCC Group and a supplier is based on orders placed for finished goods. Quality and safety requirements, procedures, a schedule and the Supplier Code of Conduct together with the Restricted Substance List are all important elements of the ordering process. The standards which should be met by a supplier with regard to labour and human rights are set out in the Code of Conduct, which is described in Section 1.5.1 and available from <https://corporate.ccc.eu/download/pobierz/zasady-oraz-dobre-praktyki-wspolpracy-z-dostawcami-ccc>.

Suppliers are obliged to:

- implement the standards set forth in the Code in their own business activities and those of their sub-suppliers;
- identify and manage risks with respect to the issues covered by the Code;
- continuously improve and implement potential corrective measures;
- immediately report any events resulting in violations of the Code.

The Code of Conduct was adopted and communicated to suppliers in 2018, with its scope expanded to also cover investment service providers in 2020. The Code has been signed by a vast majority of suppliers (93%). The other ten suppliers have signed separate arrangements with the CCC Group with respect to matters covered by the Code as they have their own supply chain social standards in place. All of them are international private label manufacturers operating their own sophisticated ethics systems and supply chain monitoring tools. Accordingly, all suppliers are covered by the Code of Conduct or equivalent arrangements. In line with the GO.22 Sustainable Development Strategy, the Code is due to be revised in 2021.

Footwear and handbags (excluding third-party brands) undergo product safety tests in accredited laboratories. In 2020, control authorities did not identify any deficiencies involving safety and presence of prohibited hazardous substances in any of the CCC Group companies, and no sanctions were imposed on this account. [GRI 102-34, 416-1, 416-2]

Caring to ensure continuous development and the highest standards of work, the new ‘Policies and good practices of cooperation with suppliers of the CCC Group’ were developed in 2020, which mandate compliance with the Supplier Code of Conduct and address ethical issues, restrictions on the use of hazardous substances in manufacturing, mandatory certificates of origin, and prohibition on the use of real fur in any product made by the CCC Group. The document is intended mainly for designers and buyers, and it is available at: <https://corporate.ccc.eu/download/pobierz/zasady-oraz-dobre-praktyki-wspolpracy-z-dostawcami-ccc>.

Supplier monitoring and evaluation [GRI 412-1]

The CCC Group has established its representatives in high-risk countries who personally check and supervise the factories, control product quality and safety, and verify whether production and employment conditions are in accordance with the CCC Group’s Supplier Code of Conduct.

The main tools for supplier monitoring and evaluation include:

- regular onsite supervision in key factories – hiring permanent CCC staff in Asian factories who are responsible for the production process and for inspecting the conditions in individual plants;
- regular visits of head office staff (Purchasing Division) at factories to oversee compliance with CCC standards.

The CCC Group applies the following criteria to evaluate its suppliers:

pricing;
cooperation;
deductions;
timely deliveries;
qualitative evaluation;
DDH documentation.

During the evaluation process, six suppliers were recommended against. Suppliers classified into this category are notified of their score (and the evaluation criteria) and asked to respond by providing a plan of corrective mea-



asures to address the identified deficiencies. Based on this plan, or no plan, a decision to remove the supplier from the roster or limit business with them is considered. In the financial year 2020/2021, business dealing was suspended with three suppliers, and corrective plans were agreed on with the other three.

Onsite supervision by CCC personnel in Asian factories and regular onsite visits at factory headquarters were suspended in 2020 for the time of COVID-19 pandemic. The CCC Group will resume these practices as soon as the pandemic subsides. No negative supply chain impacts were identified in 2020/2021. [GRI 414-2].

Social audits of suppliers

The CCC Group does not carry out audits on its own. Instead, it obligates its suppliers to present the results of audits conducted by trusted organisations on a regular basis. The Group verifies how many audits have been carried out by its suppliers and checks for compliance with the principles of the Code of Conduct with regard to social and environmental matters. The tools for supply chain management, monitoring, evaluation and auditing are continuously developed and improved. The audits are carried out by organisations which inspect working conditions in manufacturing plants.

Two subsidiaries (Karl Voegelé AG and HR Group) belong to amfori BSCI, an organisation whose mission is to enable each of its members to enhance human prosperity, use natural resources responsibly and drive open trade globally. Therefore, audits of selected factories manufacturing products for CCC are carried out in compliance with amfori BSCI standards.

The choice of suppliers is very important for CCC and it is subject to ongoing review. Based on this review and if any irregularities are identified, the Group, together with the supplier, applies corrective or preventive measures. If any goods are suspected or found to be non-compliant with safety requirements, the Group takes appropriate steps to clarify the situation with the supplier of the goods. Suppliers verify the reported deficiencies and take action to determine their causes. In addition, suppliers contact sub-suppliers, checking the quality of materials used for production. In such a situation, suppliers are obliged to initiate corrective and remedial measures in order to prevent any future recurrence.

The situations described above occur incidentally, however they are still relevant for the evaluation of the supplier. The supplier is warned, monitored and made aware of the consequences of the incident. If the supplier demonstrates commitment to maintaining product safety and quality, the cooperation is continued. In justified cases, CCC reserves the right to suspend or terminate the cooperation.

All contracts and orders contain human rights clauses that require suppliers and subcontractors to comply with applicable rules, laws and regulations. For details, see Section 1.5.1.

In 2020, the CCC Group developed a supply control programme and introduced formal regulations in order to enhance safety oversight in the supply chain, covering such issues as conducting supplier audits and implementing tools to manage, monitor and evaluate activities taken in the supply chain. Performing audits in line with adopted regulations is currently impossible due to the ongoing pandemic.

- The CCC Group’s further commitments for the future:
- verify the origin of materials, especially leather;
 - increase the amount of leather from Leather Working Group certified tanneries;
 - update the Supplier Code of Conduct and extend it to include service providers;
 - educate suppliers on human and labour rights as well as environmental matters.

In 2020, the CCC Group evaluated the environmental performance of seven key suppliers through ISO 14001 audits. No significant or potentially negative environmental impacts were identified in respect of the suppliers. [GRI 308-2]

New suppliers were not evaluated according to environmental criteria due to a limited ability to perform audits given the pandemic developments in 2020. [GRI 308-1]

Logistics

All CCC suppliers deliver ordered goods to the CCC Logistics Centres in Polkowice and Zielona Góra, the key logistics chain links. That is where all new shoe collections are stored before they are sent to individual stores in Poland and abroad.

In line with the stated business strategy, the CCC Group implements new tools and projects leading to increased digitalisation and automation of logistics, distribution and other processes. In the autumn of 2020, the CCC Group completed the implementation of a warehouse navigation system at its distribution centre. The solution is integrated with the PSIWms warehouse management system, allowing Jungheinrich forklifts serving the high-bay warehouse to automatically perform certain functions, such as reaching the target location or picking up the load. The solution does not replace all activities of the forklift operator but

limits them to approving performance of given operations and supervising the correct forklift operation. Using algorithms to optimise transport orders and automating repetitive activities, the CCC Group is set to gradually increase productivity as well as safety.

Another ongoing project to improve distribution and logistics will equip the loading docks of a distribution centre with verification scanners. Their job will be to confirm that the shipping boxes have been delivered to the right dock and are labeled correctly. If a mislabeled or misplaced box is detected, the system will signal the need to put the box aside for verification. The project is being tested using

a prototype. Once the testing is complete, the solution will be replicated in other loading docks.

- The CCC Group is also working on a number of smaller automation and robotisation projects. These include:
- selection of universal transport devices to ensure more ergonomic and efficient loading and unloading operations;
 - automation of the process of securing loaded pallets (practical and economic benefits);
 - implementation of automatic marking and sealing devices to increase the efficiency of the tag marking process, which has been performed manually so far.



2.2. SALES AND PRODUCT SAFETY

Growing consumer awareness, the fast-paced changes in trade resulting from evolving consumer purchasing patterns and new technologies, and implementation of new business models pose a major challenge for the entire retail industry. Long-standing relationships with its trading partners enable CCC to develop common labour standards, with the resulting benefits including satisfaction of strict requirements relating to product safety and quality, timely production and deliveries, as well as respect for human rights and compliance with social and environmental criteria. In addition to the Supplier Code of Conduct, the CCC Group also applies ‘Policies and good practices of co-operation with suppliers of the CCC Group’, which set out clear rules of conduct during the selection of new collections and regulates the ban on goods containing real fur. Launched in March 2020, the ‘Go for nature’ eco-friendly collection offers customers an option to choose products that are manufactured sustainably with all due care and attention paid to the environment. Customers may give their shoes a second life by dropping them off at selected stores in Poland, knowing that they will be used in a responsible manner. During the 2020 pandemic, the CCC Group took a number of steps to enable safe online and offline shopping.

The CCC Group seeks to build positive customer experience and increase satisfaction with customer service during the complaint handling process. All issues reported by customers are analysed, with conclusions and customer suggestions taken into account in designing product and service improvements. [GRI 103-1, 103-2, 103-3]

2.2.1. Sales structure in the financial year 2020/2021

The main product that customers buy in CCC stores is footwear, which represents 79% of total sales. CCC offers both own and third-party (sports) brands. [GRI 102-2]

Product	Share of revenue by value
Footwear	79%
Bags	12%
Other	9%
TOTAL	100%

2.2.2. Product quality labelling

Quality standards [GRI 417-1]

The quality standards for products ordered by CCC are set out in the Supplier Code of Conduct, which also contains a list of prohibited and hazardous substances. All products made for CCC, including packaging and brochures, must comply with all standards applicable in the relevant sales market. All materials are tested by accredited testing laboratories. Suppliers are required to present certificates of tests for harmful substances and a document certifying the material composition of every model.

In 2018, the Supplier Code of Conduct was extended to include provisions on the Restricted Chemicals List (RSL) with a specification of substances and their quantity limits as well as a list of accredited laboratories where suppliers could perform chemical testing.

In accordance with those provisions, suppliers must guarantee that none of the goods supplied contain prohibited substances and contaminants or exceed the thresholds. Suppliers undertake to have each colour and model combination of the manufactured footwear and all components tested by accredited testing laboratories and to carry out all tests for contamination. CCC does not accept products that do not comply with the current RSL. Before shipping any finished goods, each supplier is obliged to present the results of laboratory tests for chemical substances.

All products undergo two quality checks. The first one is carried out by qualified personnel when the product is still at the factory and another one is conducted by a trained team of supply and quality control inspectors when the product arrives at the Logistics Centre

In order to be allowed to be marketed, every product must pass (chemical) safety tests in line with the CCC Group Supplier Code of Conduct. If any irregularities are detected, the product may not be dispatched to the central warehouse in Polkowice. A new batch of footwear must be manufactured and tested.

Every product must be properly labelled and have information visible to the customer about its material composition, price, product type, colour and country of origin. Every

pair of footwear should also contain consumer information on the type of weather for which it is intended and care information. Products with no such labelling are not allowed to be marketed.

Special product labelling

CCC offers a line of products made using green materials and technology, marketed under the slogan ‘Go for Nature’.

The ‘Go for Nature’ collection of shoes and accessories has two major differentiators. Firstly, the manufacturing process is characterised by optimised consumption of water and energy through the use of state-of-the-art technologies, yielding environmentally sustainable products. Secondly, made from organic or eco-friendly raw materials, products of this line will come under three labels: Leather Working Group, Water Based PU and Recycled plastic bottles.

The majority of products in the ‘Go for Nature’ collection are made from leather certified by the Leather Working Group (LWG), an organisation bringing together stakeholders across the entire leather supply chain. LWG certificates are awarded to leather producers committed to the standards of utmost environmental care and efficiency throughout the manufacturing process. LWG aims to promote sustainable business practices, such as not using potentially critical substances in the treatment of hides, as well as reducing water and energy consumption. The share of leather from LWG certified tanneries used by the CCC Group in its manufacturing processes is now 17%. As a result of initiatives taken under the CCC Sustainable Development Strategy, this share is expected to gradually increase to 21% by 2022.

Products (footwear and accessories) marked with the Water Based PU label are manufactured from recycled and environmentally sustainable materials. They contain no harmful substances or animal-derived materials. They are made from water based resin and are free from solvents. In addition, the manufacture of Water Based PU-certified eco-leather and synthetic materials requires a small amount of water and energy. During the manufacturing process, only steam is emitted into the air, meaning that it is virtually free from emissions polluting the air or soil.

The main raw material used to make Recycled plastic bottles-labeled hats, scarves and bags is recycled polyester. Recycled PET (rPET) is high quality, durable polyester fibre made entirely from processed plastic PET bottles. It reduces the output of virgin plastic, as old plastic is re-processed into a new material. Moreover, such production is less energy-intensive, with a reduced amount of carbon dioxide emissions and water consumption. At the same time, a plastic bottle is given a ‘second life’.

Regulatory compliance

The CCC Group complies with the regulations in force in the European Union and in the countries where it markets its products, and with the product quality labelling requirements set out in the Consumer Law (Section 2.3).

In the financial year 2020/2021, two instances of non-compliance with product information, quality marking and labelling regulations were identified. They related to poor product labeling and description and were quickly detected and rectified. The Group did not incur any penalties in relation to these cases of non-compliance. [GRI 417-2]



Customer service

1. Customer Service Standards for Brick-and-Mortar Stores procedure

Our customer service policy is set out in detail in the Customer Service Standards for Brick-and-Mortar Stores procedure, which applies to all retail network personnel in Poland and abroad. The document sets out customer service policies helping to enhance customer experience and optimise work at CCC stores in the following areas:

- store and space organisation;
- customer service – creating a positive environment;
- guidelines on serving customers with disabilities;
- customer service – sale process: Five-Star Sales,
- after-sales service – returns;
- after-sales service – complaints;
- phone calls;
- personnel appearance.

2. E-learning platform for interactive training

As part of an interactive training project, a series of the Sales Standards training courses was created for all members of sales staff in Poland, Austria, the Czech Republic, Slovakia, Croatia, Slovenia, Bulgaria, Hungary, and Romania. The training touches upon customer service as research of customer needs, product presentation, solving customer concerns and sale finalisation.

3. Mystery shopping

Mystery shopping research was carried out at CCC stores in 2020. It consisted in audits carried out in brick-and-mortar stores by qualified interviewers using a mystery customer survey to evaluate areas related to customer service. All elements evaluated in the mystery shopper survey are sourced from the Customer Service Standards for Brick-and-Mortar Stores procedure. The survey was carried out in all stores in Poland, Russia, Ukraine, and Hungary.

4. Customer Service Office

A rapid growth of the e-commerce business and online store launches in new markets led to the expansion of the Customer Service Office, which provides a natural link between customers and CCC. More than 40 people every day answer all kinds of questions about CCC’s offer, product availability, selected product features, and details of shopping via ccc.eu. Customer Service Office staff also help to place an order by phone and provide support to offline stores. As part of its services, the Customer Service Office

works with multiple departments processing online orders, including the orders, customer complaints, finance, and warehouse functions. In addition to assisting customers, it also executes selected processes, such as handling courier complaints.

In 2020, the Customer Service Office expanded its customer communication channels. It can be contacted by customers via a chatbot in selected markets. Jenny, the virtual assistant, is available on Messenger as well as ccc.eu. Customers in Poland may also contact a voice bot if they have questions to ask after the working hours of the Customer Service Office. In Poland in late 2020, tests commenced on a project using WhatsApp in combination with a chatbot, which rendered promising results. The chatbot has been in service for many months in Poland, with the number of interactions initiated by customers every month having exceeded 10,000 sessions. As a result of our consistent efforts to expand the tool, enhance its content and regularly update it, only 2% of all interactions are at some point handed off to Customer Service Office agents.

The Customer Service Office moderates customer reviews for brick-and-mortar stores, works with the Opineo review site and takes care to resolve any reported issues. Thanks to our consistent efforts, we ended 2020 with a score of 4.8, with 94% of customers recommending us on Opineo.



Customer opinion and satisfaction surveys

The CCC Group conducts regular surveys among its customers. The surveys have demonstrated that CCC is the number one brand in Poland in terms of value for money (YouGov BrandIndex survey). Moreover, the NPS (Net Promoters Score) shows that 85% of customers shopping in CCC stores find what they are looking for, 87% are satisfied with the service, and 89% are satisfied with the product range (IQS external survey, November 2019). The CCC Group consistently expands its product range to meet the changing customer preferences.

As the CCC Group's strategy focuses on customer centricity, customer feedback and managing customer relationships are of paramount importance. The year 2020 brought significant changes in this respect. The customer surveys were expanded and closely linked to the information collected by the CRM Team.

Thanks to these innovations, customers making a purchase at CCC brick-and-mortar stores in Poland receive a text message inviting them to complete a satisfaction survey within 24 hours of the purchase. Customer feedback is secured and reported in real time, allowing CCC to identify crises and respond to them immediately.

The key customer satisfaction metric used by CCC is Net Promoter Score (NPS), which came in at 69 in the first quarter of 2021. By linking customer statements with their purchase history, you can see how much potential lies in active customer relationship management. CCC aims to further develop the ecosystem for measuring and managing customer experience, and the next step will be to implement similar surveys in other key markets, including the Czech Republic, Slovakia, Hungary, and Romania.

Sales innovations

The Research and Development Centre covers four research areas, three of which are directly related to customers:

- Research on development of the CCC Group's product range – development of the Lasocki brand (particularly the Comfort Line) towards innovative products with a special focus on health-promoting solutions;

- Neuromarketing research – understanding customer needs – model store (Customer Innovation Centre);
- Analytics (CCC analytics).

The planned R&D projects will deliver the following product innovations:

- footwear with a longer life cycle;
- innovative footwear designs and materials to support convalescence processes;
- designs that increase comfort and safety for people recovering from injuries.

New product solutions are aimed at increasing innovativeness of the Lasocki brand in terms of material and design, usability and quality.

The effectiveness of the CCC Group's research and development activities is confirmed by its presence among the 14 companies comprising the Łukasiewicz INNOVATOR Index, which was launched on the Warsaw Stock Exchange in 2020. The index presents and promotes companies listed on the Main Market of the WSE and on NewConnect that work to expand their potential in partnership with the Polish scientific sector and engage in R&D activities. The research areas include consumer insight, distribution, and product innovation.

As far as the CCC Group is concerned, R&D activities focused on a research project investigating ergonomics of footwear offering health benefits and training in footwear design and technology.

The CCC Group strengthens its position on the FashionTech market, consistently implementing state-of-the-art technological solutions:

1. 3D printing – CCC owns a **Stratasys Object 260 3D** printer for detailed prototyping of design solutions. With the 3D printer, designers have the ability to effectively work in an iterative model, which involves successively applying changes to the developed prototype in order to improve it. The device supports the work of the Creative Department, with 3D designers responsible for print execution, order processing, model development and visualisation. Using the printer, they will create branding elements for shoes, bags, accessories, as well as sole, sole pattern and other designs.

A major advantage of the 3D printer is the ability to obtain very complex geometries, which would be very expensive and time-consuming or altogether impossible with traditional methods. The printer can print a model that includes printed components from different resins. It supports 17 materials with multiple mechanical properties, for instance rigid and strong materials, flexible materials similar to rubber, transparent materials, materials with properties similar to polypropylene, heat resistant materials, and biocompatible materials approved for contact with human skin. This allows complex parts consisting of different textures and colours to be developed as a single print.

The 3D printer is also used by the Marketing and Visual Merchandising Departments to develop functional and structural prototypes of store décor and interior design. The Maintenance Department will use the printer to design specific functional elements of machinery with a preset degree of hardness, strength and high reproduction accuracy.

2. **The humanoid robot Pepper** is available at selected eobuwie.pl stores as a sales assistant.

3. In public spaces in summer holiday months, customers may come across a **mobile Foot Truck**, offering the same products and services as brick-and-mortar stores.

4. **The MODIVO offline store concept** enables customers to order the item they have tried on in a different size or colour directly from the fitting room. The concierge desk plays an important role in the process by handling the entire shopping experience and helping customers to find the right style.

5. **CCC Express** is an innovative logistics service that offers CCC customers in 33 cities across Poland to receive their orders within 90 minutes. CCC Express is an ambitious project launched in Poland that combines online and offline shopping and forms part of the omnichannel strategy pursued by CCC. The service uses the extensive retail network that enables some orders to be filled by offline stores instead of logistics warehouses.

6. The development and launch of **new features in the CCC mobile app**, including app redesign, option to choose a shoe size based on a 3D scan from the esize.me service in the Android operating system, and inspirational content on the app's home screen prepared by famous stylists, translate into a growing number of downloads, which reached close to 4 million in January 2021.



2.3. RESPECTING CUSTOMER RIGHTS

Customer rights are defined in the Consumer Law. Other documents governing the rights of customers in place at the CCC Group are the following:

- Advertising Code of Ethics,
- Customer Complaint Procedure for CCC Brick-And-Mortar Stores,
- Responsibility and Contacts – Complaints Department and Customer Service Office;
- CCC S.A. Product Return Rules;
- Customer Service Standards for Brick-And-Mortar Stores;
- CCC Shoes&Bags Website Rules;
- CCC Club Customer Loyalty Programme Rules.

After-sales service

The CCC Group seeks to build positive customer experience and increase satisfaction with customer service during the complaint handling process.

The CCC Group is committed to delivering products free from physical and legal defects. If the quality of the purchased product is not as described in the contract, the customer may lodge a complaint. This applies both to products purchased in brick-and-mortar stores and products purchased online.

The documents that govern complaint-related matters are the Rules for Lodging Complaints about Products Purchased in CCC Brick-and-Mortar Stores and the Rules for Accepting Complaints about Products Purchased in the Online Store, which are available at www.ccc.eu. Complaints are considered pursuant to applicable legislation, including, without limitation, the Civil Code of April 23rd 1964 and similar regulations in other countries.

Customers should be informed about the complaint handling procedure applied by the company. Relevant information is posted on our website at <https://ccc.eu/pl/reklamacje> and provided directly by sales personnel.

As part of the after-sales services, customers who have purchased a product in a CCC brick-and-mortar store may lodge a complaint in any store belonging to the network anywhere in Poland. Complaints about products purchased in the CCC online store may be submitted via the website or in any brick-and-mortar store in Poland.

The complaint form contains a information on the possibility of using out-of-court complaint and claim settlement methods. CCC S.A. agrees to out-of-court settlement of consumer disputes, which aims to amicably resolve disputes between customers and traders. The procedure, introduced by the Act on Out-of-Court Consumer Dispute Resolution, aims to resolve cases faster, usually free of charge and in a much less formalised way than proceedings before a common court. Independent experts help the parties to reach an agreement.

All problems reported by customers are analysed. Conclusions from complaint analysis and customer suggestions are taken into account in designing product and service improvements. The outcomes of the adopted policy include increased satisfaction of customers with the complaint handling process and improved communication skills of employees who have received customer service training. An ambiguous or questionable situation is decided in a way that seeks to ensure full customer satisfaction.

In 2020, 262,908 customer complaints were reported for Poland. The total number of customer complaints at the CCC Group* in the reporting period was 425,202. The CCC Group’s complaint ratio, which is the number of complaints to the number of products sold, was 0.78% in the financial year 2020/2021. [own ratio].

*Data for Poland, Czech Republic, Slovakia, Austria, Hungary, Slovenia, Croatia, Bulgaria, Romania, and Serbia.



Marketing communication

In its marketing communication, the CCC Group is guided by several important principles:

- advertising must not be misleading;
- advertising must not create the impression that there is no obligation to pay for the product;
- advertising addressed to children or youth must not contain content that poses a risk to health or safety and must not exploit their natural credulity or lack of experience;
- advertising must be clear and understandable;
- advertising must not undermine public trust in properly implemented environmental protection initiatives;

- information about the CCC Group’s event sponsorship stated in marketing communications must be clear and must not violate good morals, and the sponsored events must not create adverse environmental impacts, must be compliant with generally accepted ethical principles, good morals and social norms;
- in its communications the CCC Group does not promote attitudes that question animal rights,
- CCC sales promotions do not abuse trust of the recipients and do not exploit their potential lack of knowledge or experience

In order to ensure compliance with applicable rules, an Advertising Code of Ethics has been developed to ensure that advertising is not misleading and that recipients are protected against unethical and unfair advertising content. The Code is a set of rules defining what is acceptable in the Group’s advertising message content and what is unethical. It promotes responsible advertising practices and addresses challenges posed by the dynamic market. The Code governs all aspects of the CCC Group’s marketing communications, taking into account the specific nature of the various types of media. It contains specific provisions prohibiting, inter alia, discrimination on the grounds of gender, religion or nationality, use of content encouraging violence, and abuse of recipients’ trust, lack of experience or knowledge. The Advertising Code of Ethics is due to be adopted in 2021.

As a responsible company, CCC is committed to respecting consumer rights. In order to minimise questionable situations, we make every effort to ensure that communication with customers is simple and complete and that it exhaustively explains a product’s characteristics, price and ongoing sales promotions. Both electronic communications and promotion rules clearly state the categories of products covered by the marketing campaign, the terms of sale and discount rules. Depending on the type of sales promotion, we inform customers on whether they must incur extra costs in addition to the product price.

CCC customers may read detailed terms and conditions of sales promotions on <https://ccc.eu/pl/regulaminy-promocji>, where the terms and conditions of promotions run at offline and online stores are published.

No instances of non-compliance regarding marketing communications were identified in the financial year 2020/2021. [GRI 417-3]

Customer privacy

CCC respects the privacy of its customers by ensuring compliance with applicable laws and guidelines and recommendations of regulatory bodies. Seeking to ensure transparency of information for its customers, CCC has published privacy and cookie policies that provide information about the processing of personal data of CCC customers. Whenever a customer undertakes any actions that may involve the processing of its personal data or may involve the Company’s interference with the customer’s

privacy, the customer is notified accordingly and provided with information on the purposes of such activities.

In the financial year 2020/2021, no activities were identified that would have resulted in a breach of privacy of CCC customers.

CCC Group constantly strengthens its fashion image. In 2020, the Group’s premium fashion store Modivo and women’s brand DeeZee became partners and sponsors of the 9th edition of Top Model.

Modivo sponsored the main prize of PLN 100 thousand and a cover shoot for Glamour magazine. In one episode, Modivo along with the Guess brand did an e-commerce photo shoot as a special assignment. The winners of the challenge became the faces of the brand’s winter holiday campaign. The Guess brand and Modivo products were also featured on two Glamour covers together with all Top Model contestants and the winner.

DeeZee sponsored the show for another year in a row, and it also prepared a special assignment for the participants in one of the episodes. The winners took part in a dedicated photo shoot for DeeZee’s advertising campaign.

In the 22nd edition of the Fashion Excellence competition run by Twój STYL monthly, CCC was awarded in the popular online store category and modivo.pl in the premium online store category. The Fashion Excellence is a prestigious award for designers and companies, with original designs and quality workmanship as the key elements considered by the judging panel.

2.4. RISKS RELATED TO SUPPLY CHAIN, PRODUCT AND CUSTOMER SERVICE ISSUES

CCC has clearly defined risk management rules that help to effectively minimise the risk of adverse internal events and mitigate the effects of unfavourable external developments. They ensure the safety of the Company’s business activities, effective decision making and achievement of the objectives stated in the CCC strategy.



SUPPLY CHAIN RISKS

Risks description	Risk management approach
<p>1. Risk of human rights violations in the supply chain [GRI 408-1, 409-1]</p> <p>According to data provided by the ILO (International Labour Organisation*, supply chains are particularly vulnerable to human rights violations. Key risks for the supply chain include: child labour, forced labour, violations of fundamental workers’ rights, non-compliance with minimum wage legislation, violations of the freedom to associate.</p>	<p>The Group takes measures to minimise the impact of the risk of human rights violations in the supply chain by:</p> <ul style="list-style-type: none">– using a risk assessment system to monitor and identify material risks in the supply chain;– monitoring, evaluating and enhancing safety oversight in the supply chain (regular factory inspections and monitoring to check the production process and working conditions, social audits of suppliers);– taking steps to reduce risk;– enforcing compliance with the Supplier Code of Conduct;– offering broad access to training and procedures supporting the prevention of discrimination, sexual abuse and harassment at work;– obtaining information about the origin of materials and developing an audit system to enable dialogue with local employees and other stakeholders, including trade unions. <p>CCC has clearly defined risk management rules that help to effectively minimise the risk of adverse internal events and mitigate the effects of unfavourable external developments. They ensure the safety of the Company’s business activities, effective decision making and achievement of the objectives stated in the CCC strategy.</p>
<p>2. Risk of limited availability of suppliers</p> <p>This risk is associated with overloaded transport points and lines that may increase in-transit times and transport costs.</p>	<p>The Group takes steps to mitigate the effects of the risk associated with the limited availability of suppliers by diversifying carriers and suppliers, planning and using different transport routes, introducing carrier policies and performing service quality control (transport prices).</p>
<p>3. Risk related to transport (rail, port or warehouse) infrastructure constraints and random events occurring in land transport</p> <p>Any disruptions in the transport (rail, port or warehouse) infrastructure or random events occurring in land transport carry the risk of supply constraints that may lead to deteriorated efficiency and regularity of production and sales.</p>	<p>The Group takes steps to mitigate the effects of the risk by diversifying its carriers, using different transport routes, and flexibly switching to road transport.</p>
<p>4. Risk associated with a shipowner’s conduct (negotiating position)</p> <p>This risk arises when the conduct of a shipowner is in conflict with the Company’s interest. It also extends to situations where the terms of contracts for maritime transport are unfavourable but cannot be changed due to the strong position of the shipowner.</p>	<p>The Group takes steps to minimise the risk by fine-tuning contracts with shipowners, forwarding, and creating options to redirect freight of products to land transport.</p>

*<https://www.ilo.org/global/topics/forced-labour/statistics/lang--en/index.htm>.

PRODUCT AND CUSTOMER SERVICE RISKS

Risks description	Risk management approach
<p>1. Risk related to product quality and safety</p> <p>Insufficient attention paid to product quality may cause a threat to the health of customers wearing the Group's products.</p>	<p>The CCC Group conducts product quality and safety inspections, and commits suppliers to comply with the procedures, schedules and standards contained in the Supplier Code of Conduct and product quality and safety requirements. The CCC Group also ensures that products are made of certified materials which meet health and safety and environmental requirements. For example, the Go for Nature products are made of leathers sourced from environmentally friendly tanneries certified in accordance with the Leather Working Group Protocol.</p>
<p>2. Risk related to customer complaints</p> <p>Mistakes in the handling of complaints, resulting from poor knowledge of complaint-related regulations or applicable internal procedures, may affect customer relationships, threaten brand image or cause market supervision authorities to impose sanctions.</p>	<p>The CCC Group seeks to build positive customer experience and increase satisfaction with the service during the complaint handling process by implementing procedures and regulations regarding comprehensive customer service and complaint process optimisation (Customer Service Standards for Brick-and-Mortar Stores, Product Return Rules, Customer Complaint Procedure for CCC Brick-and-Mortar Stores, Instruction for Shortened Complaint Process in Brick-and-Mortar Stores, etc.), upgrading tools supporting customers and development of the Customer Service Office, and organising e-learning courses for employees addressing customer service issues. Online workshop training is planned to be implemented.</p>
<p>3. Risk of insufficient transparency in customer and consumer communication</p> <p>Mistakes in communication regarding price, sales promotions, product labelling:</p> <ul style="list-style-type: none">– important product characteristics, such as properties, composition, methods of manufacture, fitness for a purpose, quantity and place of origin;– product value, actual price and payment terms;– terms of delivery, replacement, return, repair and care;– warranty conditions;– intellectual and industrial property rights, particularly patents, names, trade marks and industrial designs and models;– official permits and approvals, awards, medals and certificates of recognition, scope of the company's charitable giving;– sales promotion rules, terms and conditions for participation in sales promotions.	<p>The Group takes steps to mitigate the impact of the risks associated with insufficient transparency of information provided to customers and consumers. In order to minimise questionable situations, tools are implemented to ensure that communication with customers is simple and complete and that it exhaustively explains a product's characteristics, price and sales promotions. The Group also works to extend its comprehensive customer service operations, implements marketing communication and advertising regulations (sales promotion rules, Advertising Code of Ethics, etc.), and expands the Customer Service Office.</p>
<p>4. Risk of mistakes in handling customer orders</p> <p>Mistakes in filling customer orders placed via the online store, leading to longer delivery times or wrong product delivery.</p>	<p>In order to minimise the risk of mistakes in handling customer orders the Group:</p> <ul style="list-style-type: none">– implements reports and processes to monitor the correctness of the order filling process;– monitors the work of employees;– tests solutions before implementing them in production;– optimises processes to minimise the risk of an employee making a mistake.
<p>5. Risk of personal data leakage</p> <p>Mistakes resulting in the disclosure of customers' personal data to third parties.</p>	<p>In order to minimise the risk of personal data leakage, the CCC Group:</p> <ul style="list-style-type: none">– provides employees with training in personal data processing;– monitors the quality of work performed by employees who work with personal data;– optimises processes to minimise the risk of an employee making a mistake;– develops operating procedures in case of a personal data leak.



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SIGNIFICANT RISKS
IN RELATION TO
ENVIRONMENTAL
ISSUES

Natural

ENVIRONMENT

3

Natural ENVIRONMENT

NATURAL ENVIRONMENT	2020		Performance
	GREENHOUSE GAS EMISSIONS REDUCTION – calculate greenhouse gas emissions, identify their sources and reduce greenhouse gas emissions at a rate that facilitates the implementation of the Paris Agreement and the European Union’s climate policy		
	• M1: Accuracy of greenhouse gas emission data	Calculation of Scope 1 and Scope 2 emissions	✓
	• M2: Adoption and approval of greenhouse gas emission reduction targets	Setting reduction targets for Scope 1 and Scope 2 emissions	✓
	• M3: Scope 1 and Scope 2 greenhouse gas emission reduction vs 2019 Reduction of total Scope 1 and Scope 2 greenhouse gas emissions vs 2019	-2%	✓
	ENERGY EFFICIENCY – increase electrical energy efficiency across the CCC Group		
	• M1: Reduction of electricity consumption per pair of shoes sold vs 2019	-2%	✓
	CIRCULAR ECONOMY – incorporate the principles of circular economy into the CCC Group’s operations to reduce waste and demand for virgin materials		
	• M1: Implementation of the circular economy approach	Mapping (identification and analysis) of raw material flows within the CCC Group’s value chain	✓
		Analysis of the principles set out in the Circular Economy Action Plan (update of March 2020)	✓
	• M2: Environmentally sustainable packaging	Phase-out of plastic bags in all CCC Group stores	✓
	• M3: Ecodesign	Identification of principles and criteria compatible with ecodesign	✓

At the time of climate crisis, caring for the environment is not only a matter of good will but, first and foremost, our duty and an essential element of doing business. As a leader of the footwear industry, CCC recognises its responsibility to use natural resources responsibly and minimise its adverse environmental impacts. In order to keep a balance between constant business expansion and environmental responsibility, the CCC Group strives to mitigate the negative impacts of its activities on the environment, reduce waste, reduce energy consumption and greenhouse gas emissions, build environmental awareness, manage supply chains efficiently and invest with attention paid to environmental sustainability. This approach takes the form of numerous activities carried out by the CCC Group within the framework of its Environmental Policy and GO.22 Sustainable Development Strategy, which are tailored based on international and EU directions, strategies, guidelines and emerging laws and regulations. The CCC Group recognises its impacts on the environment and climate in various areas of the value chain, the supply chain in particular, therefore it commits its suppliers to compliance with environmental regulations and rational use of resources. The CCC Group consistently monitors and evaluates the implemented measures, revises the set strategic objectives, monitors its environmental impact and conducts audits of its suppliers in order to be able to actively manage the environmental area and implement solutions that benefit both the organisation and the environment.

The overriding environmental goal is to minimise the negative impact of our business by further reducing greenhouse gas emission indicators, increasing electrical energy efficiency and reducing waste volumes (in each case by 7% by 2022 compared with the 2019 levels) and implementing circular economy principles. The CCC Group also set itself targets for increasing the number of the Go for Nature eco-friendly product lines and raising the percentage of recyclable cardboard packaging to 80%.

In response to expectations expressed by its key stakeholders and in line with its commitment to doing business sustainably, the CCC Group constantly monitors trends and innovative solutions designed to reduce CO2 emissions through a series of pro-environmental activities, regular energy consumption measurements, and identification and elimination of waste. These measures are supported by

the working group of employees from various areas, Green CCChallenge, who seek to maximise energy efficiency at the Company. The progress and results of these measures are reported periodically to the Management Board. [GRI 103-1, 103-2, 103-3]

In the financial year 2020/2021, the CCC Group implemented the following measures to deliver on the environmental responsibility goals set out in its sustainable development strategy:

- Scope 1 and 2 greenhouse gas emissions were calculated, their sources were identified and reduction targets were set to reduce greenhouse gas emissions in support of the Paris Agreement and EU Climate Policy.
- The working group Green CCChallenge was assembled to work on energy efficiency improvements and new investments that would effectively contribute to reducing the carbon footprint and waste generation.
- Analyses of the risks, threats and opportunities associated with climate change were carried out and incorporated into the CCC Group’s risk management system.
- Implementation of the principles of circular economy commenced in order to ensure better use of raw materials and waste reduction.

The environmental goals are reviewed periodically and overseen by the Management Board and the Audit Committee.

3.1. DOCUMENTS
AND PROCEDURES

In order to maintain a balance between the CCC Group’s continuous growth and mitigation of its adverse environmental impacts, the Group consistently implements its Environmental Protection Policy, Environmental Strategy 2019–2021 and GO.22 Sustainable Development Strategy.

The Environmental Protection Policy is based on the following six pillars:

MINIMISING
ENVIRONMENTAL IMPACTS

Identifying, measuring and monitoring direct and indirect environmental impacts and applying practicable mitigation solutions. To this end, a corporate environmental strategy has been implemented along with a system for managing environmental footprint indicators to gradually reduce them. Major environmental impacts are monitored.

REDUCING ENERGY CONSUMPTION
AND GREENHOUSE GAS EMISSIONS

- Using energy from renewable sources.
- Employing the latest technologies to reduce energy consumption related to the use of office, sales and warehouse space in the future.

FOSTERING ENVIRONMENTAL
ATTITUDES AND AWARENESS

Educational campaigns increasing environmental awareness and promoting pro-ecological attitudes among employees and customers as well as children and youth from local educational institutions.

REDUCING WASTE

Initiatives promoting responsible waste management and optimisation of the generated waste volumes, including in particular waste packaging in logistic processes (e.g. storage and production), and waste recycling.

ENHANCING RATIONAL USE
OF RAW MATERIALS IN THE SUPPLY CHAIN

Reduced consumption of raw materials and materials in supply chain processes through their efficient management.

INVESTING WITH DUE REGARD
FOR THE NATURAL ENVIRONMENT

Deployment of modern technological solutions to minimise environmental impacts of new infrastructure projects.

The Environmental Policy applies to all CCC Group companies regardless of their business profile and can be adopted in its entirety by individual CCC Group companies, which are free to further improve best practices.

Work on updating the environmental policy and strategy began in 2020 and is due for completion in 2021.

Environmental responsibility is one of the pillars of the GO.22 Sustainable Development Strategy adopted in 2020.

- The key strategic elements of environmental sustainability:
- achieve a 7% reduction in Scope 1+2 greenhouse gas emissions by 2022 compared with 2019;
 - calculate Scope 1, 2 and 3 emissions (from sources accounting for 60% or more of Scope 3 emissions);
 - approve reduction targets for Scope 1,2 and 3 emissions under Science Based Targets* by 2022;
 - achieve a 7% reduction of electricity consumption per pair of shoes sold by 2022 compared with 2019;
 - improve the energy efficiency of stores and the head office as per targets set for 2021;
 - incorporate the principles of circular economy into the CCC Group’s operations;
 - use environmentally sustainable packaging.

For a detailed description of strategic environmental goals and measures, see Section 1.2.2.





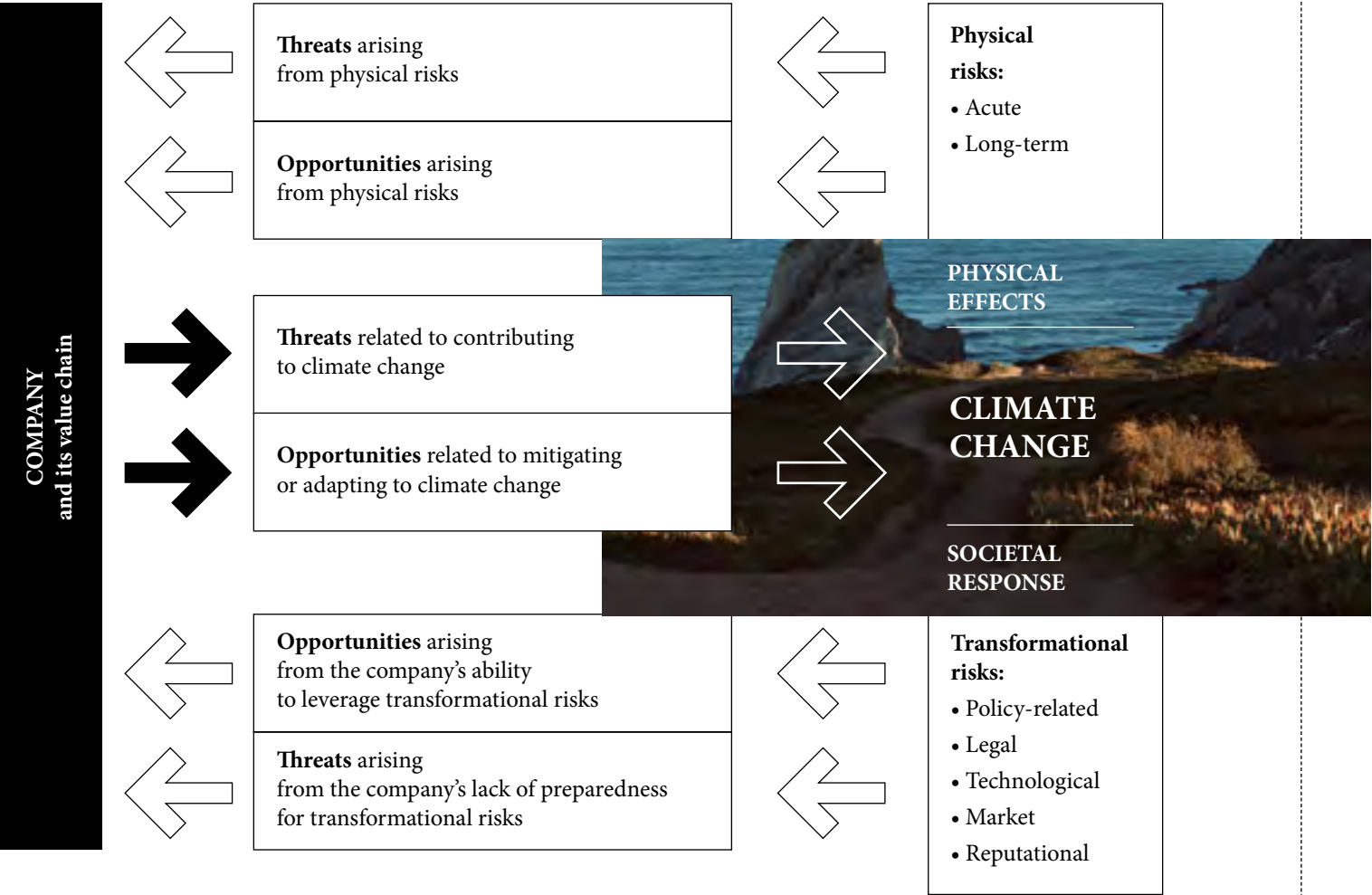
In the financial year 2020/2021, the CCC Group embarked on a series of initiatives to support delivery of its environmental goals:

- We promoted the Code of Ethics and the Supplier Code of Conduct among our employees.
- We stopped using plastic bags at CCC stores and on the ccc.eu and eobuwie.pl online platforms. We only use recycled bags and packaging. Medium and large bags are labelled with the FSC mark, which is a guarantee they are made from responsibly sourced materials. We help our customers make ethical and responsible purchasing decisions. Also, our e-commerce channels only use shipping boxes and packaging that are made of recycled materials.
- We launched a collection of reusable bags from recycled materials, CCC FASHION TRENDS, each featuring a bottle-shaped tag with detailed information on the material used to make it.
- We reduced the waste streams and the number of repackaging operations, and started to reuse bulk cartons at the warehouses and in distribution.
- We refined smart building management systems to reduce energy consumption, including at the Shared Service Centre, the CCC office in Warsaw, and in one of the office buildings in Polkowice.
- In our brick-and-mortar stores we got rid of all unnecessary sources of energy consumption and switched off the standby mode on all devices except for the server power supply.
- A working group consisting of CCC employees from various areas was assembled to maximise energy efficiency at the Company. Regular measurements of energy consumption and identification and gradual elimination of waste were planned under the Green CCChallenge project. The key elements of the project are to engage CCC employees and build their environmental awareness and to make employees and external stakeholders realise that small changes in everyday life can contribute to delivering environmental goals and eliminating unsustainable behaviours and threats to the environment.
- We eliminated harmful gas (hydrogen) emissions from recharging of hydrogen-powered forklift trucks by switching to a fleet of trucks powered by lithium-ion batteries.
- We reduced paper usage by shifting to electronic document circulation.
- We introduced waste sorting, setting up several waste segregation points and delivering comprehensive waste management training to employees.
- We use hybrid cars for business purposes. Hybrid cars account for ca. 30% of the fleet used by CCC S.A. and CCC.eu. Sp. z o.o.
- CCC received an accession certificate to EKO Biznes, a product of the Tauron Group developed in partnership with the Polish Association for Energy Certification (PTCE). The Company agreed to purchase electricity from high-efficiency cogeneration (simultaneous generation of heat and power), which accounts for some 15% of total electricity used by the CCC Group. From the beginning of next year, all electricity purchased by the Company will come from renewable sources, including hydropower and wind.

Also, measures are taken to build environmental awareness among employees and customers. The CCC mobile app offers simple tips on how to go green at work, at home and in your immediate environment.

3.2. CLIMATE CHANGE

The CCC Group is aware of its impact on climate change and of climate change on the Group’s operations.



Climate change impacts of the CCC Group [GRI 201-2]

The CCC Group’s impact on climate change can be seen mainly in the following areas:

- fuel and energy consumption and the related greenhouse gas emissions from the Group’s operations (in particular electricity consumption in the Group’s retail chain, two own production plants and its suppliers’ manufacturing facilities);
- greenhouse gas emissions from transport (both transport of products to the stores and to retail customers who use

e-commerce platforms, and transport of raw materials, consumables and goods to the CCC Group);

- producing raw materials and materials used to make footwear (including natural leather and fabrics which entail plant cultivation and livestock farming in the upstream value chain as well as operations of the extraction, petrochemical and chemical industries providing synthetic leather and fabrics, rubber, adhesives, varnishes and paints).

Impact of climate change on the CCC Group [GRI 201-2]

Currently climate change has limited, albeit material, impact on the CCC Group with regard to physical risks. However, this impact is anticipated to increase in the future.

The growing unpredictability of weather conditions, which has been seen for a number of years, and the blurring of seasons have been identified as a material environmental risk (described in detail in Section 3.6) and have a direct effect on the demand for the Group’s products.

Climate change-related issues identified in the area of transformational risks, i.e. those resulting from humanity’s response to climate crisis challenges, involving changes in legislation, consumer behaviour patterns, demand, industry standards and regulatory environment will be a factor of growing importance to the CCC Group’s operations in the foreseeable future.

The CCC Management Board decided to take a number of initiatives to adapt the Group and increase its resilience to climate change, starting from 2020. These initiatives include:

- analysis of short-, medium- and long-term risks, threats and opportunities associated with climate change, as described below in this Section;
- scenario analysis of resilience of the Group’s business model and strategy to climate change under scenarios assuming global average temperature increases of below 2°C and above 2°C compared with pre-industrial levels (planned);
- identification of resilience of the Group’s strategy to climate change under various scenarios and of financial impacts associated with climate change (planned);
- development and implementation of the CCC Group’s climate policy (planned).

These initiatives should help us adapt and adequately respond to such challenges of climate change as:

- the requirement to reduce greenhouse gas emissions by about 55% over the next decade and achieve climate neutrality by 2050 as part of the implementation of the EU’s European Green Deal strategy and the Paris Agreement;
- the introduction of the carbon tax or carbon border tax in the European Union, whose concepts have been out-

lined in the European Green Deal and which, if introduced, could significantly affect the CCC Group as an international business relying heavily on production in non-EU countries;

- expected major restrictions and new, more stringent emission standards in transport, especially in air and road transport;
- limited availability or potential increase in prices of natural raw materials (leather and natural fabrics);
- stricter laws and regulations applicable to raw materials and waste as the circular economy approach is gradually implemented across the European Union;
- expected further increase in electricity and heat prices in



Poland due to the need for accelerated decarbonisation of Poland’s energy sector;

- changes in the availability of financing depending on the degree of compliance of the Company’s business with the EU’s Sustainability Taxonomy.

The Management Board’s approach to climate change is informed by the analysis of short-, medium- and long-term climate change risks, threats and opportunities carried out in 2020. The next step is the planning phase (development of climate policy and strategy), which has commenced in 2021, and implementation of the proposed solutions. In addition, the Management Board’s analyses and activities regarding climate change are supervised by the Company’s Supervisory Board.

Climate risks at the CCC Group

In 2020, the CCC Group carried out an exercise to identify and analyse risks, threats and opportunities related to climate change. The exercise was conducted in collaboration with MATERIALITY, an external consultancy, using the AXIS (Amplification, eXclusion, Intensification, Seizure) methodology as a three-stage process:

- analysis of material climate risks in the comparative group;
- questionnaire survey of a CCC expert group;
- calculation of results and classification of identified risks, threats and opportunities.

Thirty-two physical and transformational risks were examined, covering a total of 36 threats and 25 opportunities associated with climate change. In accordance with the applied methodology, those risks, threats and opportunities whose likelihood or magnitude exceeded the specified boundary values were considered material. Three parameters were used in examining the threats and opportunities:

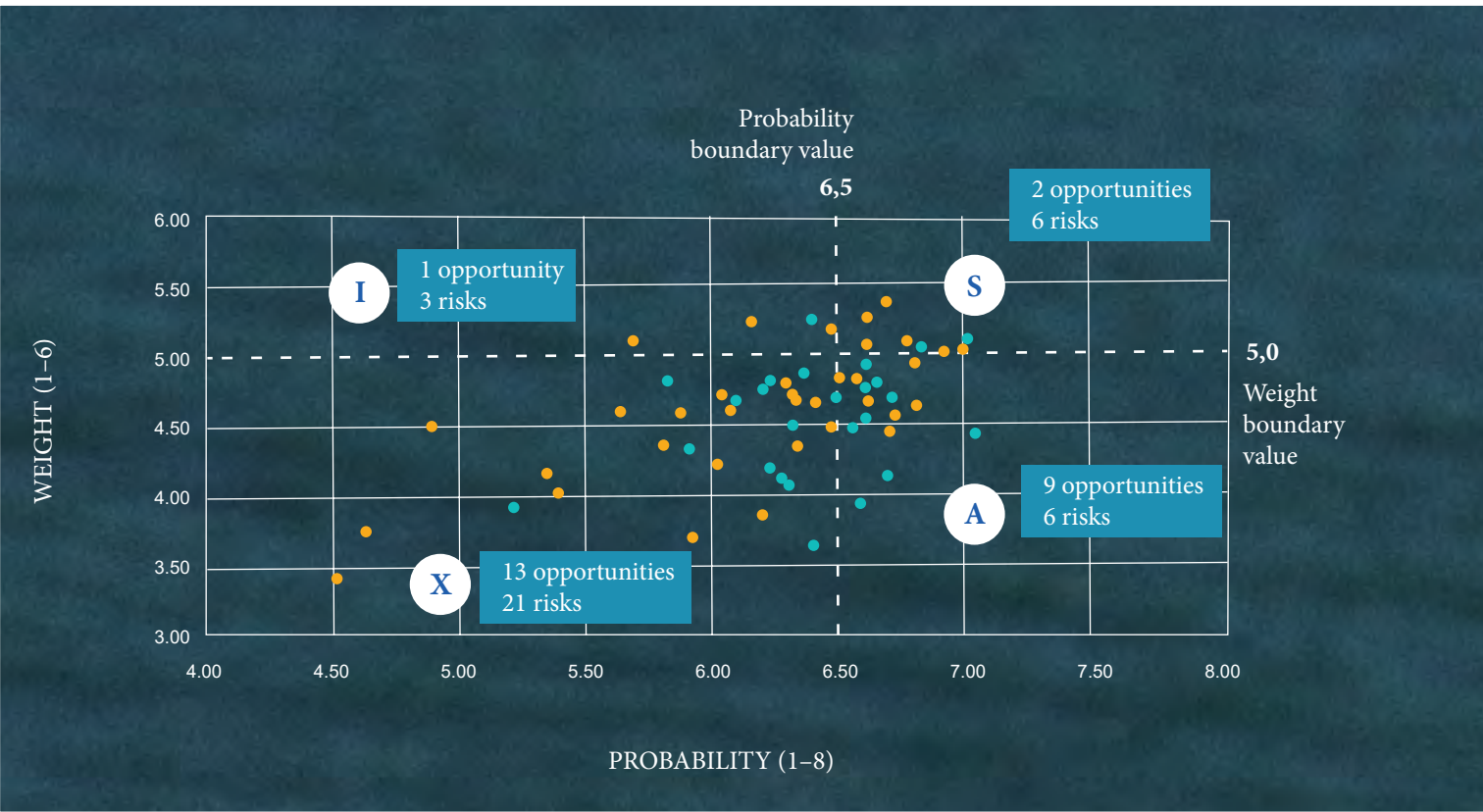
- likelihood;
- magnitude, or the weight of potential negative consequences (in the case of threats) or the scale of potential benefits (in the case of opportunities);
- time horizon.

All threats and opportunities were classified into four categories depending on whether their scores exceeded the boundary values of likelihood and magnitude. As a result of the analysis:

- 9 opportunities and 6 threats were classified to category **A (Amplification)**,
- 13 opportunities and 21 threats were classified to category **X (eXclusion)**,
- 1 opportunity and 3 threats were classified to category **I (Intensification)**,
- 2 opportunities and 6 threats were classified to category **S (Seizure)**.

The two opportunities and six threats classified to the S category in accordance with the applied methodology are considered material and are actively managed. The threats and opportunities belonging to categories I and A are monitored and in some cases managed. Most of the threats and opportunities in category X are only subject to monitoring. The conclusions from the analysis were incorporated into the risk management system operated at the CCC Group. New risks (threats and opportunities) associated with climate change will be monitored and identified periodically as part of risk reviews.

CLIMATE CHANGE OPPORTUNITY AND RISK MAP



MATERIAL RISKS, THREATS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE
AT THE CCC GROUP [GRI 102–15, 201–2]

Risk	Threat/Opportunity	Time horizon	Management method
LONG-TERM PHYSICAL RISKS			
Risk of increased variability in precipitation patterns and weather patterns	Threat of increased volatility in footwear demand due to increased variability in weather patterns	Medium-long	Adjust collections to the blurring seasons by properly managing the seasonal product mix.
Epidemic risk	Threat of increased incidence of epidemic and pandemic outbreaks	Medium-long	Implement crisis management procedures and business continuity plans for the Group. Leverage experience gained from the 2020 COVID-19 pandemic. Expand the e-commerce business.
POLICY AND REGULATORY/LEGISLATIVE RISKS			
Risk of new product or packaging regulations	Threat of having to meet new legal requirements for products or product packaging	Short-medium	Implement the circular economy elements of the GO.22 Sustainable Development Strategy and monitor legislative processes at the EU level.
TECHNOLOGICAL RISKS			
Risks related to circular economy	Opportunity to reuse packaging	Short	Implement the circular economy elements of the GO.22 Sustainable Development Strategy, including where they pertain to packaging.
Risk related to emission intensity of energy sources	Threat of energy price increases resulting from a high-carbon energy mix in Poland or other countries	Short-medium	Focus on energy efficiency improvements, particularly in stores (e.g. LED lighting, smart energy management systems) and plan implementation or use of some elements of the ISO 50001 Energy Management standard.
Digitalisation risk	Opportunity to use advanced analytics and artificial intelligence to develop and optimise purchasing, manufacturing and sales processes with a view to reducing materials consumption and climate impacts	Short-medium-long	Continue innovation projects and implement new R&D programmes, expand the CCC R&D centre, foster collaboration with business partners, etc.
MARKET RISKS			
Risk of materials price increases	Threat of materials price increases caused by other climate risks	Medium-long	Reduce volumes of materials sourced from regions that are most vulnerable to climate change; Diversify the geographical supplier base and partner with suppliers in regions less exposed to civil unrest, migration and wars associated with climate change (e.g. Europe).
Risk of access to finance being conditional on addressing climate crisis	Risk of no or limited access to finance due to failure to meet expectations of banks, investment funds or insurers on addressing climate crisis	Short-medium	Adapt to expectations of financial institutions on reporting climate change issues, ensure that ESG ratings are maintained and upgraded, and maintain an open dialogue with representatives of financial institutions about their expectations.

3.3. GREENHOUSE GAS EMISSIONS

Consumption of fuels and energy from renewable and non-renewable energy sources [GRI 302-1 302-3]

TABLE 3.1. CONSUMPTION OF FUELS AND ENERGY AT THE CCC GROUP

	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
FUELS USED IN BUILDINGS AND SYSTEMS					
Natural gas	MWh	10,123.2	10,947.9	11,541.3	+5.4%
Fuel oil	MWh	132.0	230.3	1,199.4	+420.9%
LPG	MWh	144.4	144.4	0.0	-100.0%
Total fuels used in buildings and systems	MWh	10,255.2	11,178.2	12,740.8	+14.0%
FUELS USED IN TRANSPORT BY OWN VEHICLES					
Gasoline	MWh	3,950.7	4,295.3	4,313.5	+0.4%
Diesel oil	MWh	5,804.4	6,198.6	5,010.2	-19.2%
LPG	MWh	0.0	0.2	3.0	+1198.7%
Total fuels used in transport by own vehicles	MWh	9,755.2	10,494.1	9,326.7	-11.1%
ENERGY GENERATED					
Electricity generated from RES	MWh	55.4	62.3	84.5	+35.6%
PURCHASED ENERGY					
Electricity	MWh	120,468.2	123,282.9	104,384.0	-15.3%
– of which retail stores	MWh	98,423.9	99,164.7	73,021.9	-26.4%
– other	MWh	22,044.3	24,118.3	31,362.1	+30.0%
Heat	MWh	5,862.7	6,792.3	13,361.8	+96.7%
Total energy consumption	MWh	146,396.6	151,809.8	139,897.7	-7.8%
Total energy consumption	GJ	527027.8	546,515.3	503,631.7	-7.8%

TABLE 3.2. CONSUMPTION OF FUELS AND ENERGY FROM RENEWABLE AND NON-RENEWABLE ENERGY SOURCES AT THE GROUP CCC

	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
Energy from all renewable sources (fuels and purchased energy)	MWh	22,949.8	23,540.4	17,701.7	-24.8%
Percentage of energy from renewable sources	%	15.7%	15.5%	12.7%	-2,9pp
Energy from all non-renewable sources (fuels and purchased energy)	MWh	123,446.8	128,269.4	122,195.9	-4.7%
Percentage of energy from non-renewable sources	%	84.3%	84.5%	87.3%	+2.9pp
Total energy from all sources	MWh	146,396.6	151,809.8	139,897.7	-7.8%

TABLE 3.3. ENERGY INTENSITY RATIOS AT THE CCC GROUP

	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
Energy from renewable sources per pair of shoes	kWh/pair	0.4	0.4	0.4	-10.3%
Energy from renewable sources per PLN 1m of revenue	MWh/PLN 1m	3.9	4.1	3.1	-22.9%
Energy from non-renewable sources per pair of shoes	kWh/pair	2.4	2.4	2.7	+13.6%
Energy from non-renewable sources per PLN 1m of revenue	MWh/PLN 1m	21.0	22.2	21.7	-2.3%
Energy from all sources per pair of shoes	kWh/pair	2.8	2.8	3.1	9.9%
Energy from all sources per PLN 1m of revenue	MWh/PLN 1m	24.9	26.3	24.8	-5.5%



The data presented in tables 3.1–3.3. cover the entire CCC Group. Data on CCC S.A. is provided in Appendix 3. All energy data has been converted to kWh or MWh for data comparability. [GRI 302-1]

Most of the energy consumed by the CCC Group in its operations is energy used in buildings. The largest proportion is electricity, which accounted for around 75% of the Group’s total energy consumption in the financial year 2020/2021, at 104,384.0 MWh. 9.6% was purchased heat.

9.1% of energy was fuel used in buildings, and only 6.6% was fuel used in vehicles operated by the Group.

More than half (as much as 52.2%) of all electricity used by the CCC Group was store consumption. Therefore, the efforts to increase energy efficiency across the Group are focused on optimising the use of electricity in stores. Given the pandemic and limited store operations, electricity consumption within the retail network fell by as much as 26.4% in the financial year 2020/2021.

Reduction of energy consumption

2018 saw commencement of work to develop an optimal model for managing energy parameters in the CCC stores. The model was developed by test metering of all areas of electricity consumption in a designated group of model stores. This helped to identify sources of energy losses for the purpose of eliminating them in the future. Store upgrades continued in 2019 – we got rid of all unnecessary sources of energy consumption and switch off the standby mode on all devices except for the server power supply. Excessive consumption sources was reduced by implementing a fine-tuned management model in the stores and by eliminating unnecessary receivers. A standard switchgear layout has been used for all new stores since 2020, delivering energy efficiency gains. Energy audits were planned for the Czech, Slovak and Hungarian markets in 2020, but the audits were suspended due to the pandemic. Any suspended work will be resumed in 2022 or after the situation has stabilised.

Work to eliminate metal halide lighting continued in 2020. LED lighting was implemented in 80% of our stores in Poland by January 2020. The changes in lighting made it possible to reduce electricity consumption (power reduction from 150W to 19W on one light source). Work is also under way to develop new solutions to cut down the power consumption of LED screens. Low power consumption LED displays with an average energy consumption of 80W/m² were deployed in late 2020.

Other buildings occupied by the CCC Group have also undergone energy efficiency modifications. Warehouse facilities have been equipped with innovative, energy-saving LED lighting and other solutions reducing energy usage, including air curtains, automatic blinds systems, and glazing reducing the penetration of solar radiation and providing thermal insulation to help lower energy consumption by air conditioning equipment.

The main areas of consumption and, thus, of energy savings within the CCC headquarters are identified using a modern integrated electricity network control system ZENON. Implemented for improved supervision of the power infrastructure of facilities, this comprehensive software solution supports efficient monitoring, analysis and reporting of energy data. The system is being gradually extended to cover the largest area possible.



New investment projects are designed and implemented with the use of energy-efficient technologies. The initiatives in this area include transition to energy-efficient sensor-controlled technologies and solutions managing energy receivers in the facilities.

In the Research and Development Centre and Shared Services Centre, energy consumption is reduced thanks to the modern DALI system, which supports smart management of lighting in the building. The system is equipped with sensors which automatically adjust lighting in the building depending on the level of daylight illumination. Energy usage optimisation measures have been implemented taking into account the variable hours of facility operations. The operation of lighting and HVAC equipment has been adjusted according to its hours of use.

In the financial year 2020/2021, the CCC Group received an accession certificate to EKO Biznes, a product of the Tauron Group developed in partnership with the Polish Association for Energy Certification (PTCE). The Company agreed to purchase electricity from high-efficiency cogeneration (simultaneous generation of heat and power), which accounts for some 15% of total electricity used by the CCC Group.

Energy audits are also contracted to find solutions enabling proper alteration of the existing systems, installations, and energy sources. The CCC Group is analysing options to produce energy through cogeneration or new photovoltaic installations.

In addition to those measures, the CCC Group is constantly looking for solutions that would benefit the environment.



Greenhouse gas emissions
Scope 1 and 2

Greenhouse gas emissions from the Company's operations have been monitored at the CCC Group since 2019. To assess the emissions intensity, the Group applies two greenhouse gas emission metrics, described further down in this Section.

The reported greenhouse gas emissions were calculated in accordance with the revised Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Organisational boundaries for the reported emissions include:

- In the case of the CCC S.A. data: only the CCC Group's parent (100% of emissions).
- In the case of the Group data: the parent and all subsidiaries of the CCC Group, based on the operational control approach (100% of each subsidiary's emissions). Consolidation encompasses all Group levels.

Scope of reported emissions (operational boundaries):

In the case of both the parent data and the Group data, the reported emissions include Scope 1 (direct emissions) and Scope 2 (indirect emissions from the generation of purchased energy).

Changes in emissions levels over time:

- This report is the second in which emissions are reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.
- 2019 was adopted as the base year for reporting CCC S.A.'s and CCC Group's emissions. Base year emissions were recalculated in the last reporting cycle, as different emission factors were applied to selected fuels used in company buildings, systems, installations, and vehicles. Following the recalculation, Scope 1 base year emissions were at 4,492.4 MgCO_{2e} (before recalculation: 4,666.6 MgCO_{2e}).
- As CCC S.A. changed its financial year, GHG emissions data for the reporting year (thirteen months from January 1st 2020 to January 31st 2021) lacks comparability with base year emissions. In order to achieve comparability, emissions for the thirteen months from January 1st 2019 to January 31st 2020 were calculated to most closely correspond to the base year, and the period was used to compare the reporting year with the base year.

Methodology and assumptions:

Emissions were calculated using tools provided by the GHG Protocol (<https://ghgprotocol.org/calculation-tools>). Scope 2 emissions were calculated using the average emissions intensity ratios for electricity generated in individual countries, made available by the International Energy Agency (for most EU Member States in which the CCC Group operates) and the National Centre for Emissions Balancing and Management (for Poland). The ratios for most countries are derived from the 2018 data or IEA 2019 projections and for Poland from the 2019 data. As regards heat, emissions intensity ratios were adopted in accordance with the data reported for Poland by the Energy Regulatory Office. With respect to the other countries, ratios from the UK's Department for Environment, Food & Rural Affairs (DEFRA) database were applied



TABLE 3.4. GREENHOUSE GAS EMISSIONS AT THE CCC GROUP IN THE FINANCIAL YEAR 2020/2021
[GRI 305-1, 305-2, 305-4]

	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
SCOPE 1					
Emissions from fuel consumption in buildings and installations	MgCO _{2e}	1,954.5	2,134.4	2,469.9	+15.7%
Emissions from fuel consumption in transport	MgCO _{2e}	2,537.9	2,729.1	2,414.7	-11.5%
Total Scope 1 GHG emissions	MgCO _{2e}	4,492.4	4,863.5	4,884.6	+0.4%
Scope 1 emissions per pair of shoes	kgCO _{2e} /pair	0.1	0.1	0.1	+19.8%
Scope 1 emissions per PLN 1m of revenue	Mg CO _{2e} /1mIn PLN	0.8	0.8	0.9	+3.0%
SCOPE 2 LOCATION-BASED					
Emissions from purchased electricity	MgCO _{2e}	62,302.5	58,330.9	45,406.9	-22.2%
Emissions from purchased heat	MgCO _{2e}	1,671.9	1,836.5	2,320.1	+26.3%
Total Scope 2 location-based GHG emissions	MgCO _{2e}	63,974.4	60,167.4	47,727.0	-20.7%
Scope 2 location-based emissions per pair of shoes	kgCO _{2e} /pair	1.2	1.1	1.1	-5.4%
Scope 2 location-based emissions per PLN 1m of revenue	MgCO _{2e} /1mInPLN	10.9	10.4	8.5	-18.7%
SCOPE 2 MARKET-BASED					
Total Scope 2 market-based GHG emissions	MgCO _{2e}	n.a.	n.a.	48,769.9	n.a.
Scope 2 market-based emissions per pair of shoes	kgCO _{2e} /pair	n.a.	n.a.	1.1	n.a.
Scope 2 market-based emissions per PLN 1m of revenue	Mg CO _{2e} /1mIn PLN	n.a.	n.a.	8.6	n.a.
SCOPE 1+2 LOCATION-BASED					
Total Scope 1+2 location-based GHG emissions	MgCO _{2e}	68,466.8	65,030.9	52,611.6	-19.1%
Scope 1+2 location-based emissions per pair of shoes	kgCO _{2e} /pair	1.3	1.2	1.2	-3.5%
Scope 1+2 location-based emissions per PLN 1m of revenue	MgCO _{2e} /1mInPLN	11.6	11.3	9.3	-17.1%

Scope 2 emissions were calculated using the market-based and location-based methods. [GRI 305-2]. The data in the table covers the entire Group. Data on CCC S.A. is provided in Appendix 3.

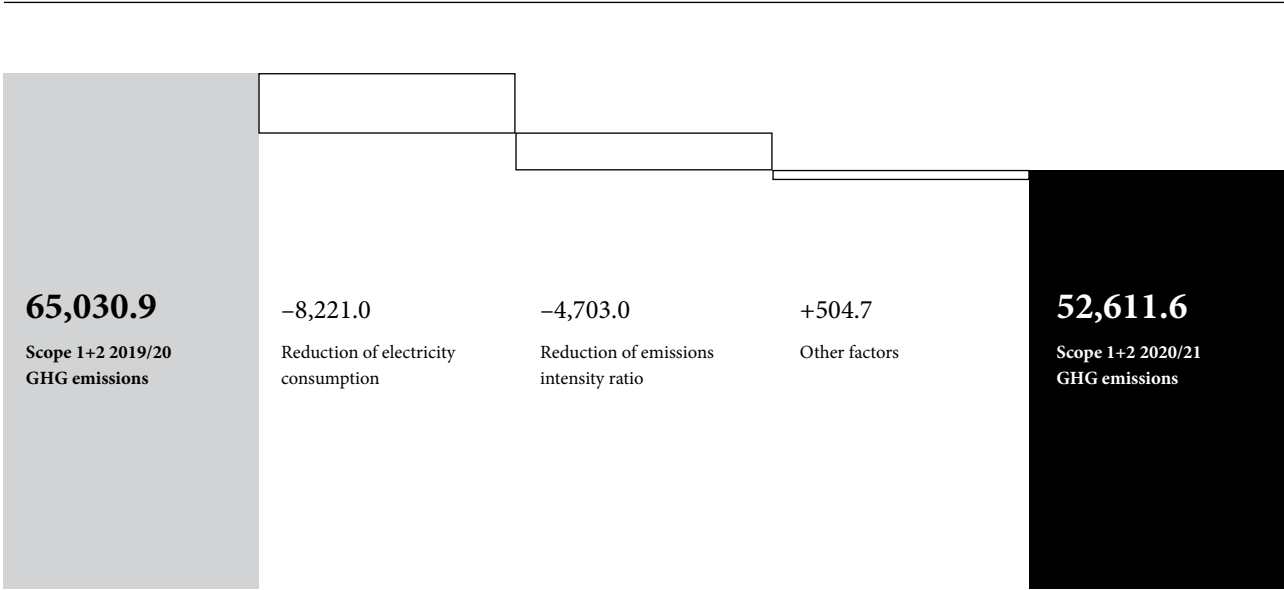
The vast majority (90.7%) of the CCC Group's GHG emissions are Scope 2 emissions, i.e. indirect emissions from the generation of purchased electricity and heat. The vast majority (95.1% of Scope 2 emissions and 86.3% of total emissions) of those emissions were attributable to purchased electricity. The balance (4.9% of Scope 2 emissions and 4.4% of total emissions) was attributable to purchased heat. Half of Scope 1 emissions (50.6% of Scope 1 emissions and 4.7% of total emissions) were from combustion of fuels used for heating buildings, while the remaining

49.4% (4.6% of total emissions) were emissions from burning of fuels by vehicles used by the Group. [GRI 305-1]

The emissions structure discussed above highlights the importance of measures taken to increase energy efficiency and switch to renewable energy sources. In particular, efforts made with a view to reducing electricity consumption and obtaining it from renewable sources may have the greatest impact on lowering the Group's total emissions in the coming years.

The basic emission factor was 1.18 kg CO_{2e} per pair of shoes in the financial year 2020/2021, down 3.5% from 1.22 kg CO_{2e} per product unit the year before.

FACTORS CONTRIBUTING TO YOY CHANGE IN GREENHOUSE GAS EMISSIONS



The key driver of the year-on-year reduction in greenhouse gas emissions in the reporting period was lower electricity consumption, which led to a decrease in GHG emissions of 8.2 thousand tonnes CO₂e in 2020/2021. The decrease was attributable mainly to the pandemic and improved efficiency of store operations. Another contributor was lower average carbon intensity of electricity purchased in the countries where the CCC Group operates. The factor (consumption-weighted average for all countries where the CCC Group operates) was 473 g CO₂e/kWh in 2019/2020. It fell to 435 g CO₂e/kWh, or by 8.1%, in 2020/2021, which led to a decrease in greenhouse gas emissions of 4.7 thousand tonnes CO₂e. The average carbon intensity of electricity was calculated using the location-based method. All the other factors (including increased consumption of fuel oil and purchased heat, and lower consumption of diesel oil led by reduced transport operations) increased greenhouse gas emissions by 0.5 thousand tonnes CO₂e. Overall, the CCC Group's greenhouse gas emissions (Scope 1+2 location-based) dropped 19.1% in 2020/2021, which exceeded the target set in the GO.22 Sustainable Development Strategy.

The CCC Group has not yet calculated Scope 3 indirect emissions. A project to assess and calculate Scope 3 emissions, that is all indirect greenhouse gas emissions along the Group's value chain, was launched in the financial year 2020/2021.

CCC's priorities in reducing its impact on climate change include cutting down greenhouse gas emissions by increasing the proportion of renewable energy sources in the Group's overall energy consumption mix, including internally generated solar power, and by enhancing the energy efficiency of its operations.

The photovoltaic farm located on one of the warehouse buildings in Polkowice brings GHG emissions reduction benefits on an annual basis. In 2020, the farm generated 84.5 MWh of electricity, which lowered CO₂e emissions by 38.2 Mg CO₂e. In addition, energy purchased from generation sources included in the list of green power producers audited by the Polish Association for Energy Certification helped to reduce CO₂ emissions by 2.1 thousand tonnes in 2020. [GRI 305-5]

Transport is an area of the CCC Group's operations that contributes to greenhouse gas emissions. Some of those emissions are Scope 1 emissions, to the extent they are generated by the Group's use of its own vehicle fleet. Emissions from transport fall to a larger extent within Scope 3, which has not yet been calculated. Scope 3 will include emissions from transporting raw materials, consumables and goods from suppliers to the CCC Group, and finished products and goods to the retail chain and customers.

Seeking to reduce its operating costs and greenhouse gas emissions, the CCC Group continued to upgrade its vehicle fleet and replaced vehicles with hybrid cars in the financial year 2020/2021. In 2020, hybrid vehicles accounted for ca. 30% of the fleet operated by CCC S.A. and CCC.eu Sp. z o.o. Some deliveries from eobuwie.pl stores were made by electric vehicles, which have low operating costs and fit into the policy of sustainable use of resources. In the fol-

lowing years, the Company plans to buy electric vehicles to move around the premises of the Company's head office in Polkowice and its immediate neighbourhood.

Additional measures implemented in the supply chain include environmentally-friendly management of the Company's own fleet and transport service providers through:

- selecting such means of transport as are appropriate for a particular route and cargo type,
- optimising the use of vehicles' cargo space,
- accurate planning of delivery and collection times, efficient unloading and loading of vehicles.

In addition, environmental aspects, such as compliance with the Euro 5 and Euro 6 standards that define acceptable limits for exhaust emissions, are among those taken into consideration when deciding on the selection of a transport services provider.



3.4. CIRCULAR ECONOMY

Circular economy is a concept based on the rational use of resources and building and maintaining the value in manufactured products. At the heart of a circular economy lies the desire to keep materials circulating in the economy without excessive exploitation of primary resources. Products should be made from reused or sustainably produced materials and should be reusable at the end of their life, either as components or as recycled materials. Transition towards the circular economy is a priority for the European Union, and many companies aspire to apply circular business models. This also holds true for the CCC Group, whose ambition is to become a circular economy leader in the footwear industry. Materials use and waste generation are major aspects of the CCC Group’s environmental impact, so responsible materials and waste management and introduction of circular economy have become one its goals.

In response to the changing trends and formal requirements associated with the circular economy and in pursuit of its strategic objectives, CCC carried out material flow mapping, which provides the basis for implementing circular business models that offer the greatest potential for long-term value creation. The Management Board, together with the Sustainable Development Department, regularly monitors progress towards stated objectives and, if necessary, adjusts them by revising the strategy. [GRI 103-1, 103-2, 103-3]

- The key strategic initiatives outlined in the GO.22 Sustainable Development Strategy are to:
- implement the principles of circular economy at the CCC Group by 2022 (ahead of regulatory requirements);
 - introduce sustainable packaging, with 70% of internally made packaging to be made from recycled materials and 80% of packaging to be recyclable by 2022;
 - identify options to design products compliant with eco-design standards in 2021 and plan further eco-design-oriented activities in 2022;
 - implement a pilot and analyse the results to set further objectives seeking to close the loop by collecting and properly managing used footwear for 2021 and 2022.

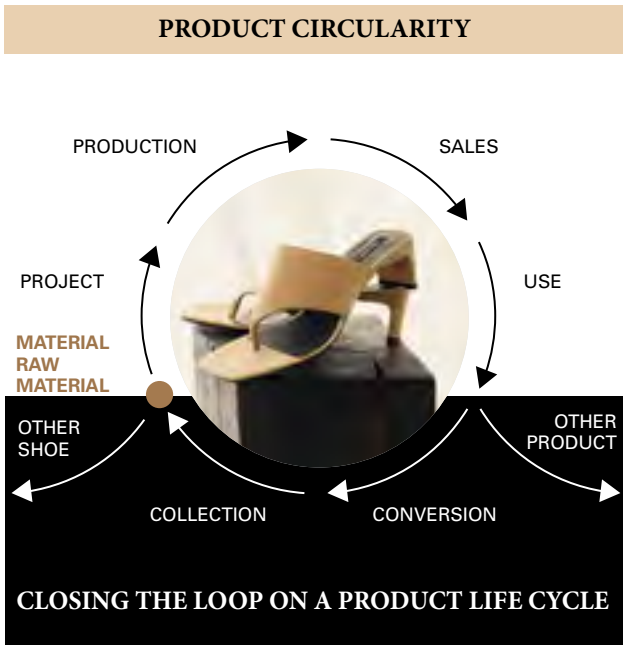
For a detailed description of strategic environmental goals and measures, see Section 1.2.2.

In the financial year 2020/2021, the CCC Group actively managed the circular economy area and, as part of related initiatives, it:

- launched a pilot footwear collection projects in CCC stores in Poland to analyse the possibilities of using used footwear and reusing its components;
- launched the Circular Economy project, which includes a series of workshops on circular economy, analysis and mapping of material flows along the value chain, identification of value loss points and development of a roadmap for CCC’s transition towards a circular economy;
- phased out plastic bags in all CCC brick-and-mortar stores;
- launched an eco-design project, which will use a 3D printer to make shoe prototypes.

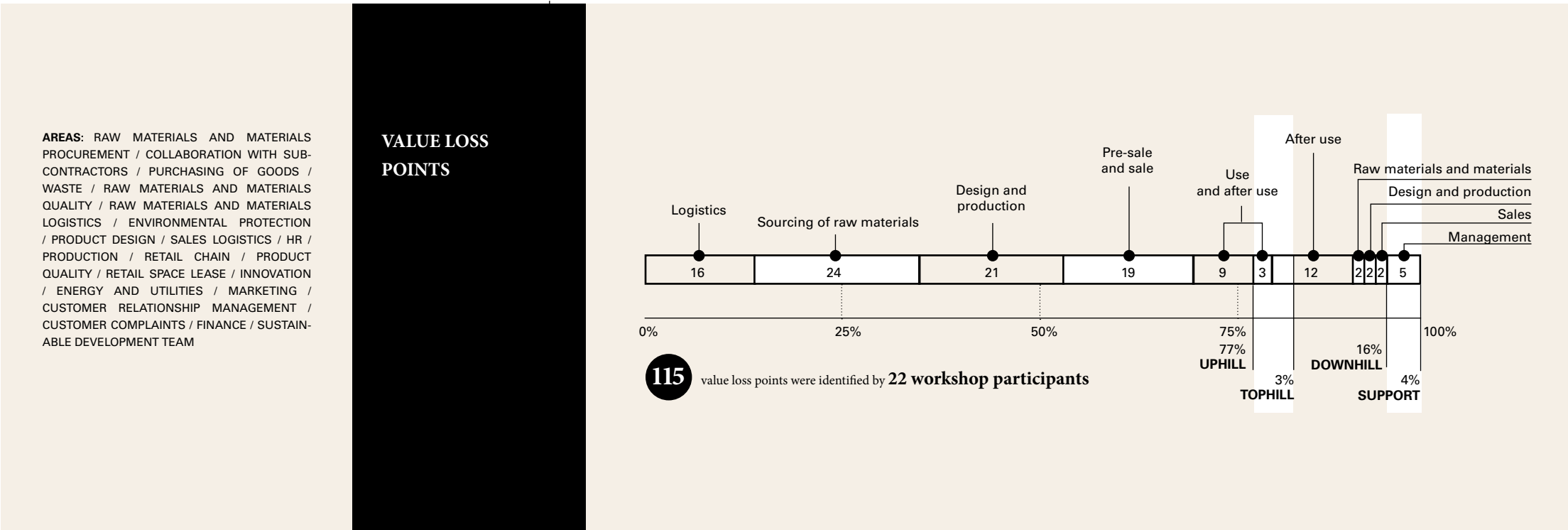
Circular economy roadmap

As part of the ongoing circular economy project run at CCC, work commenced in early 2021 to develop a circular economy roadmap, or an action plan for the Group’s transition towards a circular economy. The roadmap will include a set of projects and initiatives to create conditions conducive to implementing circular economy practices at the Group in the coming years. These projects are based on



circular business models and address the value loss points identified along the Group’s value chain. CCC specialists representing various fields of expertise are involved in the project, which has been partnered by an external consultancy MATERIALITY. The project is to deliver a detailed description of project-specific actions covering the following topics:

- durability and high quality;
- convertible products;
- circular footwear;
- product exchange platform;
- sustainable sales communications;
- circular raw materials and materials;
- quality of raw materials, materials and components;
- logistics efficiency;
- product quality control;
- circular packaging.





Material flows in the value chain

In 2020/2021, as part of the CCC Group’s circular economy project, a material flow analysis was performed in collaboration with a consulting firm. Material flows are a tool for tracking the circulation of all kinds of substances in the value chain of a company, which is not limited to its operating activities.

The survey covered suppliers accounting for 40% of all footwear, bags and accessories supplied for the spring-summer and autumn-winter 2020 collections. As per the methodology, this means the results are representative of all products marketed by the CCC Group. In the survey, suppliers provided the following information:

- quantity of each raw material and material used in the manufacture of goods purchased by the CCC Group;
- origin of raw materials and materials (e.g. number and locations of second-tier suppliers, breakdown into virgin and recycled raw materials);
- manufacturing waste and how it is managed for each identified raw material and material;
- manufactured products and unit and bulk packaging used to ship them to the CCC Group.

The survey identified 39,400 source data points, which were then analysed. The material flow diagram shows a graphical representation of the CCC Group’s material flows (it was simplified for the purposes of this report). The detailed results of the analysis will be used in subsequent phases of the circular economy project, particularly in order to:

- close the loop of individual flows;
- eliminate and replace selected substances;
- analyse material flows within the CCC Group’s downstream value chain.

Use of raw materials and materials

[GRI 301-1, 301-3]

The CCC Group has two production subsidiaries CCC Factory Sp. z o.o. and Gino Rossi S.A. They use materials such as natural and synthetic leather, materials made of natural and artificial fibres, rubber, metal pieces and adhesives to make footwear and other products. Materials such as paper, cardboard, plastic film and wood are used for packing, logistics and transport.



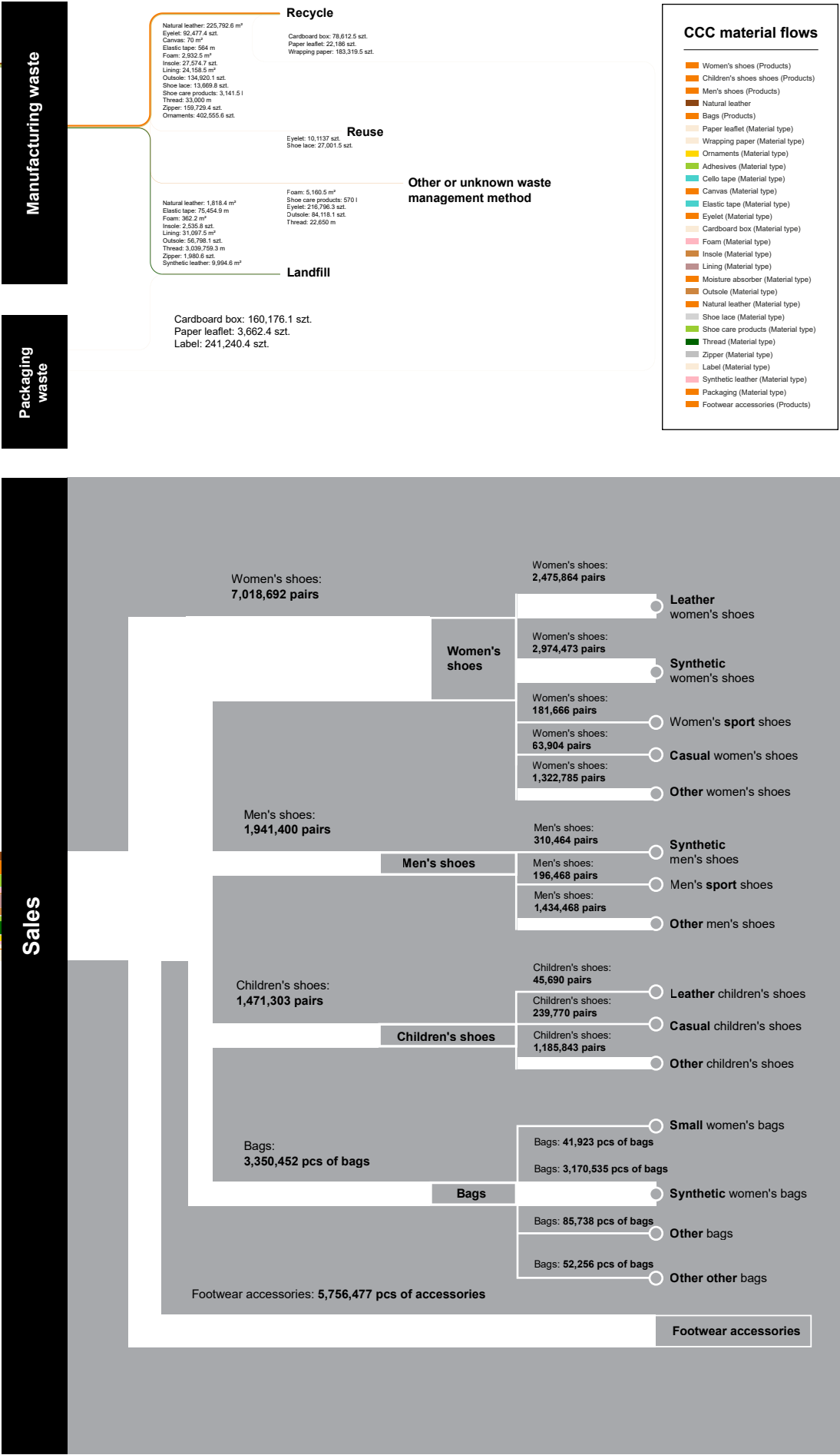
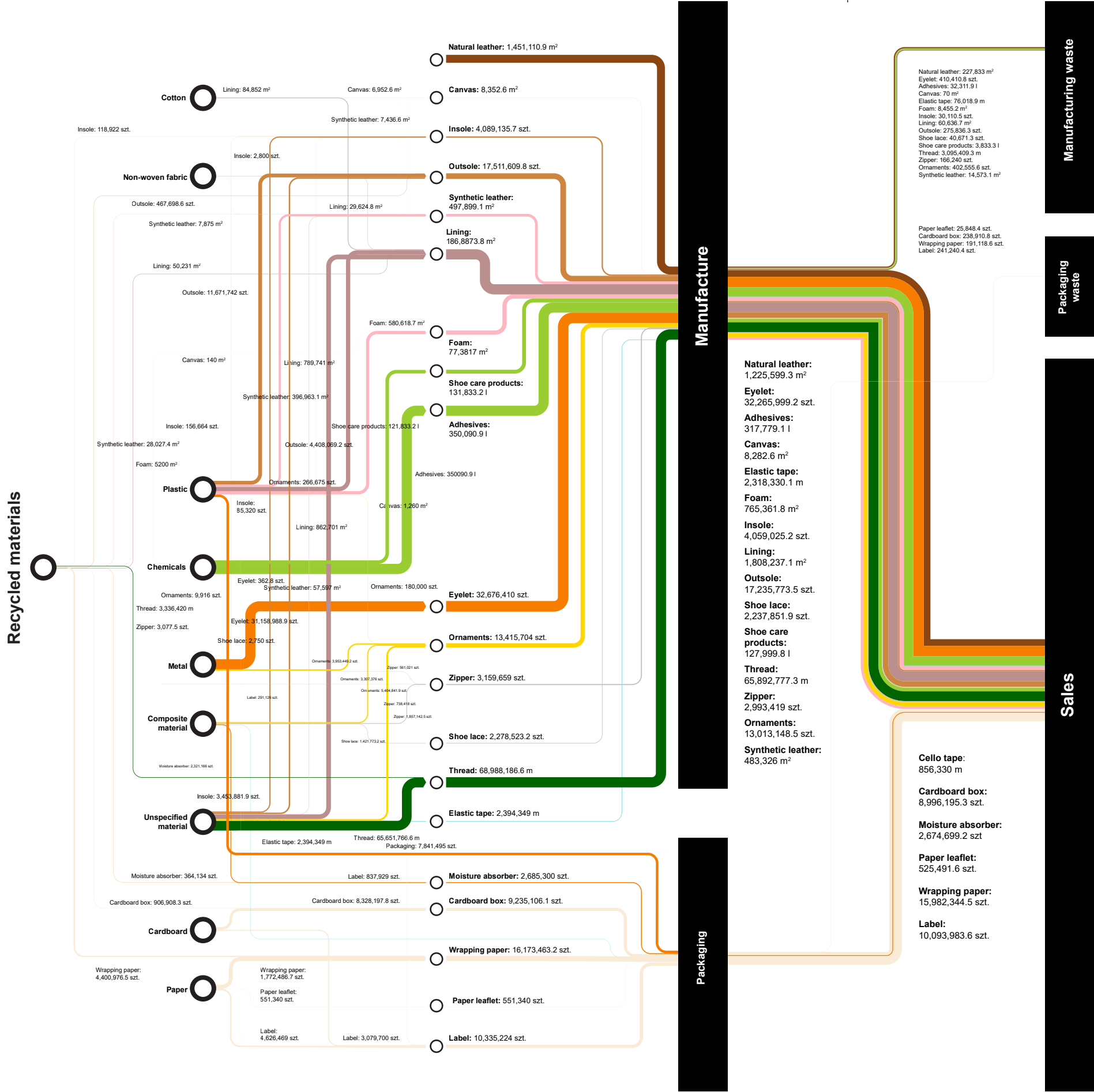


TABLE 3.5. MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS USED BY THE CCC GROUP FOR OWN MANUFACTURING AND LOGISTICS NEEDS

Main categories of raw materials and materials	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
Natural leather	MG	751.5	803.0	670.9	-16.5%
Synthetic leather	MG	15.4	15.8	5.0	-68.6%
Materials made of natural fibres	MG	30.5	39.4	114.7	+191.2%
Materials made of artificial fibres	MG	928.2	997.0	882.4	-11.5%
Rubber	MG	12.7	13.5	10.3	-23.5%
Metal pieces	MG	1.8	2.0	3.2	+58.5%
Paper	MG	135.1	513.6	4,683.6	+812.0%
Cardboard	MG	2,409.0	2,424.9	205.3	-91.5%
Adhesives	MG	48.9	51.2	30.3	-40.9%
Plastic film	MG	94.7	97.5	35.2	-63.9%
Toners	# of items	2,030.0	2,383.3	4,240.0	+77.9%
Wood	MG	1,714.6	1,890.3	2,257.2	+19.4%
Branded packing tape	MG	5.6	5.6	0.5	-91.1%

Data on CCC S.A. is provided in Appendix 3 to this report.

TABLE 3.6. HAZARDOUS AND NON-HAZARDOUS WASTE IN THE CCC GROUP

	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
HAZARDOUS WASTE					
Recycling	MG	9.7	9.7	0.0	-100.0%
Landfill	MG	0.0	0.02	0.0	-100.0%
Disposal	MG	190.5	202.3	154.0	-23.9%
Reuse	MG	0.0	0.0	0.0	—
Permanent on-site storage	MG	0.0	0.0	0.0	—
Total hazardous waste	MG	200.2	212.0	154.0	-27.4%
Hazardous waste per pair of shoes	g/pair	3.9	4.0	3.4	-13.3%
Hazardous waste per PLN 1m of revenue	Mg/1mln PLN	34.0	36.7	27.3	-25.5%
NON-HAZARDOUS WASTE					
Recycling	MG	5,899.7	6,388.7	6,241.6	-2.3%
Landfill	MG	823.0	838.6	189.4	-77.4%
Disposal	MG	129.2	152.6	284.4	+86.4%
Reuse	MG	0.0	0.0	0.4	—
Permanent on-site storage	MG	0.0	0.0	0.0	—
Total non-hazardous waste	MG	6,851.9	7379.9	6,715.7	-9.0%
Non-hazardous waste per pair of shoes	g/pair	131.8	138.2	150.1	+8.6%
Non-hazardous waste per PLN 1m of revenue	Mg/1mln PLN	1.2	1.3	1.2	-6.7%

Data on CCC S.A. is provided in Appendix 3 to this report.



More than 90% of waste generated by the CCC Group is recycled or subjected to other recovery processes.

To maintain the balance between the CCC Group’s continuous growth and efforts to minimise the adverse environmental impacts of its operations, we take steps towards responsible waste management and optimisation of waste volumes. Examples include in particular recycling of packaging waste generated in logistics processes (e.g. storage).

Waste generated by CCC in its operations represents a significant environmental impact. The main waste streams are generated in the manufacturing, transport and warehousing activities. The largest percentage of waste is packaging and footwear manufacturing waste.

All CCC Group’s suppliers agree to comply with the applicable environmental regulations and to use natural resources reasonably. Suppliers strive to ensure that the footwear sewing patterns are designed to minimise waste. Scraps of material that are left over are used for making all kinds of ornaments (e.g. a zipper tag, etc.).

Wherever possible, CCC seeks to reuse packaging and prevent packaging waste through reducing the number of postseason footwear repackaging (e.g. in the case of damaged unit packaging). Bulk packs are a material frequently re-used in storage and distribution, as well as in transport of postseason goods to the head office, or in storage of goods in deposit warehouses. The most damaged cartons, no longer fit for re-use, are recycled. Before being transferred to licensed recyclers, cardboard and paper from the Company’s head office and factories are baled, which optimises space occupied by waste and costs of its transport. Repackaging waste is also recycled and sent to licensed companies that recycle plastics to reggranulated plastics, which are used as input for further production.

All waste whose generation could not be prevented is selectively stored and transferred to companies holding appropriate licences for managing particular types of waste. Since July 2020, 21 brick-and-mortar stores in Poland have run a pilot footwear collection project under the slogan ‘Give your shoes a second life’. It encourages customers to donate used shoes, which are then examined to see whether shoe components can be reused. The collection drive is in line with the Company’s Sustainable Development Strategy

and one of its objectives in particular: ‘Aiming to close the loop by collecting and properly managing post-consumer footwear’, also helping to explore the possibilities of using post-consumer footwear and influencing public awareness of recycling. Over 10 tonnes of shoes (about 10,000 pairs) were collected in total in 2020. The project will run until mid-2021 and will provide a basis for analysing the results and setting targets for the coming years. Vögele Shoes has run a similar recycling programme since 2019, having collected and recycled over 250,000 pairs of shoes in 2020.

In 2020, CCC teamed up with the WoshWosh Foundation to hold the footwear collection drive ‘Shoes for the Homeless’, which was a charity project, but it also aimed to draw the public’s attention to conscious consumption, waste reduction, and footwear reuse. During the two weeks’ drive, over 9,000 pairs of shoes were collected and distributed to people in need.

Ongoing monitoring of the amounts of generated waste as well as analysis of previous years’ data help the CCC Group identify sensitive areas. In order to improve the management of efficient use of raw materials, consumables and produced waste, the Research and Development Centre (R&D Centre) is working on projects to optimise the use of materials and reduce waste volumes, thus mitigating their adverse environmental impact.

The R&D Centre is also working to develop innovative concepts of product packaging, new technologies for footwear distribution, implement a new concept of goods packaging, minimise the amount of generated waste, develop a prototype device for sealing shoe packaging, develop an optimum action plan to reduce the use of cardboard boxes, as well as testing packaging’s durability and ageing of packaging materials.

Water consumption and wastewater discharge

The CCC Group uses water primarily for sanitary and drinking purposes. Water is also an important feedstock used in production processes in the Polkowice and Ślupsk plants.

The CCC Group sources water mainly from external suppliers. Only the subsidiary Gino Rossi S.A. has its own water withdrawal point in addition to water delivered by external suppliers. Municipal wastewater and industrial wastewater is discharged into the sewerage network.

- CCC promotes the following environmental objectives in water use and wastewater generation (reduction of industrial water use and effective water resource management):
- immediate removal of broken equipment (flush valves, taps, etc.);
 - installation of water-saving devices (e.g. flush valves with the STOP function, tap aerators, etc.);
 - regular monitoring of water consumption and quick response to any detected leaks.

As regards industrial wastewater from the tanning industry, the wastewater is treated to meet the parameters required by law, and technology and substances are employed reducing its harmful effects on the water environment to a minimum.



TABLE 3.7. WATER CONSUMPTION AND WASTEWATER DISCHARGE AT THE CCC GROUP

	Unit	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–January 31st 2021	y/y change
WATER CONSUMPTION					
Water purchased	m³	53,711.8	58,977.9	68,389.1	+16.0%
Water from own intakes	m³	2,213.0	2,213.0	0.0	-100.0%
Total water consumption	m³	55,924.8	61,190.9	68,389.1	+11.8%
Water consumption per pair of shoes	l/pair	1.1	1.1	1.5	+33.3%
Water consumption per PLN 1m of revenue	m³/PLN 1m	9.5	10.6	12.1	+14.6%
WASTEWATER					
Wastewater discharged into municipal network	m³	50,347.1	55,104.1	68,389.1	+24.1%
Wastewater discharged per pair of shoes	l/pair	1.0	1.0	1.5	+48.0%
Wastewater discharged per PLN 1m of revenue	m³/PLN 1m	8.6	9.5	12.1	+27.2%

Data on CCC S.A. is provided in Appendix 3.

3.5. OTHER ENVIRONMENTAL ISSUES

Commitments by suppliers to comply with environmental regulations.

Each of CCC Group’s suppliers agrees to comply with the applicable environmental regulations, to use resources reasonably and to continuously improve their environmental protection processes.

The Supplier Code of Conduct is an integral part of a contract between CCC and a supplier. The CCC Group requires its suppliers to implement applicable standards, including environmental standards with respect to water, wastewater and chemicals management.

Suppliers minimise water consumption in production processes and manage water resources efficiently. Since leather tanning wastewater contains substances such as chromium (III) sulfate, sulfuric acid etc., suppliers ensure that

wastewater is properly treated before discharge, and they use, store and dispose of chemicals used in the manufacturing process in an appropriate manner. Chemicals are used in accordance with applicable laws. Suppliers identify and manage the risks associated with the use of hazardous chemicals, taking into account the health of employees, footwear users and local communities, and the environmental impacts.

Suppliers manage air emissions (aerosols, volatile organic compounds etc.) and take care to protect employees, their families and local communities from the negative impact of such emissions.

Environmental violations

No environmental violations were identified in the financial year 2020/2021.

3.6. MATERIAL ENVIRONMENTAL RISKS

MATERIAL ENVIRONMENTAL RISKS

Risk description	Risk management approach
1. Risk of regulatory changes related to environmental protection and climate change Legal regulations on protecting the environment and using natural resources are becoming increasingly stringent, which makes entrepreneurs adopt more conscious approaches to managing their businesses. In the event of changes in environmental regulations, there is a risk of failure to meet the new requirements in a timely manner. Such risk may significantly affect the CCC Group’s financial performance or its corporate image.	Establishment of the CCC Group’s Compliance function to continuously monitor legislative changes in all areas of the Group’s operations, coupled with monitoring of upcoming legislative changes and adaptation to new requirements.
2. Risk of changes in prices of materials and raw materials Economic, political and social trends can contribute to an increase in the prices of materials and raw materials used by the CCC Group in its operations, which may lead to higher selling prices of goods.	Non-reliance on any single supplier, diversification of trading partners.
3. Risk related to the availability of raw materials Gradual depletion of natural resources significantly affects their composition and price. Low availability of raw materials of suitable quality has a major effect on their final cost.	Non-reliance on any single supplier and readiness to embrace change in production technologies.
4.Risk of an adverse event involving a breakdown or fire This risk is associated with possible adverse occurrences in the course of the CCC Group’s operating activities. Although the machinery and buildings are appropriately protected with respect to OHS and fire safety, the CCC Group is aware that adverse events may occur. For example, the use of large quantities of inflammable materials can cause the break out and spread of a fire. However, the risk of such an event is small and acceptable.	The CCC Group takes measures to reduce the risk of fire through consistent fire safety improvements, which involve furnishing buildings with additional fire safety systems, even when doing so is not required by law, having all the buildings located on the premises of its head office in Polkowice monitored by the National Fire Service, having in place OHS position-specific instructions setting out the emergency and crisis procedures, including fire emergency procedures, OHS and fire safety training for employees, frequent safety walks conducted by the OHS and Fire Protection Department staff in particularly fire-prone areas, regular technical check-ups of the fire-fighting machinery, equipment and systems.
5. Risk of increased water consumption The CCC Group is aware of the amount of water needed to produce materials for making footwear, handbags and accessories, especially given that those goods are often manufactured in water-stressed regions.	The Supplier Code of Conduct, which includes provisions on rational use of water resources, is an integral part of our contracts with suppliers. Supplier audits.
6. Risk associated with the use of chemicals An accident can occur as a result of work processes at the CCC Group.	To minimise risks associated with the use of chemicals, the Group takes steps to manage its OHS and health protection policies, implements OHS instructions for the use of chemical substances and preparations, applies product quality and safety requirements and procedures to be followed when handling chemical substances and mixtures. Preventive measures include the use of personal protective equipment, appropriate to the threat in question, as well as cooperation with third parties with respect to periodic testing of chemical agent concentrations.

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MATERIAL
EMPLOYEE-RELATED
RISKS



EMPLOYEES	2020	Performance
	PROTECTING EMPLOYEES' LIFE AND HEALTH – minimise the number of accidents and reach a zero accident rate within five years	
	• M1: Percentage reduction in the accident frequency rate (accidents at work per 1,000 employees) compared with 2019	3.83% ✓
	EQUAL PAY FOR EQUAL WORK – ensure men and women receive equal pay for doing equal work	
	• M1: Gender Pay Gap Ratio	Revision of the remuneration policy and preparation of its implementation from the beginning of the next year, and preparation of a detailed system for collecting and analysing data on employee remuneration at individual levels ✓
	WORKFORCE DIVERSITY – create effective development opportunities for all employees	
	• M1: Increasing equal promotion opportunities for both genders, expressed as the Glass Ceiling Ratio M2: Development, implementation and dissemination of a Diversity Policy at the CCC Group	Revision of the HR Policy and establishment of an action plan to ensure equal promotion opportunities in subsequent years ✓ Development and publication of the CCC Group's Diversity Policy ✓

4.1. HUMAN RESOURCES MANAGEMENT

The CCC Group strongly believes business success largely depends on the knowledge, competence, experience and commitment of its employees, therefore its approach to human resources management and employee relationships are of vital importance to CCC. CCC makes every effort to ensure that the Group's Human Resources Policy is underpinned by ethical values, mutual respect, equal opportunities for employment, development and promotion, and team diversity. The CCC Group believes that team diversity is a source of competitive advantage and that confrontation of different views, opinions, work styles, skills and experiences produces new quality and creates conditions leading to stronger business performance.

Being a good employer is a guarantee of market success that can only be attained with qualified and loyal employees, therefore the Group's human resources management model seeks to acquire top talent and provide employees with onboarding, development and promotion opportunities within the organisation. The overriding goal of the Group's development policy is to share knowledge, promote development and improve employee competencies, therefore CCC provides space for employee development and access to various training programmes, courses, and workshops.

Responsibility towards employees is one of the pillars of the GO.22 Sustainable Development Strategy adopted in

2020, which envisages the following key elements of human resources management:

- implement a (uniform) remuneration policy and start collecting detailed data on remuneration paid to employees at particular levels;
- close the gender pay gap between people doing the same job and reduce the gender pay gap ratio for each group by two-fifths compared with 2019;
- develop, implement and disseminate a diversity policy at the CCC Group;
- reduce the glass ceiling ratio to 10%.

The CCC Group does periodical work satisfaction reviews and asks employees about their opinion on particular topics in order to identify areas that require concentrated effort to improve employee satisfaction and engagement. These reviews led to the development of an HR Strategy and an Employer Branding Strategy, to be published and implemented across the organisation in 2021. Also, the Management Board and the Sustainable Development Department periodically monitor progress towards the goals set out in the Sustainable Development Strategy and adjust their HR management policies and actions accordingly. [GRI 103-1, 103-2, 10-3]

For a detailed description of strategic employee-related goals and measures, see Section 1.2.2.



Human resources policy

The CCC Group is an attractive and sought-after employer, who is guided by its core values and creates an innovative and multinational workplace. CCC strongly believes that its success largely depends on the competence and commitment of its employees, therefore the model of human resources management applied by the Group focuses on the acquisition of the best candidates and their subsequent development and promotion within the organisation.

The CCC Group has a Human Resources Policy in place, which is underpinned by the following principles:

- appreciate initiative and creativity;
- appreciate openness to change;
- promote employee development;
- be open to diversity;
- respect employee dignity.

The Human Resources Policy is complemented by the following procedures and policies governing specific areas of human resources management:

- Recruitment Procedure
- Personal Data Protection Policy
- Occupational Health and Safety Policy, Fire Safety Instructions
- Occupational Health and Safety Training Procedure (and other detailed procedures)
- Work Rules
- Remuneration Rules
- Rules of the Company Social Benefits Fund
- Procedure for Professional Qualifications Improvement
- Diversity Policy for the Governing Bodies and Key Management Personnel
- Procedure for periodic development interviews for administrative and office staff.

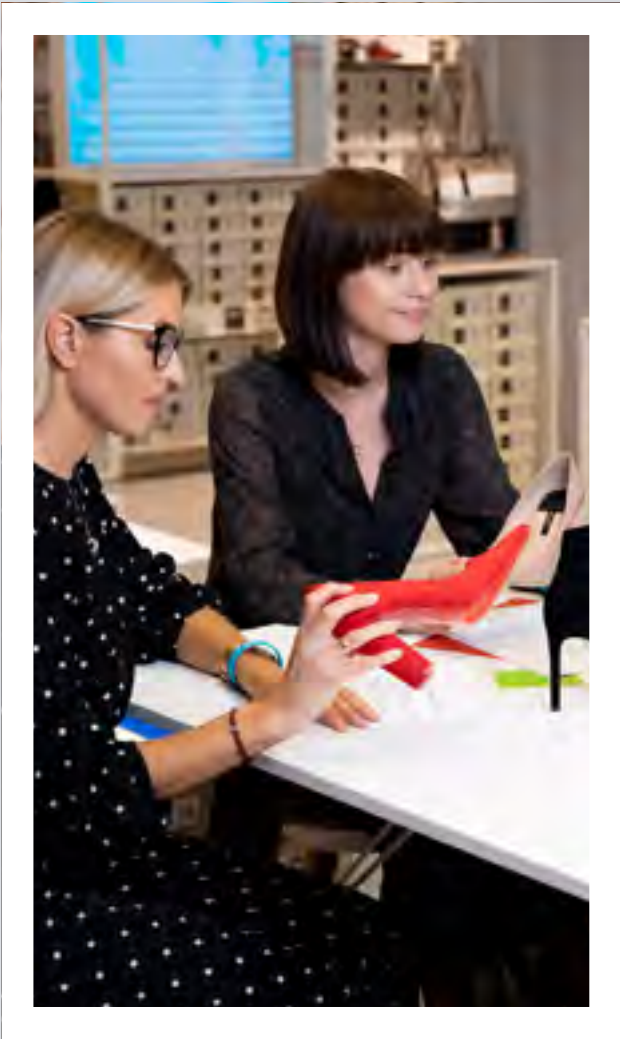
Successful implementation of the Human Resources Policy is further supported by:

- Code of Ethics, Ethics Officer and Compliance Officer (detailed information is provided in the CCC Group Code of Ethics)
- wide access to training in labour law, including counter-acting discrimination, workplace harassment and bullying (more information on bullying is specified in the CCC Group Workplace Discrimination and Bullying Prevention Rules)

- information materials and posters concerning employment of people with disabilities in the CCC Group (recruitment announcements, information disseminated via Job Centres)
- Internal Audit Team

The HR Policy can be adopted in its entirety by individual CCC Group companies, which are free to further improve best HR practices.

Based on its business and development plans, in 2020/21 the CCC Group defined an HR Strategy, which is an integral part of its HR Policy. The HR Strategy defines key pillars that have specific projects and activities assigned to them to deliver general objectives. The strategy is scheduled for adoption and implementation in 2021.



Main pillars of the HR Strategy:

PILLAR I. We are omnichannel
Acquire, develop and maintain digital competencies, facilitate innovation and collaboration.

PILLAR II. We love our products and clients
Build pride and engagement around CCC products and build a culture of creativity.

PILLAR III. We are effective
Build a continuous improvement culture through appropriate work rules, optimisation opportunities and tools.

PILLAR IV. We care about business
Invest money, knowledge and tools into human capital for optimal achievement of business goals.

PILLAR V. We care about people
Systemically expand the positive impact of the CCC brand on its stakeholder communities through a focus on ethics, development, engagement and building a consistent image based on values.

In order to effectively implement the HR Policy, the CCC Group has developed an Employer Branding Strategy in 2020/2021, which will be implemented in 2021 and will define the following:

- employer brand’s tone of voice;
- EVP (CCC brand differentiators in the marketplace and within the organisation);
- key personas (key talents, competencies and communication channels) for Digital and Retail Networks;
- internal projects designed to improve employee commitment and loyalty;
- external projects designed to strengthen the Fashion Tech image and recruit key talent for the organisation.



Recruitment practices

The aim of the recruitment process is to hire the best candidates holding the required skills and qualifications who will perform the assigned tasks efficiently, take initiative and achieve pre-set goals. The recruitment process ensures equal opportunities and objective assessment of candidates with the use of appropriate selection tools. The organisational aspects of the process are provided for in the Recruitment Procedure.

CCC S.A. implements various initiatives extending beyond standard recruitment announcements to reach potential candidates for a job. CCC S.A. establishes collaborative partnerships with universities across Poland, takes part in job fairs, runs recruitment campaigns on social media, searches for and contacts potential candidates directly, collaborates with Job Centres, local websites and the press. The Company also operates a career site with current job openings and employee stories showcasing development opportunities at CCC.

In order to maintain smooth communication with candidates during the recruitment process, CCC uses the Applicant Tracking System (ATS), which allows it to efficiently manage the recruitment process, from the creation of a job ad to the selection of the best candidate. The CCC Group is committed to employee development, therefore every recruitment process is initiated internally and communicated to the sales, warehouse, office and administrative personnel.

Recruitment Standards were implemented at the CCC Group in 2019 to standardise and improve the recruitment process. They cover topics such as preparation for recruitment, characteristics of the ideal candidate, characteristics of the ideal recruiter, CV gathering and selection, GDPR in the recruitment process, telephone interview with the candidate, job interview, making a job offer, and completion of the recruitment process. In 2020, new Recruitment Standards were implemented covering issues such as phone interviews with candidates, practical exercises as a fixed element of the recruitment process and guidance on the recruitment process safety during the COVID-19 pandemic.

In the financial year 2020/2021, a series of training sessions were held for store managers and deputy store managers

in the form of webinars on the adopted Standards, with a total of 679 people trained. Additionally, in support of the post-training process, pre-interviews with candidates were conducted by store managers together with a team of HR Business Partners who assisted with the process, discussed it and helped to practise it.

CCC also collaborates with Job Centres throughout Poland in arranging internship programmes. A total of 215 internship agreements for the unemployed were signed in the financial year 2020/2021.

In addition to the partnerships with Job Centres, CCC also recruits interns through collaboration with other institutions implementing internship projects for salespeople. These include: HUMANEO, InBIT sp z o.o., Navigator International Sp. z o. o., O.K. Centrum Języków Obcych Sp. z o.o. Podkarpacka Agencja Konsultingowa, S.T.R. Project Piła, Inspiration Lab Association, NIL Association, Brother Albert Association, Tarnobrzeg Regional Development Agency, Viamed Health Clinic Lublin, Centre for Social and Economic Development Sędziszów Małopolski, IN-NOVO Innovations in Business in Jasło, Rzeszów Region Chamber of Commerce in Krosno, Suwałki Choice Association, NGO Support Centre in Białystok, Laboro Foundation in Białystok. As part of the collaborative partnerships with these institutions, internship coordinators received an allowance in addition to their remuneration for training job seekers in the profession of a salesperson.

CCC also provides traineeships for students as an important factor complementing the process of training future employees. In the financial year 2020/2021, 63 students from 13 schools across Poland including Kraków, Wrocław, Łódź, Tychy, Stalowa Wola, Międzyrzecz, Biłgoraj, Wadowice, Elk and Bolesławiec were trained for the positions of sales technician and salesperson.

CCC focuses on the development of young talent in other areas as well. In the financial year 2020/2021, an internship programme was organised for the best students and graduates who were given an opportunity to start their careers in ecommerce, IT, finance, management control, CRM, HR, and marketing. Many of the programme participants have stayed with the Company.

Induction [GRI 404-2]

The induction process is based on the assumption that a new hire will remain with the organisation much longer if the introduction process is properly implemented in the initial period of employment. Its aim is to shorten the time before a new employee is fully productive and to integrate him or her seamlessly into the team. To minimise possible issues in the early stages of employment, induction programmes have been developed. A vital element of each such programme is stressing the responsibility of the line manager for every new hire, and a properly personalised programme that matches the position is key to successful onboarding of new employees. The induction process is subject to continuous optimisation and innovation to ensure process efficiency.

All new office and warehouse hires are invited to attend a presentation meeting where they receive a summary of key information on the company, internal rules and regulations, values, benefits, etc. In 2020, the onboarding process was re-modeled to enable online staff onboarding given the ongoing COVID-19 pandemic.

The onboarding process for office and administrative staff, in addition to the relevant job training, included in-store training, which allowed new hires to learn the ropes of processes of key importance to CCC’s business. With employee safety in mind, the process was suspended in 2020 due to the pandemic.

The effectiveness of the induction process is measured by analysing the results of the stay interview opinion poll conducted after the probation period. The aim of this survey is to get to know the opinions and impressions of the new employee after the first months of work and to verify whether and to what extent the arrangements made during the recruitment process are being implemented.

A standardised process for onboarding employees into store structures has also been in place since 2019. All new hires receive initial training, delivered by the store manager and mentors designated by the store manager.

Employer branding

Employer branding is an integral part of the CCC Group’s activities. Its main goal is to build the employer brand image internally and externally to ensure a positive experience for candidates and employees.

The following goals have been set in the area of employer branding:

- position CCC as the employer of choice;
- strengthen the position of CCC Fashion Tech in retail;
- build staff expertise;
- ensure effective and coherent internal communication;
- improve employee engagement in projects building the organisational culture, including CSR projects (volunteering and grant projects);
- build reliability and job security;
- attract the best candidates in key areas;
- retain top talent;
- provide positive candidate and employee experience;
- ensure fairness and transparency of employment.

The benefits and values offered by the CCC Group are highlighted during the recruitment process. In the financial year 2020/2021, the CCC Group ran a series of initiatives to build the image of CCC as a solid, innovation-driven and reliable employer. In 2020, CCC Group was awarded the Reliable Employer 2020 and Friendly Workplace titles. The awards stand as a testament to the effectiveness of the initiatives implemented by CCC.



In 2020, the ‘Loving CCC shoes’ project was run for the first time to encourage all CCC employees to become ambassadors of CCC products, which are embedded in the corporate DNA and are involved in every role within the organisation. The following activities were conducted as part of the ‘Loving shoes’ project:

- Testing new products made by employees (any model of shoes from a new collection) and providing feedback on them. The purpose of this activity was to select ‘hits of the season’. In the autumn edition of the ‘Become a CCC ambassador’ competition, almost 600 statements/opinions were received.
- Selecting natural brand ambassadors with active Instagram accounts and at least 500 followers and providing them with opportunities to further grow their presence in the digital world. ‘CCC Ambassadors’ were free to post content on their accounts and were invited to test shoes from the latest collections that were not yet available on the market. As part of the campaign, CCC employees were trained by internal influencers on the latest social media and fashion trends.
- Organising the writing competition ‘My Shoes’ Story’, with participants asked to write a story featuring CCC shoes. Two winners were selected in the competition. The prize was a shopping session with a personal shopper in a CCC store and a fashion boutique. An extra bonus was a visit to the CCC showroom in Warsaw to learn more about the business and the inner workings of the Creative Department.

- Running the competition ‘Be the face of CCC’, in which CCC selected four employees to be ‘The Face of CCC’. The prize was a professional photo shoot. Pictures from the shoot are used in job ads posted across the retail network.

The ‘Loving Your Shoes’ project has become a key project engaging all CCC employees. Its success, employee engagement and media attention were a clear sign that the project should be a permanent fixture, and it will be continued in 2021.

Development conversations

The main purpose of periodic development conversations is to raise employees’ awareness of their strengths, weaknesses and competences, in order to increase their effectiveness and improve the quality of their actions undertaken towards achieving goals and implementing personal development plans.

Development conversations are held in a way that links their individual performance and their development potential. The evaluation conclusions are used in further career planning and implementation of business goals.

During the financial year 2020/2021, a development conversations pilot was carried out among managers to develop tools to assess CCC’s core competencies. The pilot

helped to prepare the development conversation process, which began in early 2021 and covered all CCC administrative staff. Based on the conversation results, Development Programmes strengthening CCC’s core competencies will be developed and implemented in 2021.

The Company also runs a Succession Programme. Every manager is responsible for succession planning in their subordinate area, with the objective being to secure key positions through:

- ensuring continuity of business processes;
- minimising the potential loss of knowledge and competence in case of departure of an employee holding a managerial or expert position.

Seeking to ensure constant development of the managerial staff and effective use of their potential, the Company planned a series of coaching meetings. In the financial year 2020/2021, a number of activities were implemented with the aim of inspiring, developing and building a culture of knowledge-sharing as well as to increase employee engagement. They are discussed in the Section below.

Work satisfaction [GRI 102-43]

The CCC Group constantly seeks to make work more efficient and to improve employee satisfaction. The CCC Group does periodical work satisfaction reviews and asks employees about their opinion on particular topics in order to identify areas that require concentrated effort to improve employee satisfaction and engagement.

In response to the survey findings, CCC plans a number of measures to reinforce those aspects which the employees particularly appreciate and are proud of, and to advance in the ones that were identified as needing improvement.

The identified actions are the following:

- implement new tools to streamline work, including a recruitment form and optimised schedule (a tool to streamline the work scheduling process), introduce an electronic leave request workflow and improve communication regarding work schedules between employees.
- develop employee potential and competencies;
- launch new communication channels;
- improve process efficiency;

- make greater use of employees’ innovative and creative ideas;
- improve the quality of medical packages.

In December 2020, a survey was conducted on cooperation among employees of brick-and-mortar stores. The overall score was 4/5. 73% of store staff participated in the survey.

In order to prevent a deterioration in employee wellbeing and performance due to the COVID situation, the CCC Group resolved to use an innovative research method that relies on threat detection to early identify employee wellbeing and performance issues before they start to escalate. The Mind me system recognises sources of pandemic stress and indicates which employees need ad hoc psychological support in the form of a short training session or an on-line meeting. It is a continuous measurement tool, which monitors employee wellbeing on a monthly basis at the organisation, department and unit level (5+ people). It enables immediate response, avoidance of performance drops and adherence to the highest standards. Preparations for the survey began in December 2020, and the survey covers employees of ten selected brick-and-mortar stores in the Warsaw province and the e-commerce team. The study will run until May 2021. Then a decision will be made on whether to maintain the collaboration, roll out the survey or suspend it.

CCC also supports the work of cross-functional project teams to ensure optimal exchange of knowledge, experience and competencies. The organisation also runs the ‘Innovation Action’ competition, with employees asked to submit their process improvement and optimisation ideas on a quarterly basis.

The CCC Group has a multi-channel communication system, through which employees are informed about the changes going on and the Group’s development plans. The CCC Group informs its employees about major operational changes in advance, as prescribed by applicable laws and depending on the implemented changes. As regards the activities of the HR and Payroll Department, most changes are announced at least 14 days in advance. [GRI 402-1]

4.2. EQUALITY AND DIVERSITY

Diversity policy

The CCC Group believes that team diversity is a source of competitive advantage and that confrontation of different views, opinions, work styles, skills and experiences produces new quality and creates conditions leading to stronger business performance.

Following introduction of the ‘Code of Best Practice for WSE Listed Companies 2016’ implemented under Resolution No. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie (WSE) of October 13th 2015, the Company adopted the Diversity Policy for the Governing Bodies and Key Management Personnel in line with principle II.Z.15 of the Code.

The aim of diversity management at CCC S.A. is to create a workplace where each employee feels respected and valued and where they can fully realise their potential, contributing to the Company’s success. The Company has implemented a Code of Ethics, which defines the core values upheld by the Company, which include top quality, teamwork, respect for others and openness to employee diversity. The Company ensures equal access to professional development and promotion opportunities for its employees, irrespective of the colour of their skin, religion, gender, age, nationality, sexual orientation, citizenship, marital and children status, political beliefs, disability or any other legally protected status. Decisions on hiring new staff and appointing members of the Management and Supervisory Boards are made based on objective criteria.

CCC S.A. strives to ensure versatility and diversity in the Company’s governing bodies, especially with respect to gender, educational background, age and professional experience. Candidates for particular positions are selected based on their qualifications, professionalism and competence. The Diversity Policy aims to prevent discrimination at work, and to build a corporate culture open for staff diversity, which in turn helps build market position and competitive advantage.

The CCC Group pursues its Diversity Policy in two ways:

1. In the area of primary categories of diversity (race, na-

tionality, ethnic origin, gender, age, sexual orientation, disability):

- it forms mixed teams whose members are of different ages, which offers a broader perspective in problem solving, a better working atmosphere, higher team creativity and knowledge transfer opportunities;
- promotes behaviours that respect diversity and support charitable initiatives;
- coaches the management and their teams on working with people with disabilities;
- supports work-life balance by enabling employees to leave work early in urgent family matters and to use a leave at request in an emergency;
- actively counteracts discrimination and workplace bullying.

2. In the area of secondary and organisational dimensions of diversity (educational background, geographic location, family status, length of service, position, sector, etc.):
- builds corporate culture based on the CCC Group’s core values;
 - ensures equal opportunities of promotion and training;
 - ensures equal access to the benefits system (including the bonus system) for staff employed in the same group of positions.

CCC S.A. is a signatory to the Diversity Charter. The Diversity Charter commitments for its signatories include elimination of discriminatory practices within their respective organisations, promotion of diversity and equal treatment, and in particular readiness to involve its employees, trading and social partners in those efforts. (More about the Charter: <http://odpowiedzialnybiznes.pl/karta-roznorodnosci/czym-jest-karta/>).

The CCC Group companies place a strong focus on taking care of their employees and on constant efforts to improve their working conditions. The dialogue between the employees and the Company is supported by the employees’ freedom of association, provided for in the Work Rules. There are trade unions active at CCC S.A., currently with membership of 41 employees, or 0.3% of total employees. [GRI 102-41]

In the financial year 2020/2021, the CCC Group identified no cases of a breach, or a serious risk of a breach of the right to freedom to associate within the organisation, nor



were there any major conflicts between the employer and employees. All matters requiring joint involvement of both parties were discussed and resolved during day-to-day meetings. [GRI 407-1]

The CCC Group is open to employing people with disabilities and makes every effort to support its disabled employees and facilitate their strong integration within the Group. For information on the share of disabled persons in the total number of employees and on the ratio of basic salary of women to men, see below. For information on the percentage of persons in the CCC governing bodies by gender, age group and other diversity criteria, see Section 1.4.2.

In 2020, the CCC Group adopted the CCC Group Diversity Policy based on the Diversity Charter. The Diversity Policy outlines eight key principles that demonstrate the

commitment of all employees to creating an open and friendly environment at work.

Showing respect for a diverse and multicultural society and placing a special focus on equal treatment in the workplace, CCC has committed to observing, promoting and disseminating the principles laid down in the CCC Group Diversity Policy among its employees and business partners and to furthering the development of diversity across its companies.

Promoting workforce diversity

To promote diversity, CCC S.A. engages in local initiatives such as:

- cooperation with Job Centres (e.g. publishing job advertisements with a ‘disabled person’ designation and information that the job offer is addressed to people with disabilities;
- cooperation with local foundations, including HEROS Foundation of Lublin, Disability Employment Agency of the Fuga Mundi Foundation of Lublin, Opole and Rzeszów branches of the FAZON Foundation for Professional Inclusion of the Disabled, which help companies find trainees, interns and workers with disabilities, AKME Foundation of Bogucin, and Social Activity Development Centre Association of Rzeszów.

The Group’s Management Board also plans to further enhance employee development opportunities, and promote diversity and equality.

Workforce structure

[GRI 102-8, 401-1, 405-1]

At the end of January 2021, the CCC Group had 13,220 employees (full-time equivalents), 87.7% of whom were women and 12.3% were men. The number of employees decreased by 1,228 and the ratio of women to men in the CCC Group did not change. 71.3% of all employees had employment contracts of indefinite duration and 28.6% were employed under fixed-term contracts. During the year the percentage of people employed under employment contracts decreased by 8.5%. As at January 31st 2021, employees under 30 were the largest age group, accounting for 41% of all CCC Group employees. 51% of employees were in the 30–50 age group, and people over 50 accounted for 8% of all employees.

Of all the Group’s employees, 61.4% worked in Poland, which is home to the Company’s head office, factory, Logistics Centre, and retail chain comprising 501 stores. At the end of January 2021, 38.6% of all employees worked in subsidiaries operating abroad.

The parent, CCC S.A., which combines administrative, warehouse and sales functions, had 5,100 employees (FTEs) at the end of January 2021, of whom 8.5% were women and 91.5% were men. 61.3% of all employees had employment contracts for an indefinite term and 38.7% were employed under fixed-term contracts.

During the reporting period a total of 4,702 new staff were hired in the CCC Group, including 1,829 in CCC S.A. The employee turnover rate (the number of employees who left the company in a given year relative to the number of employees at the end of the year) during the period was 46.9% for all CCC Group employees and 39.9% for employees with indefinite-term contracts. In CCC S.A. the turnover rate for all employees (employed under indefinite-term and fixed-term contracts) was 51.8%, and for employees employed under indefinite-term contracts the rate was only 8.9%. For detailed information on employees by type of contract, new hires and departures, see Appendix 1 to this report.

The CCC Group’s workforce is divided into three levels: senior management, managers and other employees. At January 31st 2021, women accounted for 40% of the 68 senior managers, 89% of the 2027 managers, and 88% of the 11,125 other employees.

As at January 31st 2021, 1,545 people worked under civil-law contracts (2019/2020: 1,496 people), 51 people worked under cooperation agreements (2019/2020: 28 people) and 11 people worked under contracts of appointment (2019/2020: 12 people). The 82% increase in the number of people providing work under cooperation agreements was driven by the Company’s business needs and new hires’ preferences in 2020.

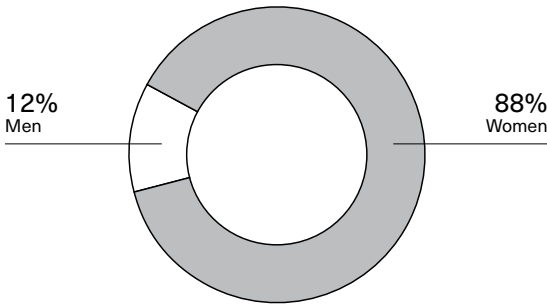
In the financial year 2020/2021, the number of employees with disabilities decreased by 16.8% year on year. As at January 31st 2021, the disabled accounted for 4% of the CCC Group’s workforce and 7% of all CCC S.A. employees. A majority of the disabled employees are based in Poland, accounting for 63% of all disabled employees of the CCC Group. The company with the largest percentage of employees with disabilities (64.4%) is CCC S.A.

In the financial year 2020/2021, the CCC Group companies paid a total of PLN 2,546 thousand in contributions to the

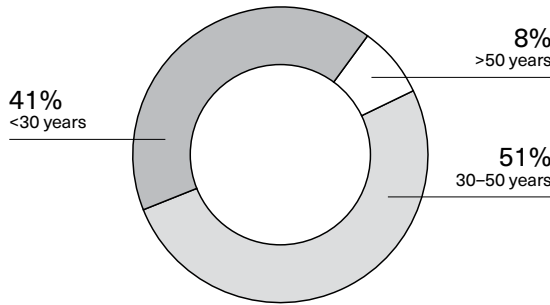
State Fund for Rehabilitation of the Disabled and similar institutions in other countries (up 52.7% on 2019/2020).

For more information on the CCC Group’s headcount, new hires and departures, employees with disabilities, people working under civil-law contracts and on an outsourcing basis, see Appendix 1 to this report.

WORKFORCE BY GENDER
AT THE CCC GROUP IN 2020/2021



WORKFORCE BY AGE
AT THE CCC GROUP IN 2020/2021



Impact of COVID-19 on employment structure

The COVID-19 outbreak had a significant impact on the CCC Group’s operations. Due to numerous restrictions affecting retail, transport and labour, the Group companies needed to take appropriate measures, including with respect to its employees. The measures were aimed primarily at protecting jobs, but also at reducing employee costs.

Cost-cutting measures included periodic reductions in contract hours, downtimes and suspended payment of allowances in line with legislation enacted during the pandemic. Job preservation measures were largely funded from wage and social security subsidies received from Job Centres, with over PLN 20m in total subsidies secured by CCC in 2020.

Glass Ceiling Ratio

The Glass Ceiling Ratio (GCR) shows whether chances of promotion for each gender are equal in an organisation. In 2020, the CCC Group was one of the first companies in the world to directly report its Glass Ceiling Ratio (GCR) and set a reduction target of 12% for 2021 and 10% for 2022. In pursuit of its goals set in the GO.22 Sustainable Development Strategy for 2020, the CCC Group revised its HR Policy in the financial year 2020/2021 and established an action plan to level the promotion playing field for the coming years. In the financial year 2020/2021, the Group also developed a Diversity Policy, which is described in more detail in this Section. The implementation of the pre-set goals is supported by the adopted Remuneration Policy and the new HR Strategy.

The 2020/2021 Glass Ceiling Ratio for senior executives at the CCC Group was 47.7%, down 2.8pp from the previous year. The ratio was 1.1% for managers, down 0.4pp, and 0.5% for all managerial positions, up 0.5pp year on year. [own ratio].

Detailed information on the GCR for the CCC Group and CCC S.A. is provided in Appendix 1.

Remuneration policy and system [GRI 405-2, 102-35]

CCC S.A.’s remuneration policy is based on the Remuneration Rules in place at the Company, which state that employees must be paid according to their position, scope of responsibilities, and skills and qualifications.

In addition, remuneration rules and other employee-related matters, including those connected with working time and cooperation with trade unions, are provided for in the Work Rules.

The average monthly gross pay for all employees of the CCC Group in the financial year 2020/2021 was PLN 3,720.8, having increased 2.6% on 2019/2020. The average remuneration of senior management personnel fell 19.7%, to PLN 22,298.7, the average salary of managers fell 1.4%, to PLN 5,247.5, and the average pay of other employees rose 3.9%, to PLN 3,327.8 In CCC S.A., the average monthly gross remuneration of the employees hired in 2020/2021 was PLN 3,547.2 PLN, a 0.2% increase on 2019. The average gross remuneration of other employees rose 1.6%, to PLN 3,280.6, while the average salary of senior management fell 11.7%, to PLN 32,552.3, and the average pay of managers fell 5.8%, to PLN 4,644.8, over last year.



The ratio of women’s average gross pay to men’s average gross pay for 2020/2021 decreased across all pay grades compared with the previous year. For senior managers and managers, the ratio decreased 14.8pp, to 92.4%, and 0.2pp, to 49.5%, respectively, and for all CCC Group employees the ratio dropped 1.9pp year on year, to 57.0%. In CCC S.A. the ratio of the average gross remuneration of women to men in 2020/2021 was 61.7%, down 2.1pp year on year. The ratio increased 26.8pp for senior management personnel and 5.3pp for managers. For the other employees, the ratio dropped 2.00pp. Detailed information about the average monthly gross remuneration and the ratio of the average remuneration of women to men at the CCC Group and CCC S.A. is provided Appendix 2 to this report.

The CCC Group did not offer any recruitment incentives, retirement benefits or ESG bonuses in 2020/2021. [GRI 102-35]

Gender Pay Gap Ratio

The Gender Pay Gap Ratio (GPGR) is calculated as an absolute value of the difference between women’s average earnings to men’s average earnings * 100%. In 2020, the CCC Group published its first-ever GPGR and set a reduction target for each group of 1/5 for 2021 and 2/5 for 2022 compared with the 2019 level of 14%. In pursuit of its goals set in the GO.22 Sustainable Development Strategy for 2020, in the financial year 2020/2021 the CCC Group revised its Remuneration Policy and prepared it for implementation. It also prepared a detailed system for collecting and analysing remuneration data of employees at all levels, which will be implemented and launched in 2021. The implementation of the preset goals is supported by the adopted Remuneration Policy and the new HR Strategy.

The 2020/2021 GPGR at the CCC Group was 7.6% for senior management staff, up 0.5pp year on year, 50.5% for managers, up 0.2pp year on year, and 35.9% for the other employees, up 3.0pp. The GPGR for all employees came in at 43.0%, a 1.9pp increase year on year. [own ratio]

Detailed information on the GPGR for the CCC Group and CCC S.A. is provided in Appendix 2.

Working environment

Competence development and education – training and workshops

The overriding goal of the development policy is to upgrade employee skills, foster the knowledge sharing processes, ensure that training answers specific business needs, and develop competences that are in high demand across all areas of operations.

- Support in the development of skills and qualifications is offered in the 60:40 model:
- 60% – On the job development – participation in projects, job rotation, management by objectives, coaching and mentoring;
 - 40% – Formal development – internal and external training workshops, language courses, e-learning.

The year 2020 was an unusual period that required the CCC Group to flexibly respond to employee and business needs. This impact was and still is particularly noticeable at

the Training and Development department. In the financial year 2020/2021, training and development initiatives were largely tailored to match the needs of online work and hybrid teams. The CCC Group was one of the few companies in Poland to use the time spent at home during the first lockdown to strengthen the competencies of its employees and organise a series of online workshops, which were facilitated by an earlier effort to digitalise the Learning & Development area.

In the financial year 2020/2021, the CCC Group conducted the following workshop and training sessions::

- 1. HOME DEVELOPMENT ACADEMY** – training sessions for employees held during the first lockdown – the programme was dedicated to the retail network and provided participants with an opportunity to develop their hard and soft skills. The training was received by over 3,600 CCC store personnel, including regional sales managers, store managers, deputy store managers, sales leaders, and salespeople. There were 147 webinars delivered by 37 presenters. Topics addressed during the Home Development Academy:
- CCC product
 - HR link can be liked
 - Optimal schedule from A to Z
 - Eco-friendly shoe care
 - The world of complaints without secrets
 - Turn complaining into action
 - Motivation, or how to stay motivated
 - Managing yourself in time – selected techniques
 - Innovation in business – the example of esize.me
 - Visual merchandising the world of FASHION
 - Effective communication with elements of feedback
 - Holiday leave planning – the example of optimised schedule
 - ‘Measure up...’, or how to effectively measure and count in business
 - Work planning and scheduling – the example of optimised schedule.

2. CCC RSM ACADEMY – in the second half of 2020 the CCC Group launched a management skills development programme for regional sales managers. The primary objectives of the CCC RSM Academy were to enhance management skills and to ‘design think’ business projects through teamwork.

3. E-COMMERCE GROW – a competence development programme designed for e-commerce employees. The programme included workshops on interpersonal communication in practice, goal setting and task delegation, motivation and self-motivation, and coping with change.

4. SALES MASTER AND SALESPERSON-DECORATOR – a new development and expert programme launched in 2020 for salespeople in key TOP 154 stores. Persons to be assigned a new role of Sales Master or Salesperson-Decorator were selected at each store. The expert programme aims to strengthen business awareness and motivate employees by engaging them in project work, raise the standard of product presentation in stores through VM, strengthen specialist VM competencies, and train teams in VM. The Sales Master/Salesperson-Decorator expert programme was also launched in markets outside Poland.

5. GROW WITH CCC – training sessions held during the partial lockdown in after-sales service, recruitment standards and business scheduling for the CCC Mobile App and Instore CCC teams as part of the digital competencies development programme.

6. PRODUCT TRAINING – periodic product knowledge training sessions (e.g. launch of the VANS brand).

7. BACK TO SCHOOL and BLACK FRIDAY – training delivered to strengthen sales skills during important shopping periods, e.g. Black Friday and Back to School.

In 2020, the CCC Group provided a multi-level space for employees to develop and acquire soft and hard skills. Care was taken to ensure that the current epidemiological situation did not stand in the way of acquiring the necessary knowledge and skills by new hires and long-standing employees, therefore part of the training was moved to the remote mode. A number of training sessions were held to familiarise administrative staff with new tools (ZOOM) used in remote and hybrid work in the most convenient fashion possible.



TRAINING PROVIDED BY THE CCC GROUP IN THE FINANCIAL YEAR 2020/2021:

Name	Description
Development conversations	The aim of the training was to acquire skills in conducting development conversations with employees. Its most important element was to learn about the development conversation model: setting goals/tasks, evaluating competencies, setting the development path. As part of the training, participants also learned about the FUKO feedback model.
Eastern culture	The aim of the training was to help understand the Chinese mentality and customs for harmonious and fruitful business cooperation. Participants were given useful tips on the do's and don'ts of cross-cultural business talks.
Construction law	The training aimed to familiarise participants with amendments to the Construction Law. It covered discussion of the amendments, impact of the changes on investment process execution, legal standards from the point of view of courts, and current trends in the Construction Law.
Change management	The aim of the training was to acquire skills in change management. In particular, participants learned about the psychological aspects of change management and the tools and methods to be used in the process. The training helped employees understand the psychological aspects of the change process and the role and tasks of key figures in the change process, identify sources and causes of resistance to change, develop and apply effective communication in the change process.
Zoom	The purpose of the training was to learn how to use communication tools on the Zoom platform. The training allowed employees to quickly use the interactive tools necessary for daily online work.
Excel	The aim of the training was to teach participants to create complex tables in various layouts using advanced calculation elements of formulas and functions. Participants learned how to analyse data using conditional formatting, advanced filters, pivot tables, and what-if analysis. VBA was introduced as an element of work automation.
Motivation	The purpose of the training was to discuss employee engagement factors according to the Gallup Institute. The methodology used in the training focused on analysing success through employee interviews based on the 12 most important questions for professional performance and opinion feedback.
Team building	The purpose of the training was to build connection between employees and create lasting relationships between team members based on cooperation, trust and friendship. Participants learned about their strengths and weaknesses, took part in simulation games and expanded their practical interpersonal skills in the context of group communication.
Negotiations	The purpose of the training was to develop skills and knowledge in identifying and planning negotiation situations. Participants improved their persuasive skills with a particular focus on the different types of argumentation. They prepared for commercial negotiations and improved their skills in neutralising manipulative negotiations.
Training package for the human resources department	The purpose of the training was to familiarise HR staff with amendments to national and international accounting and tax laws, to present popular transactions involving the use of an organised part of business and their accounting consequences, and to present the leasing revolution ushered in by IFRS 16 Leases and differences in Polish accounting law.
Public speaking	The aim of the training was to improve the skills of preparing persuasive presentations, improving the ability to build rapport with the recipient, providing constructive feedback on communication skills with particular emphasis on argumentation.

In order to ensure the best possible L&D experience for its employees, in 2020/2021 the CCC Group strengthened its culture of knowledge sharing and introduced new training tools developed in cooperation with recipients.

Store personnel from across Poland were invited to participate in the Briefings project aimed at developing a new standard to strengthen daily motivation and engagement of sales teams in new initiatives through motivation and development of management, communication and team-

work competencies. Plans and tasks for the day are discussed during team briefings. At the beginning of 2021, a new project, Briefing Challenge, was conceived to popularise briefings and encourage teams to hold daily meetings by nominating one another and stores in their regions. The briefings were very well received and inspired the teams to streamline their work in order to better meet customer expectations and use digital technologies more effectively. In order to increase employee engagement, a ‘business game’ format was incorporated into the programme. Employ-



ees from various stores were tasked with recording short videos of their briefings as a source of inspiration for colleagues in brick-and-mortar stores. The idea proved quite successful – employees achieved better team cooperation, fostered a positive work environment, developed competencies and explored a host of exciting ideas.

Sales Master is a ‘train the trainers’ programme used by the CCC Group to train salespeople, whose task is to take care and develop competencies of store employees and to implement original motivational methods to drive sales. The first edition of the programme was run in 154 stores, with a rollout planned by the Company in the future.

As an international company, the CCC Group also cares to share knowledge with its foreign companies. CCC International L&D Support meets monthly at international training sessions to share best practices and develop new solutions together.

Responding to the need to improve soft skills, the Company launched an internal training program ‘Let’s CCCoperate Effectively’, which took the form of workshops. Selected companies of the Group also provide online training, offering access to knowledge to a wide range of recipients. The e-learning sessions cover product training dedicated to sales networks, GDPR, OHS, information security and use of particular tools. [GRI 404-2]

Because of the CCC Group’s strong expansion into foreign markets, language courses are organised for employees to help them effectively cooperate within all markets where the Group is present.

Employee development and skill enhancement programmes cover the parent company only and do not cover the other Group companies [GRI 404-2].

In the financial year 2020/2021, the average number of training hours per manager for the CCC Group was 26.9 hours, an increase of 365% over the previous year. For the other employees, the number of training hours per person was 16.8 hours, an increase of 299% driven by numerous workshops conducted during the first lockdown for retail network staff. For senior management personnel, the number of training hours was 10 hours per person, having decreased 31.2% year on year as selected management training activities were suspended to address the COVID-19 pandemic situation. [GRI 404-1].

Qualification enhancement

Training provided during working hours is complemented by external education of employees wanting to acquire new qualifications. Employees take part in development programmes by attending training courses, conferences, symposia, seminars, workshops and studies financed or co-financed by the employer. In the financial year 2020/2021, 87 employees of the CCC Group raised their professional qualifications externally, of which 34 were senior management members, 25 were managers, and 58 were other staff. So far, the CCC Group has not provided any training or assistance to upgrade employee skills during a transition period or manage career endings resulting from retirement or termination of employment. [GRI 404-2]

During collective redundancy processes involving manufacturing and administrative staff of Gino Rossi S.A., meetings were held with employers looking to hire employees, Job Centres, and the Social Security Insitution, and assistance with formalities was provided, etc.

Benefits for employee parents

CCC supports all members of its staff who have become parents and takes care to enable them to use all their employee rights associated with parenting. CCC S.A. promotes work-life balance, taking into account the situation of employees who have, or are to, become parents. Those new mothers who decide to return to work can, in addition to the nursing break time they are entitled to, work one hour less a day, with their right to remuneration retained. Flexible working hours (where permitted by the job type) are also part of the programme, as is the possibility of making flexible working time arrangements in consultation with a supervisor for a period until the child is two years old. [GRI 401-3]

Employee motivation and benefits

[GRI 401-2]

In order to provide an attractive workplace and maintain employee motivation and commitment, the Group offers a range of attractive benefits to its employees. The CCC Group has a number of financial and non-financial incentives in place, some of which are described below. Each individual company decides which specific motivation solutions to apply. The incentives include:

- development programmes, internal and external training (online and offline)
- coaching
- stability of employment
- attractive and ambitious tasks
- in-house training by internal trainers
- open and attractive communication about the Company’s activities
- participation in innovative international projects
- promotion opportunities
- preventive health campaigns
- sports packages
- discount cards for CCC stores and the eobuwie.pl and MODIVO online platforms
- permanent medical care on factory premises,
- bonus systems
- seniority allowances, work attendance rewards, on-call availability allowances
- location pay
- university tuition allowance
- jubilee benefits
- co-funding of employee meals
- prepaid Christmas cards
- partial funding of commuting expenses
- possibility to join group life insurance
- free private medical care
- remote working option.





TABLE 4.1. PARENTAL, MATERNITY AND CHILDCARE LEAVE [GRI 401–3]

Number of persons	January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021		
	W	M	W+M	W	M	W+M
Number of persons who started parental, maternity or childcare leave	819	11	830	823	5	828
Number of persons who ended parental, maternity or childcare leave	602	9	611	574	5	579
Number of persons who left work after having ended parental, maternity or childcare leave in the previous period	–	–	–	79	2	81
Percentage of persons who left work after having ended parental, maternity or childcare leave in the previous period	–	–	–	13%	22%	13%

At the CCC Group, 823 women and 5 men took parental, maternity (paternity) and childcare leave in the financial year 2020/2021, compared with 819 women and 11 men in 2019/2020. The percentage of people who left work in 2020/2021 after having ended parental, maternity or childcare leave in the previous year was 13%. [GRI 401-3]

Defined benefit plan obligations and other retirement plans [GRI 201-3]

Pursuant to the Employee Capital (PPK) Plans Act of October 4th 2018, the CCC Group put in place Employee Capital Plans, which it is obliged to operate as of July 1st 2019 since each Group company employs more than 250 staff. The CCC employees’ PPK assets are managed by the pension fund company Nationale-Nederlanden Powszechne Towarzystwo Emerytalne Spółka Akcyjna, selected under the Management Board’s resolution of August 20th 2019 following completion of a multi-stage procedure. The process of the PPK implementation and partner selection was supported by a law firm. Employees were informed about

the PPKs through the intranet, via email and at meetings organised to systematise the knowledge of PPK and to address any uncertainties concerning its implementation. To date, approximately 30% of all CCC Group employees have joined the PPKs. PPK contributions are paid by the employee and the employer in the amounts required by law. [GRI 201-3]

The Group companies do not operate any employee pension plans. [GRI 201-3]

Financial assistance from the government [GRI 201-4]

In the financial year 2020/2021, CCC.eu Sp. z o.o. and CCC S.A. received over PLN 20m in total from the employment agency to fund employee salaries and social insurance contributions. From April 2020 to July 2020, the companies used the option to reduce working time of employees or send them home under an economic downtime scheme.

4.3. OCCUPATIONAL HEALTH AND SAFETY [GRI 403-2]

The health and safety of employees, contractors and visitors are of paramount importance at the CCC Group, as demonstrated by strict compliance with the law and implementation of preventive measures. Ensuring safe and healthy working conditions is a key strategic objective. The strategy for occupational health and safety covers both preventive measures and systemic activities integrating fixed elements designed to improve safety and comfort at work into the corporate culture. Every year, the health and safety initiatives undertaken by CCC bring it closer to achieving the goal of ZERO ACCIDENTS at work set in the stated strategy.

The Occupational Health and Safety Committee reviews working conditions once a quarter and it periodically assesses the state of occupational health and safety, provides opinion on measures taken by the employer to prevent accidents at work and occupational diseases, submits proposals to improve working conditions, and assists the employer in fulfilling its obligations regarding occupational health and safety. [GRI 103-1, 103-2, 103-3]

Health and safety policy and management at the CCC Group [GRI 403–1, 403–2]

Occupational health and safety issues are among the CCC Group’s priorities. Given the variety of operations carried out by individual companies (e.g. production, logistics, sales), giving rise to different occupational health and safety challenges, the CCC Group does not have a uniform OHS policy in place. Each Group company operates its own OHS policy and adapts it to the applicable rules and regulations, which differ from country to country. The companies use OHS management system componenst, including:

- planning and implementing OHS targets to reduce risks and increase employee safety;
- conducting regular OHS inspections at the Company’s head office and branches;
- identifying risks and updating the occupational risk assessment;
- mitigating risks;
- organising regular OHS training sessions, drills, talks and meetings with heads of departments.

The parent, CCC S.A., and CCC.eu Sp. z o.o. have implemented the OHS Policy adopted by way of the President of the Management Board’s decision in 2015. The Policy applies to all employees and covers all necessary measures geared towards creating and improving safe and healthy working environment for the employees. The main objective of the OHS Policy and the Sustainable Development Strategy is to reduce the number of accidents at work and to implement and maintain efficient occupational health and safety management at the Group companies. The other objectives are:

- counteracting occupational diseases, accidents at work and near miss incidents, fires or explosions through preventive measures and by investing in technical occupational safety;
- continuous reduction of the total number of accidents at work, with a particular focus on severe and group accidents, and minimising costs of accidents at work;
- regular identification of threats and hazards, their assessment and taking action to mitigate occupational risks;
- striving for continuous improvement of the OHS and fire protection systems as well as protection of employees’ health;
- compliance with the applicable legal and other requirements for safe operation of companies;
- continuous performance improvement, enhancing employees’ skills, taking into account employees’ role and involving them in OHS, health protection and fire protection activities;
- ensuring adequate means and resources to implement and maintain the OHS policy.

All workstations at the CCC Group meet OHS and fire protection standards.

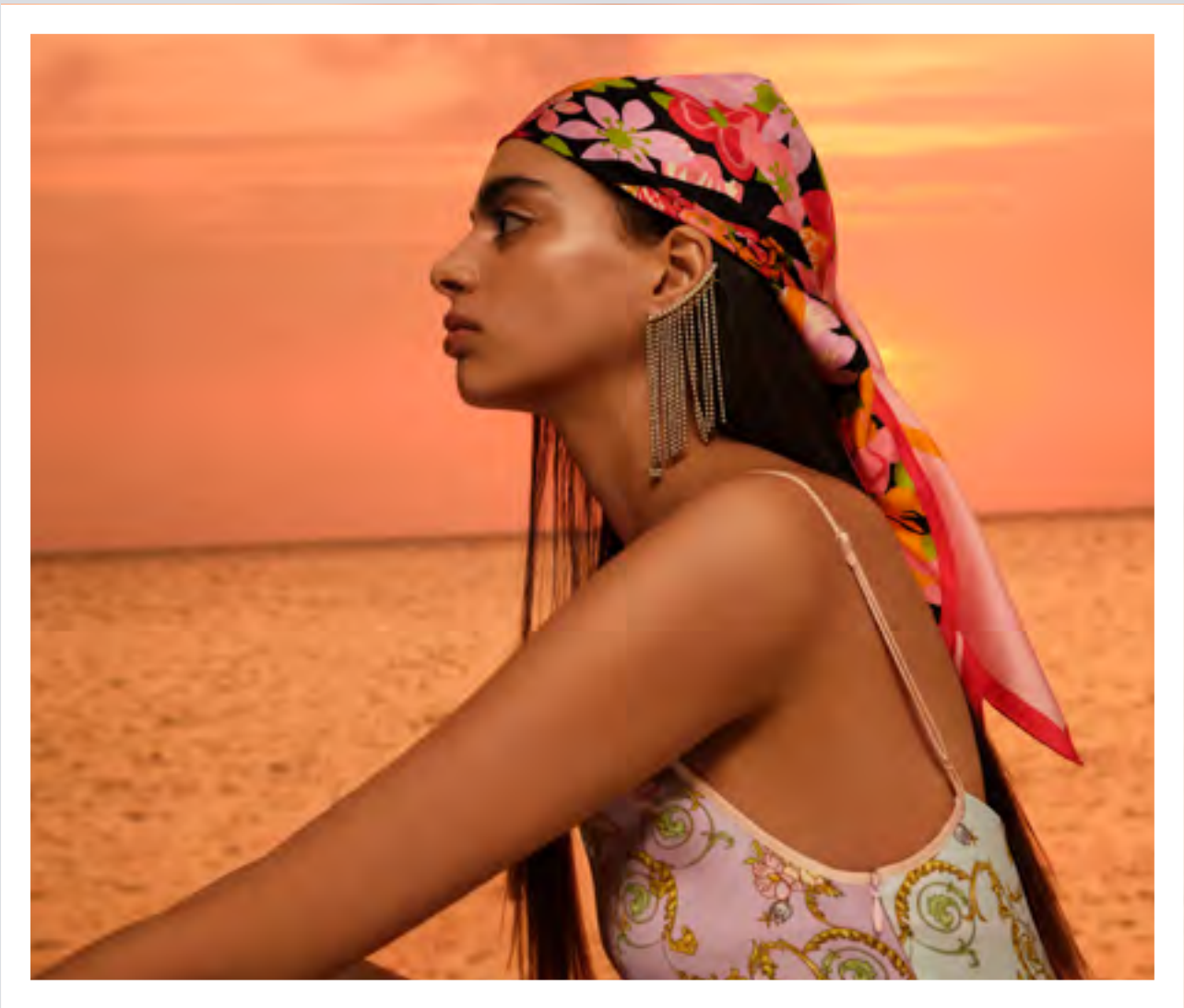
OHS committees [GRI 403-2, 403-3, 403-4]

CCC S.A., CCC.eu Sp. z o.o., CCC Factory Sp. z o.o. and Gino Rossi S.A. have OHS committees, which are responsible for considering issues related to technical occupational safety. Their tasks also include developing preventive measures and solutions to improve working conditions. The OHS committees active at CCC S.A., CCC.eu Sp. z o.o. and CCC Factory Sp. z o.o are each composed of six members, including a physician designated by the respective company’s medical services provider.

In 2020, the composition of the OHS Committee was updated at CCC S.A. and CCC.eu Sp. z o.o. by way of the President of the Management Board’s decision. The Committee consists of three representatives of the employer and three representatives of the employees. The OHS Committee’s responsibilities include:

- reviewing working conditions
- making periodic assessments of the occupational safety and health status
- giving opinions on measures undertaken by the employer to prevent accidents at work and occupational diseases
- putting forward proposals to improve working conditions
- cooperating with the employer in fulfilling its OHS obligations

The committee meetings are held at least once a quarter and are recorded in the form of minutes. The committees can use expert reports or opinions of external specialists in cases agreed on with the employer. In the reporting period, four Committe meetings were held at CCC S.A., one meeting was held at CCC Factory and no meetings were held at Gino Rossi.



OHS instructions and rules
[GRI 403-4]

CCC Group companies have a number of procedures in place governing health and safety processes to effectively reduce the number of accidents at work, minimise fire hazards and improve working conditions.

Employees are familiarised with the OHS and fire safety instructions and the findings of occupational risk assessments for their particular job, fire safety instructions, occupational health and safety training procedures and Work Rules. OHS instructions and rules have been prepared for individual areas, i.e. for store, warehouse, office and factory floor staff. The key OHS instructions and rules in place at CCC S.A. and CCC.eu Sp. z o.o. include:

- OHS Instructions – First Aid;
- Fire Emergency Instructions;
- Fire Safety Instructions for buildings;
- OHS Instructions – Goods storage and warehousing;
- OHS Instructions – Manual transport tasks;
- OHS Instructions – Operation of motor-driven forklifts;
- OHS Instructions – Use of computers with electronic visual displays;
- OHS Instructions for retail store personnel;
- OHS Instructions – Use of retractable snap-off blade knives;
- OHS Instructions – Use of ladders;
- OHS Instructions – Use of chemical substances and preparations;
- Instructions for reporting and recording accidents at work, commuting accidents and near miss incidents;
- OHS inspections procedure;
- Procedure for the use of first aid stations.

The key OHS instructions for the production companies (CCC Factory Sp. z o.o. and Gino Rossi S.A.) include:

- Fire Safety Instructions and the Explosion Protection Document;
- Workwear, Protective Clothing and Personal Protective Equipment Standards;
- Occupational Health and Safety and Occupational Risk Assessment Instructions;
- Regulation on the Frequency and Types of OHS Training;
- Programme of Organisational and Technical Measures to Reduce Exposure to Noise or Mechanical Vibrations;
- Operating and Production Manuals for Machinery and

Equipment compliant with Operating and Maintenance Instructions – position-specific instructions;

- Instructions for Storage of Semi-Finished Products and Materials, Including Chemical Agents on the CCC Factory’s Premises, along with the Chemical Agents Manual for employees.

Employees may access all instructions and rules on a shared network drive, internal Internet platforms and canteen displays or may inspect them in paper form in places open to employees.

CCC S.A. improves OHS and fire safety processes on an ongoing basis. The following occupational and fire safety documents were either developed or updated and implemented in 2020:

- OHS Instructions – Shoemaker’s workshop;
- OHS Instructions – Use of hand tools at the repair shop;
- OHS Instructions – Operation of machinery at the repair shop;
- OHS Instructions – Handling operations;
- OHS Instructions – Employees using suction cups for sheet metal lifting;
- OHS Instructions – Operation of ozone generators;
- OHS Instructions – Operation of automatic scrubbers;
- OHS Instructions – Employees working with belt conveyors;
- Fire Safety Instructions for the Shared Services Centre building in Polkowice;
- Fire Safety Instructions for administrative and office building No. 3 in Polkowice;
- Fire Safety Instructions for administrative and office building No. 2 in Polkowice;
- Fire Safety Instructions for administrative and office building and warehouse No. 4 in Polkowice;
- Fire Safety Instructions for administrative and office building and warehouse No. 1 in Polkowice;
- Fire Safety Instructions for the warehouse, administrative and employee amenities section of building No. 3;
- Procedure for carrying out hot work activities on the premises of CCC.

The following OHS instructions have been developed in Russian and Ukrainian:

- Fire Emergency Instructions;
- General instructions applicable to all warehouse employees;

- Instructions on the operation of hand pallet trucks;
- Instructions on the performance of manual transport tasks;
- Instructions on the use of retractable snap-off blade knives;
- Instructions on the provision of premedical first aid;
- Occupational risk assessment for warehouse keepers in Russian and Ukrainian.

The documentation seeks to improve the state of occupational health, safety and fire protection at the Company, to raise awareness and safety of employees in relation to their job and to familiarise employees with new hazards identified in their work environment.



Hazard identification, risk assessment, and incident [GRI 403-2]

The work environment of the Company’s head office, manufacturing plants, logistics centres and retail stores is subject to regular OHS and fire safety audits. Occupational risk assessment is carried out and updated at least once every two years, and the employees are advised about hazards and response procedures for emergencies, fire and other situations during OHS training sessions. All employees can report ay identified hazards or their observations to the OHS and Fire Protection Department by telephone, by email or by entering their comments in OHS logbooks. The Group companies are subject to the instructions for reporting and recording accidents at work, commuting accidents and near miss incidents, introduced by a Regulation of the President of the CCC S.A. Management Board and applicable to all employees. The instructions describe in detail the procedures to be followed in case of incidents. Every accident is analysed and relevant procedures are updated if necessary.

In line with applicable regulations, employees may stop performing their duties if they notice any irregularities that may pose a threat to their life or health.

If an accident is reported, an accident investigation team is appointed to investigate the causes and circumstances of the incident. The injured person’s line manager is responsible for securing the accident site until the causes and circumstances of the incident are established. Work is stopped only if there is still risk to life or health, for instance if the accident was caused by machine failure. Work on the machine may be resumed once the failure has been rectified. The decision to resume work is taken by the accident investigation team together with the work supervisor.

Occupational medicine [GRI 403-3]

All employees are referred to a pre-employment medical examination. In addition, employees undergo regular periodic examinations or check-ups to which they are referred, taking into account the nature of their jobs. The Group companies have signed occupational medicine contracts with selected specialist clinics.

Worker participation, consultation, and communication on occupational health and safety [GRI 403-4]

CCC S.A and CCC.eu Sp. z o.o. employees may report their observations, consult with the OHS staff and communicate with the OHS and Fire Protection Department using the following means:

- a shared network drive and intranet platform, where all OHS documents are stored,
- an electronic reporting service,
- direct contact with a relevant OHS liaison who is assigned to retail stores.

Worker training on occupational health and safety [GRI 403-5]

The CCC Group is strongly committed to improving the knowledge and competence of its employees in the field of occupational health and safety, therefore it provides OHS training and instructions in the onboarding process and delivers regular training sessions for all employees. The scope and frequency of training depend on the nature of the job. Every employee can access an internal platform where OHS training is available. In addition, OHS talks are carried out at the department level to discuss a variety of occupational safety considerations or recently recorded incidents.

CCC S.A. and CCC.eu Sp. z o.o. provide OHS induction training for all new hires and refresher OHS training for employees whose induction or refresher training will soon expire. The curriculum and scope of the induction and refresher OHS training are in accordance with the Regulation of the Minister of Economy and Labour of July 27th 2014, and they cover the following topics:

- Educating employees about work environment factors likely to give rise to a threat to the safety and health of employees at work, and about appropriate preventive measures and activities;
- Communicating the occupational health and safety provisions and rules that are necessary to work at the given work establishment and in a specific job, as well as the work-related duties and responsibilities in the area of occupational health and safety;

– Learning how to work in a way that is safe for the employee and others, how to deal with emergencies, and how to help a person involved in an accident.

Additionally, CCC S.A. and CCC.eu Sp. z o.o. are subject to the Regulation of the President of the Management Board of 2015 on OHS training for employees.

In the financial year 2020/2021, the OHS and Fire Protection Department conducted a drill in the head office of CCC S.A., which covered proper response to fire alarms and understanding of site rules and procedures for security personnel, with 51 participating employees. Additionally, another eight employees of the CCC S.A. head office who

had previously completed fire protection training were appointed as persons in charge of fire control and evacuation activities. In 2020, the OHS and Fire Protection Department conducted (with the participation of representatives of the State Fire Service) four evacuation drills in the administrative and office buildings at the CCC S.A. headquarters, with 203 participants.

In the financial year 2020/2021, a total of 4,174 CCC Group employees received preliminary health and safety training, 3,499 employees periodic health and safety training, 3,409 specialised health and safety training (including first aid), and 4,100 employees fire safety training.

TABLE 4.2. BASIC OHS DISCLOSURES [GRI 403-9, 403-10]

	January 1st –December 31st 2019	January 1st 2019–January 31st 2020	January 1st 2020–Janu- ary 31st 2021	YoY change
ACCIDENTS INVOLVING EMPLOYEES				
Minor accidents	73.00	77.00	32.00	-58.4%
Serious accidents	3.00	6.00	4.00	-33.3%
Fatal accidents	0.00	0.00	0.00	—
Group accidents	0.00	0.00	0.00	—
Total accidents	76.00	83.00	36.00	-56.6%
ACCIDENTS INVOLVING EMPLOYEES OF SUBCONTRACTORS WORKING ON SITE				
Minor accidents	0.00	0.00	4.00	—
Serious accidents	0.00	0.00	0.00	—
Fatal accidents	0.00	0.00	0.00	—
Group accidents	0.00	0.00	0.00	—
Total accidents	0.00	0.00	4.00	—
OTHER OHS DATA				
Accident rate (accidents at work per 1,000 employees)	5.28	5.74	3.03	-47.3%
Days lost	1938.00	2084.00	1150.00	-44.8%
Accident severity rate (number of days lost per accident)	25.50	25.11	28.75	+14.5%
Cases of occupational diseases reported in the period	0.00	0.00	0.00	—
Number of employees with exceeded maximum admissible concentrations (MAC) or maximum admissible intensities (MAI) in the year	48.00	45.00	40.00	-11.1%

Thirty-six accidents involving CCC employees were reported in the financial year 2020/2021, a 56.6% decrease year on year. There were four accidents involving employees of subcontractors working on site. Of all accidents involving CCC employees, four were serious accidents and 32 were minor accidents, including mainly bruising due to falls, arm and leg injuries, head and neck injuries, cuts, scrapes, burns, and contusions. All accidents involving employees of subcontractors working on site were classified as minor accidents. The CCC Group's accident frequency rate decreased 47.3% year on year in 2020/2021 as a result of the epidemiological situation which caused a majority of the Group's employees to work remotely or in the hybrid mode. No fatal accidents or occupational diseases were recorded at the CCC Group in the financial year 2020/2021. [GRI 403-9, 403-10, own indicator]

After an accident has occurred, post-accident orders are issued to work supervisors to discuss the incident with the team and to rectify any irregularities in order to minimise the risk of similar incidents happening to other employees.

The identified risks are described in the occupational risk assessment card which all employees are familiarised with. Work-related hazards that pose a risk of serious injury include sharp moving parts of machinery and tools, moving or storing products and materials using a forklift, collision with a forklift, operation of a forklift, driving company vehicles, etc. None of these hazards caused or contributed to serious injuries in the financial year 2020/2021. In order to eliminate potential risks and reduce the number of workplace accidents and incidents and the number of occupational diseases, the CCC Group either continued or undertook the following measures in 2020/2021:

- Oversight by line managers over employee compliance with health and safety policies and regulations and regular meetings with managers, particularly warehouse managers.
- Regular health and safety audits – work site inspections, correcting any inappropriate employee behaviours, and face-to-face conversations with employees to answer any questions related to safety, workplace ergonomics, etc.
- Detailed monthly health and safety reports on warehouse inspection and investigation activities. Any identified irregularities are reported to management along with a rectification deadline.

- Maintaining record books for recording near misses and dangerous occurrences. Employees may record any irregularities, hazards or incidents they have noticed at any time during work. All entries in the record books are verified and checked during regular tours.
- Weekly meetings of warehouse staff with OHS and fire safety department employees to discuss post-accident orders, orders after near misses, daily work issues, first aid, evacuation rules, hazards, etc.
- OHS training and employee induction. Thoroughly familiarising employees with applicable instructions, procedures and workplace hazards.
- Using special (bespoke) trolleys for containers of non-standard range to minimise manual handling.
- Glove strength class was upgraded to cut resistant gloves. The gloves protect against cuts and are ideal for manual handling, loading and unloading of goods.
- The high manual storage system was replaced by pallet, shelving and flow racks and racks with work platforms. Tilting piles, a danger to health and life, have been significantly eliminated.
- Distribution of health and safety communications on current sanitary restrictions, changes in health and safety procedures, etc. via the Intranet.
- Fire safety and first aid training presentations have been developed and made available on the Intranet. [GRI 403-9]

In the financial year 2020/2021, 40 employees worked in conditions exceeding maximum admissible concentrations or maximum admissible intensities. Limits were exceeded for the following jobs: shoe lasting, seam hammering, seam rubbing, calibrating, machine hammering and rubbing, repairing sewing devices, and maintenance. In line with occupational physician recommendations, weekly rotation of personnel and hearing protection equipment were introduced to prevent occupational diseases caused by noise and mechanical vibrations. The actions taken to reduce the adverse impact of noise are shown in the table below.

Action	Implementation method
Development of the Programme of Organisational and Technical Measures to Reduce Exposure to Noise	In October 2020, a programme of organisational and technical measures to reduce exposure to noise was developed to minimise the adverse impact of noise emissions (achieved result: 88.6 dB) at the Measurement Office (e-size.me area) – a shoe cleaning station.
Installation of a soundproofing wall	Soundproofing of the area emitting noise from air compressors – installation of a wall separating the work area of the Measurement Office from the other departments.
Employee training and information	Posting information on noise levels in conspicuous places near workstations. Posting workplace safety signs reminding people to wear hearing protection equipment. Including hazards related to different noise levels in periodic training programmes.
Reducing the time and level of noise exposure	– Introducing additional rest breaks included in the working time. – Rotating employees through different jobs away from the noise zone.
Providing employees with personal protective equipment (hearing protection devices)	Providing hearing protection devices helping to reduce noise to admissible levels. Providing continuous supervision of employees with regard to proper use of hearing protection devices.
Ensuring regular maintenance and servicing of machinery	Ensuring periodic (manufacturer recommended) servicing and maintenance. Ensuring regular replacement of worn parts and components of machinery/systems.
Updating the occupational risk assessment card	Conducting occupational risk assessment related to employee exposure to noise. Hazards related to particular work site characteristics or work tools and processes used under particular conditions, including, without limitation: – exposure level and type; – exposure duration (including overtime); – MAI values and noise thresholds; – effects on health and safety of employees, including high-risk groups; – existence of alternative work tools and equipment with lower noise emissions.
Preventive health check-ups	Referrals for preliminary, periodic and follow-up medical examinations include a note that admissible noise levels are exceeded in order to ensure an employee undergoes a check-up by an otolaryngologist.

In connection with the implemented measures, additional (early) noise measurements at the aforementioned workstations were scheduled for May 2021. Employees are always informed about the occupational risks related to MAI being exceeded at their workstations.

No cases of exceeded thresholds were reported at CCC S.A. in 2019/2020 or 2020/2021. For more details on key OHS data for CCC S.A., see Appendix 2.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships [GRI 403-7]

In order to prevent and mitigate occupational health and safety impacts directly linked by business relationships (retail sale of footwear), accident prevention activities are carried out in cooperation with the Regional Labour Inspectorate. Accident prevention issues are also addressed by the OHS Policy which has been introduced by a Regulation of the President of the Management Board.

Workstations where maximum admissible concentrations (MAC) or maximum admissible intensities (MAI) are exceeded have been equipped with protective equipment, or organisational arrangements have been put in place to reduce the emissions of harmful or noxious agents and to protect workers from exposures.

The following measures apply at workstations with exceeded harmful exposure thresholds:

- noise – installation of soundproof walls, regular maintenance and servicing of machinery, reduced time and level of noise exposure, and mandatory hearing protection devices worn by employees;
- vibration – weekly employee rotation;
- exposure to chemicals and dust – dust masks and gas-absorbing carbon filter masks are recommended.

In addition, blue-collar workers are equipped with work clothing, work gloves and protective gloves, as well as occupational footwear (O designation) and safety-toe protective footwear (S designation) . The actions taken to reduce the adverse impact of noise are shown in the table below.

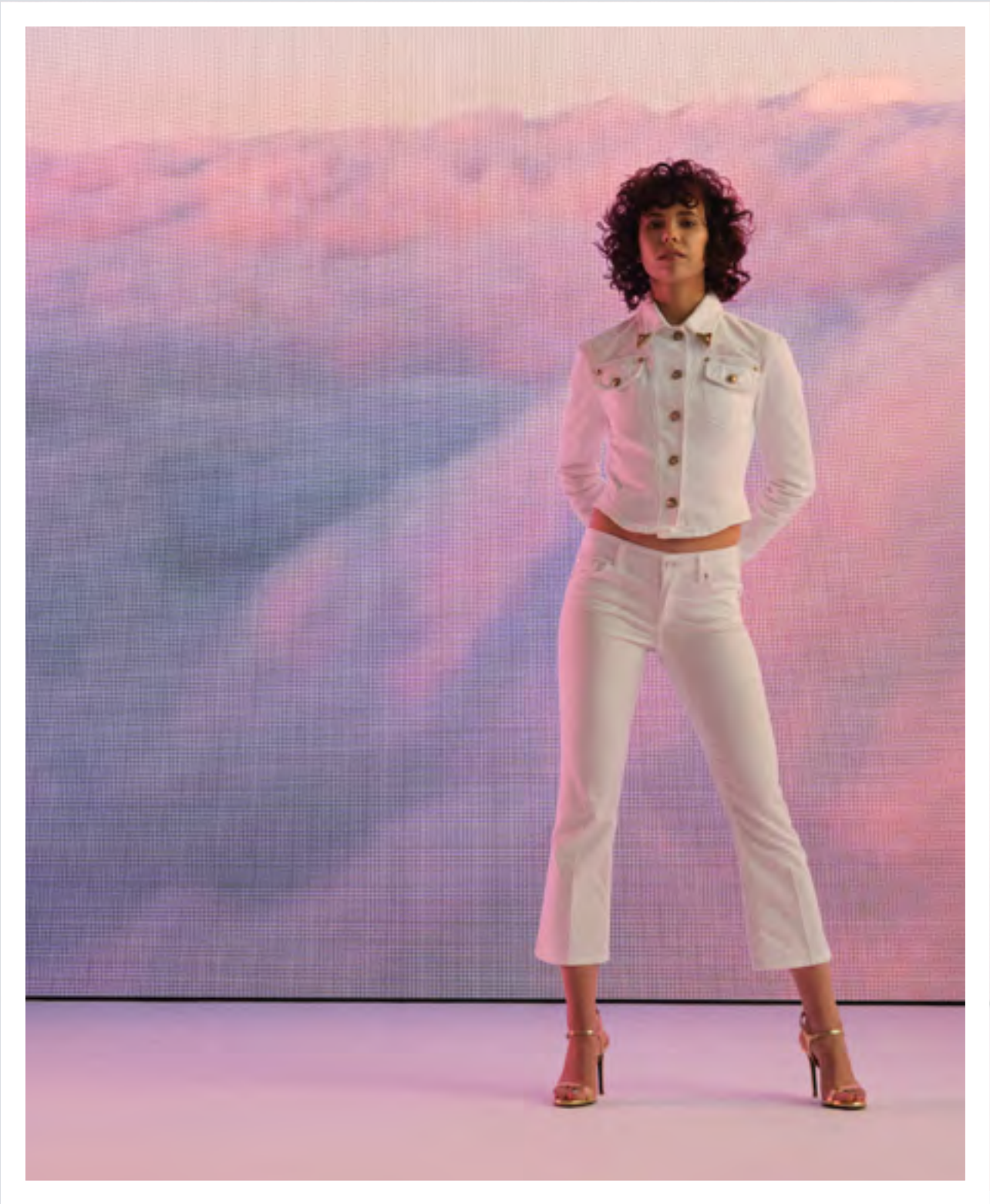
OHS measures related to COVID-19

In response to the COVID-19 pandemic, the CCC Group took a number of organisational and preventive measures to ensure the highest level of safety for its employees and to minimise the risk of infection. These measures included the following:

- appointment of a crisis management team responsible for initiating, coordinating and delegating tasks neces-

- sary to disseminate infection emergency communications among employees and for ongoing communication with managers regarding measures taken in line with legal requirements and government recommendations;
- development of a COVID-19 procedure to prevent and counteract the spread of coronavirus at the CCC Group’s head office;
- division of office staff into groups with rotation of employees working remotely to reduce office density, and introduction of varied start work times in stores to avoid crowding in changing rooms;
- provision of hand sanitisers, disposable gloves and reusable face masks to employees. Disinfectants were placed at the entrance to all buildings, stores, warehouses and office rooms;
- mandatory mouth and nose covering during transfer between buildings and workstations was introduced;
- indoor work and movement around the plant were organised to ensure compliance with the 1.5m social distancing rule;
- schedule for disinfecting high-touch surfaces, such as doorknobs, switches and handrails, at specific times was introduced, and ozone generators started to be used for room disinfection;
- mandatory temperature screening of employees and visitors was introduced at the head office and regional offices using temperature screening gates and non-contact thermometers;
- movement between regional offices was banned (except for justified cases subject to consent of the Management Board/Supervisory Board);
- business travel was reduced to a minimum;
- measures were put in place to enable online (zoom) meetings instead of face-to-face meetings;
- limits were introduced on the number of people allowed to enter employee amenity rooms (to one person per 2 m²);
- scenarios of behaviour in particular cases were developed for employees;
- guide for managers was prepared, containing frequently asked questions and answers concerning the coronavirus pandemic;
- algorithms of behaviour in case of infection, suspected infection and contact with an infected person were developed for employees and managers;
- temporary isolation points were set up in office and warehouse buildings;

- effective flow of information within the organisation was ensured through educational and informational communications concerning:
- safety rules;
- good sanitary and health habits and responsible behaviour;
- government restrictions;
- occupational risk cards were updated to include the biological risk of SARS-Cov-2 infection;
- COVID-19 safety information leaflet was prepared for contractors and visitors at the CCC Group’s head office.



Employee health [GRI 403-6]

During OHS training sessions, the CCC Group highlights the importance of leading a healthy lifestyle. The Group does not have a uniform programme for the promotion of sports and healthy lifestyles in place. The Group companies offer various benefits and encourage employees to lead healthy lifestyles for instance by:

- introducing regular breaks from work
- offering healthy lunches, sandwiches, juices or smoothies in canteens

- providing fruit to employees two or three times a week
- offering prophylactic meals to warehouse workers
- providing unrestricted access to drinking water
- co-financing of fitness club packages
- encouraging employees to participate in sports competitions
- offering private medical care which enables employees to undergo preventive health checks, including medical examinations and consultations



4.4. MATERIAL EMPLOYEE-RELATED RISKS

MATERIAL EMPLOYEE-RELATED RISKS

Risk description	Risk management approach
<p>1. Risk of wage pressure</p> <p>As a result of market developments, strong competition and diversity of job offers, a risk exists that a wage pressure will arise and continue, which can lead to employee attrition or deterioration of the Group's financial performance if not properly addressed.</p>	<p>Creating an attractive and employee-friendly workplace, regular job satisfaction surveys, financial incentives and wage supplements, attractive benefits, clear and open employee development opportunities in the form of internal recruitment, pay benchmarking.</p>
<p>2. Risk of skilled labour shortage</p> <p>As a result of fast-paced labour market developments, there is a risk that the CCC Group's job offering addressed o skilled employees will not be competitive on the market or there will be a shortage of adequately skilled workforce.</p>	<p>The CCC Group looks for new talents on the market and takes care to grow a pipeline of future employees by:</p> <ul style="list-style-type: none">– cooperating with universities and vocational schools throughout Poland;– internships and work placement programmes;– developing internal competence through job rotation and internal promotions;– building employee commitment.
<p>3. Risks to human life and health</p> <p>Although the machinery and buildings are appropriately protected with respect to OHS and fire safety, the CCC Group is aware that adverse events may occur. The use of large quantities of inflammable materials can cause the spread of a fire.</p>	<p>Occupational health and safety instructions in place containing procedures in case of emergency, including fire emergency procedures. Frequent tours by OHS and fire safety personnel around high fire hazard areas, and regular inspections of machinery and fire-fighting equipment.</p>





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The CCC Group’s social responsibility is reflected in areas that are important to stakeholders. In order to foster a strong dialogue with partner institutions and share in the effort to develop sustainable development directions, the CCC Group holds regular dialogue sessions with its key external stakeholders and asks employees for opinion by conducting employee surveys. Based on the identified demands and proposals, the CCC Group delineates its areas of responsibility; it acts and commits itself to promoting best practices in these areas.

It follows from the stakeholder dialogue exercise carried out that business community involvement, for instance in relations with local communities, cooperation with NGOs and educational institutions (schools and universities) and sport promotion activities, is considered highly material. Therefore, the CCC Group takes numerous steps to make a positive difference for its immediate environment, unite employees around shared values, create

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Social RESPONSIBILITY

SOCIETY	2020		Performance
	ETHICS – update and implement a new Code of Ethics for the CCC Group		
	• M1: Update and implementation of a new Code of Ethics for the CCC Group	Updating the Code with the participation of employees and stakeholders	✓
	COLLABORATION WITH UNICEF – implement the Global Partnership programme with UNICEF		
	• M1: Implementation of the Global Partnership programme with UNICEF	Funding for UNICEF programmes to save the lives of children in the world	✓
	• M2: Implementation of projects supporting local communities and knowledge transfer to selected partners	Implementation of local community projects partly relying on employee volunteers	✓
	SPORT PROMOTION WITH A SPECIAL FOCUS ON CYCLING AND SPORTSMANSHIP VALUES – support training programmes for talented young athletes		
	• M1: Supporting training programmes for talented young athletes	Promotion of cycling through CCC Team and CCC Development teams	✓
		Cooperation with Michał Kwiatkowski Copernicus Academy and the local sports club MKS Polkowice	✓

opportunities for cooperation with various institutions, support the development of local communities and build a strong corporate image. Given the geographical reach of its operations, the CCC Group engages in local community projects, nationwide charity campaigns and global assistance to those in need through in-kind donations, financial support, and employee and skills-based volunteering, which are described in more detail below. The CCC Group also collaborates with schools and universities, providing young people with opportunities for career and professional development.

Responsibility towards society is one of the pillars of the GO.22 Sustainable Development Strategy adopted in 2020. The key strategic elements in this area are to:

- participate in international partnerships seeking to advance sustainable development and take action as their member;
- run local community projects partly relying on employee volunteers and transfer knowledge about supporting local communities to selected key partners in the supply chain.

For a detailed description of strategic social goals and measures, see Section 1.2.2.

The CCC Group is engaged in multiple CSR initiatives. One of the highlights of its commitment to corporate social responsibility is the Grant Programme, which seeks to support local communities, create a positive corporate

image, unite employees around shared values and improve their soft skills. Grants are awarded by a committee composed of Management Board representatives. At the end of each edition, a summary of activities undertaken under the Grant Programme is presented. Also, the CCC Group holds regular dialogue sessions and workshops with NGOs to understand their needs for competence development and expert support. [GRI 103-1, 103-2, 103-3]

The corporate social responsibility initiatives of CCC S.A. are governed by the following documents:

- Rules of the Employee Volunteering Programme;
- Rules of the Grant Programme;
- CCC S.A. Gifts and Donations Policy.

Local communities are among the key stakeholders of the CCC Group. This applies in particular to the communities surrounding the Group’s production plants in the Polkowice and Słupsk counties, which are home to a vast majority of workers and their families. The CCC Group seeks to avoid any nuisance (e.g. noise, emissions, heavy traffic) to local residents generated by its manufacturing and operating activities. In the financial year 2020/2021, no complaints were made by the local communities about the impact of CCC Factory Sp. z o.o. or Gino Rossi S.A. on their surroundings.

5.1. PARTNERSHIPS AND SUPPORT FOR LOCAL COMMUNITIES

In the financial year 2020/2021, CCC S.A. donated over PLN 260 thousand to social causes, providing 497 pairs of shoes, 4,500 T-shirts and over 32,000 shoe covers to health care facilities on the frontlines of the fight against the pandemic. [own indicator]

eobuwie.pl S.A. was also actively engaged in support initiatives, providing cash and in-kind donations of almost PLN 200 thousand in 2020/2021. This included computer equipment, Christmas gifts for the Foster Care and Education Services Centre in Koźuchów, and own brand products donated to support the needy and assist health care facilities in their fight against COVID-19.

The CCC Group provided no financial support to any political organisations in the financial year 2020/2021. [GRI 415-1]

Countrywide charity initiatives

- **THE GREAT ORCHESTRA OF CHRISTMAS CHARITY** – CCC employees engage in the campaign by volunteering and donating items for auctions at the Orchestra's Polkowice collection centre, as well as on the Orchestra's auction portal.
- **NOBLE GIFT** – employees take part in preparing packages for families in need during the Christmas holiday season. In 2020, we helped three families in the Lubin county, with administrative and office staff and our retail network personnel engaged in the collection drive.
- **WE ARE TOGETHER. WE HELP** – we joined the We Are Together. We Help programme, which is a social initiative that brings together businesses ready to help others in the face of the SARS-CoV-2 coronavirus pandemic.

Support provided by the CCC Group in the fight against COVID-19

Given the dynamic epidemic developments in Poland and globally and the growing demand for personal protective equipment, the CCC Group actively engaged in the fight against coronavirus and responded to calls for help from hospitals. In the financial year 2020/2021, the CCC Group:

- ran a campaign to donate PLN 10 on each pair of Lasocki shoes sold on ccc.eu and eobuwie.pl to the Provincial Specialist Hospital in Wrocław;

- manufactured over 32,000 of shoe covers, which were donated to hospitals in Bolesławiec, Zielona Góra and Legnica;
- donated 4,500 T-shirts and 497 pairs of shoes to paramedics in local ambulance services to wear under protective suits;
- donated 20,000 disposable ankle socks for medical staff of the Gastroenterology and Hepatology Clinical Department of the University Hospital in Kraków;
- enabled administrative staff to switch to remote working, and put in place strict coronavirus safety standards in its logistics centres and brick-and-mortar stores with the safety of employees and customers in mind;
- DeeZee donated 10,000 face masks to hospitals in Kraków, Jarosław and Lubin.

eobuwie.pl was also actively engaged in the fight against coronavirus and responded to calls for help from hospitals and other responders fighting the COVID-19 epidemic. In 2020/2021, the company made cash and in-kind donations totalling PLN 180 thousand to support emergency responders involved in containing, fighting and mitigating the effects of the disease caused by SARS-COV-2 virus. The donations included personal protective equipment (antibacterial liquids, shoe covers, gloves, face masks, face shields), Philips Respironics Trilogy EVO respirator, IT software and hardware for the Karol Marcinkowski University Hospital in Zielona Góra, and a PLN 10 thousand donation to the Paweł Murawa Chop Polish Surgery and Oncology Foundation.

Cooperation with local partners [GRI 413-1]

- CHANCE Association for Children and Young People of Głogów
- Living With Dignity Association of Polkowice
- Polkowice Family Assistance Centre in Polkowice
- Cultural Centre in Polkowice
- Polkowice Volunteering Centre
- IMAGO Foundation
- WOSH WOSH
- Miedź Rodzinę foster family programme
- Academy of Fine Arts in Łódź, University of Humanities and Technology in Radom, Wrocław
- WSB University in Wrocław
- UCBS (University Centre for Environmental Studies and Sustainable Development) University of Warsaw.

Global partnership with UNICEF

In 2020, the CCC Group continued its collaboration with UNICEF to save the lives of children around the world and support education in developing countries. CCC was the first Polish company to join UNICEF as its global partner.

Employee and skills-based volunteering [GRI 413-1]

Building an employee volunteering programme is a vital element of our CSR agenda, therefore the CCC Group supports involvement of its employees in local initiatives. The programme is being implemented at the CCC Group mainly to support local communities, create a positive image of the Company, integrate the employees around common values and improve skills.

CCC has a grant programme in place that is intended for administrative, office and store personnel in Poland, as well for employees of the subsidiaries DeeZee.pl, Gino Rossi, eobuwie.pl and CCC Factory Sp. z o.o. Detailed updates are provided via the Intranet and email. Projects competing for funding can be submitted in the following areas:

- helping people in need, especially children and young people;
- supporting people with disabilities;
- environmental protection activities;
- promotion of healthy lifestyles and physical activity.

Four grants were awarded in the financial year 2020/2021. A total of 11 volunteers from the CCC Group and additional external volunteers were involved in the projects. They logged 645 volunteer hours and engaged with 9,183 beneficiaries. [own indicator]

The following projects were undertaken under the grant programme in the 2020/2021 edition:

- **HEART OF CHOJNÓW** – purchase and installation of a red metal heart-shaped container for collecting around 160 kg of plastic bottle caps. It was mounted on a concrete base in the town of Chojnów in a public spot easily accessible to residents. The project aims to raise the public awareness of the importance of plastic recycling and collecting plastic caps to help the disabled. Plastic bottle caps can be exchanged for rehabilitation equipment for people with disabilities.
- **HEALING THROUGH CLOSENESS** – purchase of beds for parents staying with their sick children at the

pediatric ward of the Regional Health Care Centre in Lubin.

- **EVERYONE DESERVES NEW SHOES** – providing winter footwear and cleaning products for the needy and people in the care of of St. Brother Albert's Aid Society in Wrocław.
- **NO CHALK OR SPONGE** – providing a school with graphics tablets for science and language teachers to facilitate smooth and effective online teaching.

Responding to the needs of CCC's partners and stakeholders, CCC initiated efforts to crystallise a skills-based volunteering programme. The main objective of the activities carried out under this programme is to transfer skills from the business sector to the sector of non-governmental organisations whose activities contribute to the quality of life of the local community. As a business leader, CCC is capable of creating space for the exchange of competence between the entities involved in the programme. In the financial year 2020/2021, CCC representatives conducted workshops for staff of the CHANCE Association for Children and Young People in Głogów on business presentation, visual communication, and negotiations.

Other social responsibility activities

CCC Group employees not only volunteered their services, but also engaged in broadly understood community initiatives, such as:

- **RUN FOR JOANNA** – a charity run for a seriously ill resident of Głogów. CCC was a partner of the event.
- **SHOEBOX** – supplying women in need with cosmetic products. We supported the Single Mother's Home in Głogów as part of the project in 2020.
- **PLASTIC BOTTLE CAPS COLLECTIONS** – conducted among CCC Group employees and during community events. The caps are donated to charity campaigns.
- **24H RELAY RUN FOR GRACJAN** – 24-hour charity relay run for Gracjan, with about 360 runners, including 22 CCC employees, who ran 560 laps and contributed PLN 2,800 to the initiative. CCC was a partner of the event.
- **CLEAN ODRA, CLEAN GŁOGÓW** – cleaning up areas along the Odra river and building environmental awareness among employees and local communities. CCC was a partner of the project, which was organised by ekolandia.edu together with Głogów municipality and Głogów county.

5.2. DEVELOPMENT: EDUCATION AND SPORT

CCC works for the benefit of local communities, engaging its own employees and local governments, and supports sport development and education of youth and professional sports teams. Involvement in sports is an element of building the Group's value for stakeholders. The Group promotes sports among children, youth and its own employees aligning its sports promotion and development activities with stated business goals.

Vocational education is critical from the perspective of its relations with society, therefore the CCC Group collaborates with numerous partners pursuing educational goals. For many years, the CCC Group has actively cooperated with universities and regularly participated in academic life through lectures, cooperation with student organisations and participation in selected academic projects. The CCC Group also supports other educational programmes and industry events.

Responsibility towards society is one of the pillars of the GO.22 Sustainable Development Strategy adopted in 2020. A key strategic element of the sports-related initiatives is – promotion of sports activities with a particular focus on cycling, sportsmanship values and supporting young talent.

The CCC Group maintains a strong commitment to building environmental awareness, promoting responsible consumption and encouraging pro-environmental behaviours among its employees, customers, and local communities. CCC participates in educational campaigns and pro-environmental projects, expands its green product line 'Go for Nature', uses recycled paper packaging only, engages customers in shoe collection drives, and shares knowledge on responsible environmental behaviours in the workplace, at home and in the community via the CCC mobile app. [own indicator].

The Group pursues a sponsorship policy that is consistent with its strategic and marketing objectives. In 2020, the CCC Group sponsored sport disciplines that brought an outstanding contribution to building a positive corporate image. The CCC Group provided support to a professional cycling team and promoted healthy lifestyles among children and young people, participating in the development

of cycling schools and sponsoring various cycling events, mainly local ones. In addition to sports sponsorship, the CCC Group also engages in educational projects that are consistent with its business profile and help improve the quality of life of those in need. [GRI 103-1, 103-2, 103-3]

Delivering strong performance metrics in each area is our ambition and our contribution to furthering Sustainable Development Goals (SDG). The following sustainable development initiatives were implemented in 2020:

- promoting sports and healthy lifestyles
- sponsorship of cycling, basketball teams and cycling academies
- social outreach initiatives
- commitment to education and development.

Education activities

For many years, the CCC Group has actively cooperated with universities and regularly participated in academic life through lectures, cooperation with student organisations and participation in selected academic projects. The CCC Group also joined in and supported other educational programmes and trade events, including:

- **RESPONSIBLE BUSINESS LEAGUE (LOB)** – the oldest CSR-related educational programme in Poland, run by the Responsible Business Forum, building a pipeline of future managers and entrepreneurs, community workers, change leaders and responsible individuals. A two-day session entitled Corporate Culture and CSR included training on management communication, the supply chain and corporate codes of ethics. LOB is a group of people who cooperate with dozens of student organisations in implementing educational and community projects at the local and national levels. Owing to their commitment demonstrated in every edition, the programme reaches out to thousands of people interested in improving their understanding of best practices in business. As part of the partnership, a CCC representative sat on the judging panel of the National CSR Knowledge Competition in 2020.
- **CAPITAL MARKET LEADERS ACADEMY** – an educational project involving a training and internships programme hosted by top capital market companies. CCC became a partner of the project in 2019.

- **UCBS** – collaboration with the University Centre for Environmental Studies and Sustainable Development (UCBS) of the University of Warsaw, providing a platform for CCC employees to share practical knowledge they apply in daily work in the form of workshops highlighting the practical aspects of non-financial reporting for students studying the field of sustainable development at the UCBS.
- **'DESIGN A CCC COLLECTION'** – a competition for students to design a capsule collection for a CCC own brand, run in partnership with the Academy of Fine Arts in Łódź and University of Technology and Humanities in Radom. The aim of the competition, partnered by Polish art schools, was to single out students with a knack for designing footwear, handbags, and accessories. Participants were asked to design a themed capsule collection in line with the slogans selected by the organisers: 'Be Fashion – Be Trendy – Be Eco' and 'Fashion in the Post-Pandemic World'. Participants were asked to prepare a mood board illustrating the idea behind their concept, at least five shoe designs and at least three bag designs along with a technical description of two designs selected by the author. Prizes included money and work placements or internships at the Company. Once all editions of the competition have been closed, the Company plans to manufacture and market one of the winning collections.



Labour activation initiatives

Activations and relationships with fashion market influencers are one of key elements of our digital marketing activities. They involve well-known influencers with a lot of followers, and micro influencers who specialise in a given niche field and have a much smaller but very engaged followers base.

In the financial year 2020/2021, CCC expanded its influencer base by another 28 people under the project ‘Become a CCC Ambassador’. The new brand ambassadors are CCC employees who will gain knowledge about the industry and marketing experience under the watchful eye of fashion world representatives.

Sports initiatives

Involvement in sports is an element of building the Group’s value for stakeholders. The Group seeks to strengthen its activities in the area of promoting and advancing sports, The Group pursues a sponsorship policy that is consistent with its strategic and marketing objectives. CCC joins in projects that help achieve specific goals at the local, national and international levels. What is important in selecting sponsorship activities to engage in is whether the nature of the project is in agreement with CCC’s areas of interest as well as the experience and good reputation of the organiser. The Group also promotes sports among children, youth and its own employees.

In 2020/2021, a sports project was launched on the initiative of CCC employees, who may practise a chosen sport discipline (indoor football, volleyball or basketball) twice a week. With the project, CCC promotes the fitness, well-being and sporting achievement of its employees. [own indicator]

CCC continued its sports sponsorship strategy in the financial year 2020/2021. The Company was the title sponsor of three cycling teams:

- CCC Team – a cycling team participating in the elite UCI World Tour (<https://www.facebook.com/CCCProTeam>)
- CCC Development Team – a professional cycling team providing resources to the CCC Team (<https://cccspport.eu>)

- CCC-Liv Team – a women’s cycling team racing in the UCI World Tour series (<https://www.liv-cycling.com/global>)

Promoting sports among children and youth

The Group works with several partners to support the society in the fields of education and sports. In 2020/2021, the CCC Group was involved in sports sponsorship and promotion of healthy lifestyles among children and young people (cycling schools). Also, CCC supported the Polkowice City Sports Club providing road and mountain cycling programmes for children and youth, and it collaborated with Michał Kwiatkowski’s Copernicus Academy, which supports and promotes young cycling talent. [own indicator]

Sponsorship

- Basketball – CCC continued its sponsorship of the women’s basketball team in 2020. In the Energa Women’s Basket League tournament, the team took fourth place. (<http://kosz.mkspolkowice.pl/>)
- Triathlon – CCC supported three triathletes Krzysztof Augustyniak, Marcin Ławicki and Piotr Ławicki.



5.3. OTHER SOCIAL ISSUES

Over the years, the CCC Group has received a number of prestigious awards and accolades attesting to its strong position in the domestic and international markets. These awards are a credit to all CCC employees. A source of pride for the CCC Group, the accolades inspire continuous efforts to enhance the product mix in pursuit of customer satisfaction.

In 2020/2021, CCC Group received the following awards and accolades in recognition of its high business and sustainability standards:

Award	Description
Polityka CSR Silver Leaf	CCC received a POLITYKA CSR Silver Leaf for its commitment to incorporating key solutions of the ISO 26000 standard into its operations and for the best local and global management practices and international standards. The ethics management system and the highest standards of personnel management were also appreciated. The CCC Group regularly informs its stakeholders of the effects of its activities, including in non-financial or integrated reports prepared in compliance with international disclosure standards.
Climate-Aware Company	In the Corporate Climate Crisis Awareness study of WSE-listed companies, CCC was one of six companies awarded the Climate Aware Company title. The study was based on the 2019 annual reports of listed companies required to report non-financial data. The main evaluation criteria were climate crisis management policies or strategies, identification of climate change risks, threats and opportunities, and reporting of greenhouse gas emissions.
Friendly Workplace 2020	CCC was ranked among companies respecting and supporting work-life balance, creating a healthy and friendly working environment, focusing on open and equal relationships with employees and investing in the development of professional skills and interests of their employees. Friendly Workplace is an award presented to companies boasting a modern approach to human resources policies and employee development.
Wood's Universe – ESG: I'm In A Sustainable State Of Mind	CCC was singled out from 19 companies in the consumer sector in recognition of its ESG activities. The recognition honours companies that apply sustainable business model strategies, which means they are aware of long-term financial and non-financial risks.
Non-Financial Reporting Recognition	The CSR Report 2019 and the CCC Group GO.22 Sustainable Development Strategy 2020–2022 were selected by the Polish Association of Listed Companies as good examples of non-financial reporting during the ‘Human rights in non-financial reporting’ webinar. CCC was honoured for the commitments stated in its GO.22 Strategy to bridge the gap in pay, promotion opportunities and access to training.
Reliable Employer 2020	CCC was recognised for building a culture driven by development, commitment and innovation. The award proves that through its efforts CCC has created an attractive and stable workplace based on diversity and dialogue.
CSR Awards 2020	CCC received a bronze medal in the RETAIL & INNITATIVEST category of the CSR Awards 2020. The International CSR Excellence Awards honour caring companies who are in a privileged position to be able to help employees, local communities, customers, and the environment.
World Finance Sustainability Awards 2020	CCC was recognised in the Footwear Industry category of the World Finance Sustainability Awards 2020. The awards are presented to companies who are aware of the importance of sustainability to their customers, employees and shareholders and who, first and foremost, take action on sustainable development, constantly exploring new ways to enhance their sustainable development activities.
Responsible Business Ranking	The Responsible Business Ranking is a list of companies operating in Poland that are evaluated in terms of the quality of their CSR management systems. In 2020, CCC was ranked 2nd in the Consumer Goods and Pharmaceuticals industry classification and 5th overall.
Polish Company – International Champion	In the 9th edition of the Polish Company – International Champion awards honouring Polish companies that succeed on an international scale, boldly enter global markets, take investment risks and create innovative products and services, CCC won in the ‘Investors – Large Enterprises’ category.
Best Ir Website In Large Caps Category	CCC was named the winner of the 13th Golden Website competition organised by the Polish Association of Listed Companies. The Company’s investor relations website was named the best in the ‘large caps’ category (listed companies included in the WIG20 and WIG40 indices)
Master of Digital Transformation	The Master of Digital Transformation awards recognise and reward leaders of digital transformation in Poland. They are forward-looking companies and exemplary business organisations that have boldly entered a new dimension of business and in the last three years have implemented a project based on new technologies that has significantly improved their organisational and market performance or has benefitted the environment and quality of life. CCC received the award in the Responsible Technology category, and Jakub Jasiński, E-Commerce Director at CCC, was named Champion of Innovation-Driven Transformation.

Award	Description
Responsible Business In Poland 2019. Good Practices Report	<p>The ‘Responsible Business in Poland. Good practices’ report is the most important periodic publication of the Responsible Business Forum, issued since 2002. The report provides an overview of activities of CSR reporting companies and summarises major issues related to responsible business in the reporting year in Poland.</p> <p>In 2020, CCC submitted nine practices implemented in 2019, including skills-based volunteering for the third sector, circular economy, the ‘Spokes – the Polkowice City Bike’ project, and phase-out of plastic bags in CCC stores in favour of paper bags, and 13 long-term practices that already featured in one of the previous issues, including charity and philanthropic initiatives, collaboration with UNICEF, the grant programme, and CCC ethics standards.</p>
Woman Star – Class And Style Of The Women’s Brand Of The Year 2020 Survey	<p>Woman Star – Class and Style is a coveted award presented to winners of the Women’s Brand of the Year survey. The Woman Star title recognises and honours efforts and care to drive outstanding product and service quality, highlight excellence and unrivalled market position. The award is given to companies that show a strong commitment to maintaining excellent customer service, offer products and services appreciated by female consumers, and deploy up-to-date solutions matching the most exacting customer needs. The Woman Star 2020 title and statuette went to DeeZee Brand.</p>
E-Commerce Poland Awards 2020	<p>E-Commerce Poland Awards is the premier awards programme in the e-commerce industry. The winners are selected from among the leading and most innovative brands marketed in Poland. The main award in the Best e-Commerce Retailer category went to CCC and the main award in the Best in Cross-Border category was presented to eobuwie.pl.</p>
E-Commerce Director Of The Year 2020	<p>The E-Commerce Director of the Year awards honoring e-commerce executives and teams were presented for the first time in Poland in 2020. Awards conferred to CCC:</p> <ul style="list-style-type: none">– CCC e-commerce team – ‘Best B2C e-commerce team’– Jakub Jasiński, Omnichannel Director, CCC – recognition in the ‘Most innovative E-Commerce Director’ category– Mikołaj Wezdecki, E-Commerce Director, eobuwie.pl – E-Commerce Director of the Year in the ‘Fashion’ category
Ethical Company 2020	<p>CCC was included in the prestigious lists of Ethical Companies. The Ethical Company awards recognise companies for their efforts to build and strengthen an organisational culture based on ethics and the principles of corporate social responsibility.</p>
Corporate Investor Communication Survey Prepared By Parkiet Daily And The Polish Chamber Of Brokerage Houses	<p>In the 2020 edition of Poland’s largest study of corporate investor communications prepared by Parkiet and the Polish Chamber of Brokerage Houses, WIG 30 blue chips were evaluated in a survey comprising two parts: a survey conducted among readers and retail investors via the Parkiet website and a questionnaire distributed among representatives of financial institutions. CCC took second place in the first survey and was ranked sixth in the other survey.</p>
CCC In Top 100 Refinitiv D&I 2020 List	<p>The CCC Group was recognised as one of the most sustainable listed companies in the world, featuring in the prestigious Refinitiv Diversity & Inclusion 2020 ranking table of 9,000 companies as the only Polish brand. The CCC Group came up second within the fashion industry category and 11th in the overall ranking.</p>
Avanti	<p>Eobuwie.pl and its own brand Togoshi took second place in the footwear category. From among several hundred nominations, the judges selected brands creating valuable and recognisable products marketed in Poland that make the brands leaders in their respective industries.</p>
CEE Retail Awards: Footwear Retailer Shop!	<p>eobuwie.pl won the Retailer of the Year award; Best Year Innovation for the offline store concept.</p>
E-IKONS for Modivo	<p>Modivo received the E-ICON award. In the ranking of online stores compiled annually by the Domodi Group. The premium fashion store was named the most innovative store in the Fashion category.</p>
Opineo Golden Laurel	<p>First place in the ‘Apparel and Footwear’ category.</p>
Opineo Silver Laurel	<p>Second place among top-rated online stores.</p>
Zielona Góra Province Community Activist Of The Year	<p>The title of Newsweek Poland Community Activist of the Year is awarded to people who selflessly help others, actively organise neighbourhood support, volunteer, support local communities, seniors and children or fight for environmental causes. The title was awarded to CEO Marcin Grzymkowski.</p>

5.4. MATERIAL SOCIAL RISKS

No material risks were identified in the social area.



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CONTACT



This report includes non-financial information about CCC S.A. and the CCC Group for the period January 1st 2020–January 31st 2021. This report is a non-financial statement prepared in accordance with Art. 49b and Art. 55.2b-2c of the Accounting Act of September 29th 1994. This report has been drafted in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The ‘Compliance tables’ section contains a detailed list of GRI indicators with references to the respective parts of this report. [GRI 102-50, 102-54]

This report has been externally assured. A relevant external assurance statement is provided in Appendix 4 [GRI 102-56].

All information, data and statements contained in this report pertain to the CCC Group and its parent CCC S.A., unless expressly indicated otherwise. [GRI 102-45]

In the consolidated financial report of the CCC Group for 2020/2021, the Swiss-based company Voegelé is presented as discontinued operations. However, given that Voegelé was part of the Group during the reporting period, it is included in non-financial data for 2020/2021.

In January 2021, Gino Rossi S.A. sold its trademarks to CCC.eu Sp. z o.o. Since January 2021, the company has been terminating lease contracts for stores, gradually reducing their number. In view of the intention to sell the company to a third party, a slow-paced production phase out and collective redundancies process was initiated. By July 2021, the Company plans to cease production and terminate a significant number of employment contracts with employees, and it intends to close its last store in July. The planned sale of Gino Rossi to a third party is scheduled for late May/early June. This information does not affect non-financial information for 2020/2021 but relates to the CCC Group’s future plans.

The previous non-financial report, covering the period January 1st 2019–December 31st 2019, was published on March 6th 2019. The report was externally assured in 2020. The independent provider Bureau Veritas Polska Sp. z o.o. issued an external assurance statement in October 2020. The assurance process included recalculation of the GHG emission levels reported for 2019. This report contains recalculated data. The 2020/2021 non-financial report has

been prepared according to the same guidelines and standards for reporting non-financial information. This report takes into account the European Commission’s Guidelines for reporting non-financial information: Supplement on reporting climate-related information (2019/C 209/01) and Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). [GRI 102-48, 102-51]

In October to December 2020, changes were implemented in the staff grade classification system used for the purposes of the non-financial data collection and consolidation system. These changes were primarily concerned with the classification of positions into the ‘managers’ category. The employee data presented in this report (employment structure, remuneration, training) for the year 2019 and for the comparative period January 1st 2019–January 31st 2020 was gathered and consolidated in line with the new policies. Therefore it is not comparable with data presented in the previous report or some of the targets set out in the GO.22 Sustainable Development Strategy, which was prepared based on the previous job classification system.

Also, base year GHG emissions were recalculated in the last reporting cycle, as different emission factors were applied to selected fuels used in company buildings, systems, installations, and vehicles, and as minor errors in the calculation of fuel and energy usage were corrected (in aggregate representing some 2% of total energy usage from all sources). Following the recalculation, Scope 1 base year emissions were at 4,492.4 MgCO_{2e} (before recalculation: 4,666.6 MgCO_{2e}).

Non-financial reports of the CCC Group and CCC S.A. are prepared annually. Due to a change of the financial year of CCC S.A., this year’s report covers the 13 months from January 1st 2020 to January 31st 2021. In order to achieve data comparability, data for the previous 13 months from January 1st 2019 to January 31st 2020 was calculated and presented in this report. Pursuant to regulations applicable to the company, the report must be published within four months after the end of the financial year. Subsequent reports will cover financial years running from February 1st of a given year to January 31st of the following year. [GRI 102-52]

ABOUT
THIS
REPORT

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6.1. MATERIALITY OF THE REPORTED INFORMATION

Materiality assessment

[GRI 102-21, 102-29, 102-43, 102-46]

As part of preparations for drawing up the 2019 non-financial report and updating the CCC Group's corporate social responsibility strategy, a dialogue session was held with key stakeholder groups. The session was attended by 17 third-party experts representing key stakeholder groups as well as the President of the CCC Management Board, the Chairman of the CCC Supervisory Board, the Head of the Organisation and Investor Relations Office and the CSR Coordinator. The dialogue session was held on June 5th 2019, based on the AA1000SES international dialogue standard, with the participation of independent facilitators.

The purpose of the session was to gauge the stakeholders' opinions on the CCC Group's sustainable development and CSR strategies and efforts, to find out the stakeholders' expectations for the CCC Group's next report and to build a dialogue with important partner institutions. The session was part of our social dialogue with stakeholders.

Conclusions from the session serve as a basis for determining the content of the CCC Group's non-financial reports for the past and the current year. The next dialogue with stakeholders will take place in 2021, in line with the Company's decision to hold such dialogue sessions every two years.

Material stakeholders

[GRI 102-40, 102-42, 102-43]

Key stakeholders are all entities that have a significant impact on the Group's and the Company's operations and that are affected by the activities undertaken by the Group and the Company in the business and social space. All stakeholder groups are important from the perspective of the Business Strategy, Sustainable Development Strategy, and direct and indirect impacts of the Group. Until 2019, CCC Group's key stakeholders were identified during internal meetings with various departments. During the materiality assessment conducted in 2019, the following list of material stakeholders of CCC Group was determined (the list did not change in the past year):

Material stakeholders	Communication channels
Employees	Development conversations and satisfaction surveys, internal intranet, newsletter, information mailings, training and workshops, non-financial reports; see Section 4 for more details.
Customers	Satisfaction surveys, Customer Service Office, social media, non-financial reports; see Sections 2.2 and 2.3 for more details.
Suppliers	Regular collaborative communication, meetings and other forms of direct communication with dedicated employees; see Section 2.1 for more details.
Business partners	Regular collaborative communication with business partners, face-to-face meetings, industry events, non-financial reports;
Industry organisations	Regular collaborative communication with particular organisations, non-financial reports;
Shopping malls	Regular collaborative communication
Local communities from the Polkowice and Ślupsk counties	Volunteer programmes, charity events, face-to-face meetings and collaboration with local community representatives – see Section 5 for details
Local governments	Face-to-face meetings, participation in local events, conferences, non-financial reports
NGOs	Regular collaborative communication with particular organisations
Universities and schools	Regular collaborative communication with selected schools, universities and student organisations, lectures, joint projects, internships and job placements
Media	Press office and ongoing communication, correspondence via the mailbox on https://corporate.ccc.eu/dla-mediow , press releases posted on the website, press conferences
Shareholders	Investor relations and communications published on https://corporate.ccc.eu/relacje-inwestorskie and via ir@ccc.eu , earnings conferences, General Meetings, current and periodic reports, non-financial reports.

Material non-financial aspects

[GRI 102-43, 102-44, 102-46, 102-47, 102-49]

The CCC Group seeks to enhance its social responsibility activities, align its operating strategies with stakeholder expectations and share non-financial information and data on ethical, social and environmental topics. The

CCC Group assigns a strategic status to the most relevant topics to be able to respond to and meet stakeholder needs fast. The dialogue session helped identify those areas in which the Company and the Group have material impacts on the environment and those areas in which the environment has a material impact on the Company and the Group.

A LIST OF KEY TOPICS FOR THE CCC GROUP IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY, IDENTIFIED AS MATERIAL BY THE ORGANISATION AND ITS STAKEHOLDERS, BROKEN DOWN BY AREA:

Material topic	Topic boundary [GRI 103-1]			Detailed description
	Upstream	Group Operations	Downstream	
1. Ensuring human rights, including in the supply chain, and the related audits	x	x	x	Section 1.5
2. CCC Group's environmental impacts, including: – CCC Group's environmental impacts, including in the supply chain – Raw materials, their sources and production methods – Efforts to mitigate negative impacts on the natural environment	x	x	x	Section 3
3. Circular economy, including: – Employment of the circular economy approach – Waste management	x	x	x	Section 3.4
4. Human resources management – Human resources management standards		x		Section 4.1
5. Occupational health and safety		x		Section 4.3
6. Local communities and collaboration with institutions and organizations, including: – Relations with local communities – Collaboration with educational institutions (schools and universities) – Collaboration with NGOs	x	x	x	Section 5
7. Sales and product safety – Handling complaints		x	x	Section 2.2
8. Activities promoting sports and education, including: – Activities promoting sports, – Educating customers on environmental protection and responsible consumption		x	x	Section 5.2

The defined key topics are an aggregated and anonymous summary of concerns raised by stakeholders during the dialogue session. [102-44]. The list of key topics did not change from the previous year. The list was supplemented by adding topic boundaries. [GRI 102-49].

For detailed information on the extent of the organisation's impact on the material aspects, the management approach, including policies, objectives and the reporting, assessment and monitoring systems, and the approach to stakeholder engagement and key concerns raised, see the respective sections devoted to each of the above issues.

6.2.COMPLIANCE TABLES

The following tables contain:

- complete statement of this Report’s compliance with the non-financial information requirements under the Accounting Act;
- complete statement of this Report’s compliance with guidelines on reporting climate-related information un-

der Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);

- complete list of indicators used in the assessment of the companies’ non-financial activities in accordance with the Global Reporting Initiative (GRI) Standards, Core option.



COMPLIANCE TABLE – THE ACCOUNTING ACT REQUIREMENTS

Requirement under the Accounting Act	Section
Business model (Art. 49b.2.1)	1.1
Key non-financial performance indicators (Art. 49b.2.2)	1.3
Non-financial policies and their results (Art. 49b.2.3)	1.1
Environmental policy	3.1
Social policy	5
Human rights policy	1.5, 1.5.1
Anti-corruption policy	1.5.1
Labour policy	4.1, 4.3
Due diligence procedures (Art. 49b.2.4)	1.6, 1.6.1

COMPLIANCE TABLE – THE TCFD RECOMMENDATIONS
[GRI 102–55]

TCFD recommendations	Section
CORPORATE GOVERNANCE	
Description of the management board’s and supervisory board’s oversight of climate-related risks and opportunities	3.2
Description of the management board’s and supervisory board’s role in identifying, assessing and managing climate-related risks and opportunities	3.2
STRATEGY	
Description of the climate-related risks and opportunities identified by the organisation over the short, medium and long term	3.2
Description of the impacts of climate-related risks and opportunities on the organisation’s business, strategy and finance	3.2
Description of the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	—
RISK MANAGEMENT	
Description of the organisation’s processes for identifying and assessing climate-related risks	3.2
Description of the organisation’s processes for managing climate-related risks	3.2
Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management	3.2
METRICS AND TARGETS	
Description of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	3.2
Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	3.3
Description of targets used by the organisation to manage climate-related risks and opportunities and performance against the targets.	3.1

GRI CORE COMPLIANCE TABLE [GRI 102–55]

Disclosure number	Disclosure title	Section	Comments
GENERAL DISCLOSURES			
Organizational profile			
102–1	Name of the organization	1.1	
102–2	Activities, brands, products, and services	1.1.1, 1.1.3, 2.2.1	
102–3	Location of headquarters	1.1	
102–4	Location of operations	1.1.1, 1.1.2,	
102–5	Ownership and legal form	1.4.1	
102–6	Markets served	1.1.1, 1.1.2	
102–7	Scale of the operations	1.1.1, 1.3	
own indicator	CCC Group store area (m²) and % YoY change	1.1.1	
own indicator	Number of CCC Group stores and YoY change	1.1.1	
102–8	Information on employees and other workers	4.2, Z1.1-Z1.6, Z1.13, Z1.14	All employees are employed in one region (Europe), most of them in Central Europe, mostly Poland, therefore no geographical breakdown is provided.
102–9	Supply chain	2.1	
102–10	Significant changes to the organisation and its supply chain	2.1	
102–11	Precautionary principle or approach	1.6.1	
102–12	External initiatives	1.1.7	
102–13	Membership of associations	1.1.7	
Strategy			
102–14	Statement from senior decision-maker	Letter from the President	
102–15	Key impacts, risks, and opportunities	1.6.2, 3.2	
Ethics and integrity			
102–16	Values, principles, standards, and norms of behaviour	1.5	
102–17	Mechanisms for advice and concerns about ethics	1.5.1, 1.5.2, 1.3	
Governance			
102-18	Governance structure	1.4.2	
102-19	Delegating authority	1.4.2	
102-20	Executive-level responsibility for economic, environmental, and social topics	1.4.2	
102-21	Consulting stakeholders on economic, environmental, and social topics	1.4.2, 6.1	
102-22	Composition of the highest governance body and its committees	1.4.2	
102-23	Chair of the highest governance body	1.4.2	
102-24	Nominating and selecting the highest governance body	1.4.2	
102-25	Conflicts of interest	1.5.1	
102-26	Role of highest governance body in setting purpose, values, and strategy	1.4.2	
102-27	Highest governance body's collective knowledge of economic, environmental, and social topics	1.4.2	
102-28	Evaluating the highest governance body's performance	1.4.2	
102-29	Identifying and managing economic, environmental, and social impacts	1.4.2, 1.6.1, 6.1	
102-30	Effectiveness of risk management processes	1.6.1	
102-31	Review of economic, environmental, and social topics	1.6.1	
102-32	Highest governance body's role in sustainability reporting	Letter from the President, 1.4.2.	
102-33	Communicating critical concerns	1.5.1	
102-34	Nature and total number of critical concerns	1.5.2	

Disclosure number	Disclosure title	Section	Comments
102-35	Remuneration policies	1.4.2, 4.2	
102-36	Process for determining remuneration	1.4.2	
102-37	Stakeholders’ involvement in remuneration	1.4.2	
102-38	Annual total compensation ratio	1.4.2	
102-39	Percentage increase in annual total compensation ratio	1.4.2	
Stakeholder engagement			
102-40	List of stakeholder groups	6.1	
102-41	Collective bargaining agreements	4.2	
102-42	Identifying and selecting stakeholders	6.1	
102-43	Approach to stakeholder engagement	6.1	
102-44	Key topics and concerns raised	6.1	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6	
102-46	Defining report content and topic Boundaries	6.1	
102-47	List of material topics	6.1	
102-48	Restatements of information	6	
102-49	Changes in reporting	6.1	
102-50	Reporting period	6	
102-51	Date of most recent report	6	
102-52	Reporting cycle	6	
102-53	Contact point for questions regarding the report	6.3	
102-54	Claims of reporting in accordance with the GRI Standards	6	
102-55	GRI content index	6.2	
102-56	External assurance	6	
SPECIFIC DISCLOSURES			
TOPIC: ENSURING HUMAN RIGHTS, INCLUDING IN THE SUPPLY CHAIN, AND THE RELATED AUDITS			
103-1	Explanation of the material topic and its boundary	1.5, 6.1	
103-2	The management approach and its components	1.5, 6.1	
103-3	Evaluation of the management approach	1.5, 6.1	
own indicator	Number of suppliers audited for compliance with the Code of Conduct	1.5.1	
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	1.5.2	
Child labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	2.4, 1.5.1	
Forced or compulsory labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2.4, 1.5.1	
Security practices			
410-1	Security personnel trained in human rights policies or procedures	1.5.1	
Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	1.5.1	
412-3	Significant investment agreements and contracts that include human rights clauses	1.5.1	

Disclosure number	Disclosure title	Section	Comments
Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	1.5.2	
Anti-competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	1.5.2	
TOPIC: CCC GROUP'S ENVIRONMENTAL IMPACTS			
103-1	Explanation of the material topic and its boundary	3, 6.1	
103-2	The management approach and its components	3, 6.1	
103-3	Evaluation of the management approach	3, 6.1	
Energy			
302-1	Energy consumption within the organisation	3.3	
302-3	Energy intensity	3.3	
Emissions			
305-1	Direct (Scope 1) GHG emissions	3.3, Z3.4	
305-2	Energy indirect (Scope 2) GHG emissions	3.3, Z3.4	partly
305-4	GHG emissions intensity	3.3. Z3.4	
Efforts to mitigate negative impacts on the natural environment			
305-5	Reduction of GHG emissions	3.1	
Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	1.5.2	
Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	2.1	
308-2	Negative environmental impacts in the supply chain and actions taken	2.1	
Water and effluents			
own indicator	Water consumption per product unit	3.4	
own indicator	Wastewater discharged per product unit	3.4	
TOPIC: CIRCULAR ECONOMY			
103-1	Explanation of the material topic and its boundary	3.4, 6.1	
103-2	The management approach and its components	3.4	
103-3	Evaluation of the management approach	3.4	
Materials			
301-1	Materials used by weight or volume	3.4	
301-2	Recycled input materials used	3.4	
own indicator	Percentage of leather from certified tanneries used in products	1.3	
own indicator	Share of recyclable cardboard packaging	1.3	
Waste management			
301-3	Reclaimed products and their packaging materials	3.4	
own indicator	Percentage of waste sent for recycling	1.3	
TOPIC: HUMAN RESOURCES MANAGEMENT			
103-1	Explanation of the material topic and its boundary	4.1, 6.1	
103-2	The management approach and its components	4.1	
103-3	Evaluation of the management approach	4.1	

Disclosure number	Disclosure title	Section	Comments
Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2	
401-3	Parental leave	4.2	
Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	4.1	
Training and education			
404-1	Average hours of training per year per employee	4.2, Z2.9, Z2.10	
404-2	Programs for upgrading employee skills and transition assistance programs	4.1, 4.2	
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	4.2, 1.4.2	
405-2	Ratio of basic salary and remuneration of women to men	4.2	
own indicator	Glass Ceiling Ratio (GCR)	4.2	
own indicator	Gender Pay Gap Ratio (GPGR)	4.2	
Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	1.5.1	
TOPIC: OCCUPATIONAL HEALTH AND SAFETY			
103-1	Explanation of the material topic and its boundary	4.3, 6.1	
103-2	The management approach and its components	4.3	
103-3	Evaluation of the management approach	4.3	
Occupational health and safety			
403-1	Occupational health and safety management system	4.3	
403-2	Hazard identification, risk assessment, and incident investigation	4.3	
403-3	Occupational health services	4.3	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.3	
403-5	Worker training on occupational health and safety	4.3	
403-6	Promotion of worker health	4.3	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3	
403-9	Work-related injuries	4.3	partly, as own indicator 'accident frequency rate (accidents at work per 1,000 employees)' is applied.
own indicator	Accident frequency rate (accidents at work per 1,000 employees)	4.3	
403-10	Work-related ill health	4.3	
TOPIC: LOCAL COMMUNITIES AND COLLABORATION WITH INSTITUTIONS AND ORGANISATIONS			
103-1	Explanation of the material topic and its boundary	5, 6.1	
103-2	The management approach and its components	5	
103-3	Evaluation of the management approach	5	
Membership of associations			
102-13	Membership of associations	1.1.7	
Local communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	5.1	

Disclosure number	Disclosure title	Section	Comments
Supplier social assessment			
414-2	Negative social impacts in the supply chain and actions taken	2.1	
own indicator	Amount of donations made to local communities – description	5.1	
own indicator	Number of employee volunteering hours	5.1	
Public policy			
415-1	Political contributions	5.1	
TOPIC: SALES AND PRODUCT SAFETY			
103-1	Explanation of the material topic and its boundary	2.2, 6.1	
103-2	The management approach and its components	2.2	
103-3	Evaluation of the management approach	2.2	
Customer health and safety			
416-1	Assessment of the health and safety impacts of product and service categories	2.1	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1	
Handling complaints			
own indicator	Complaint rate	2.3	
Marketing and labelling			
417-1	Requirements for product and service information and labelling	2.2.2	
417-2	Incidents of non-compliance concerning product and service information and labelling	2.2.2	
417-3	Incidents of non-compliance concerning marketing communications	2.3	
Consumer data protection			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3	
TOPIC: ACTIVITIES PROMOTING SPORTS AND EDUCATION AMONG CUSTOMERS			
103-1	Explanation of the material topic and its boundary	5.2, 6.1	
103-2	The management approach and its components	5.2	
103-3	Evaluation of the management approach	5.2	
Activities promoting sports			
own indicator	Sports programmes – description	5.2	
own indicator	Collaborative partnerships and programmes supporting young talent – description	5.2	
Educating customers on environmental protection and responsible consumption			
own indicator	Communication and projects designed to build environmental awareness and responsible consumption – description	5.2	
TOPIC: ECONOMIC PERFORMANCE			
Economic performance			
201-1	Direct economic value generated and distributed	1.3	
201-2	Financial implications and other risks and opportunities due to climate change	3.2	
201-3	Defined benefit plan obligations and other retirement plans	4.2	
201-4	Financial assistance received from government	4.2	

All indicators are reported in accordance with GRI 2016, except for indicators in the 403 series, which are reported in accordance with GRI 2018.

6.3. CONTACT

Please do not hesitate to contact us if you have any questions or feedback. Send them to Kamilla Budnik, Sustainable Development and Internal Communications Leader, to csr.eu@ccc.eu. [GRI 102-53]





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7.1. APPENDIX 1. DATA ON THE WORKFORCE

TABLE Z1.1. EMPLOYEES WITH EMPLOYMENT CONTRACTS AT THE CCC GROUP [GRI 102-8]

FTEs	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	29.1	40.3	69.4	23.0	39.3	62.3	275	41.3	68.8	+19.6%	+5.1%	+10.4%
aged 51 and older	3.0	8.0	11.0	4.0	7.0	11.0	3.0	6.0	9.0	-25.0%	-14.3%	-18.2%
aged 31–50	26.1	32.3	58.4	19.0	32.3	51.3	24.5	34.3	58.8	+28.9%	+6.2%	+14.6%
aged 30 or younger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	—	—	—
Managers, including:	1,871.5	223.0	2,094.5	1,930.1	241.5	2,171.6	1,798.9	228.3	2,027.2	-6.8%	-5.5%	-6.7%
aged 51 and older	67.4	13.0	80.4	67.4	10.5	77.9	71.0	6.0	77.0	+5.4%	-42.9%	-1.1%
aged 31–50	1,264.6	152.0	1,416.6	1,275.1	167.0	1,442.1	1,259.4	180.3	1,439.7	-1.2%	+7.9%	-0.2%
aged 30 or younger	539.6	58.0	597.6	587.6	64.0	651.6	468.5	42.0	510.5	-20.3%	-34.4%	-21.7%
Other employees, including:	10,648.5	1,590.4	12,239.0	10,677.0	1,538.2	12,215.2	9,764.1	1,360.9	11,125.0	-8.6%	-11.5%	-8.9%
aged 51 and over	900.8	99.9	1,000.6	992.4	103.5	1,095.9	910.2	95.1	1,005.3	-8.3%	-8.1%	-8.3%
aged 31–50	4,909.0	649.8	5,558.8	4,864.4	623.9	5,488.3	4,644.8	595.2	5,240.0	-4.5%	-4.6%	-4.5%
aged 30 or younger	4,838.8	840.8	5,679.5	4,820.3	810.8	5,631.0	4,209.1	670.6	4,879.7	-12.7%	-17.3%	-13.3%
Staff of all levels												
aged 51 and older	971.2	120.9	1,092.0	1,063.8	121.0	1,184.8	984.2	107.1	1,091.3	-7.5%	-11.5%	-7.9%
aged 31–50	6,199.6	834.1	7,033.7	6,158.5	823.2	6,981.6	5,928.7	809.7	6,738.4	-3.7%	-1.6%	-3.5%
aged 30 or younger	5,378.3	898.8	6,277.1	5,407.9	874.8	6,282.7	4,677.6	713.6	5,391.2	-13.5%	-18.4%	-14.2%
Total for all levels	12,549.1	1,853.7	14,402.8	12,630.1	1,818.9	14,449.1	11,590.5	1,630.4	13,220.9	-8.2%	-10.4%	-8.5%
– of which full-time employees	8,703.0	1,640.0	10,343.0	8,650.0	1,630.0	10,280.0	8,207.0	1,501.0	9,708.0	-5.1%	-7.9%	-5.6%
– of which part-time employees	5,020.0	245.0	5,265.0	4,946.0	248.0	5,194.0	5,020.0	245.0	5,265.0	+1.5%	-1.2%	+1.4%

TABLE Z1.2. EMPLOYEES WITH EMPLOYMENT CONTRACTS AT CCC S.A. [GRI 102-8]

FTEs	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	4.8	1.0	5.8	4.8	1.0	5.8	3.8	2.0	5.8	-21.1%	100.0%	0.0%
aged 51 and older	0.0	0.0	0.0	1.0	0.0	1.0	1.0	0.0	1.0	0.0%	—	0.0%
aged 31–50	4.8	1.0	5.8	3.8	1.0	4.8	2.8	2.0	4.8	-26.7%	100.0%	0.0%
aged 30 or younger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
Managers, including:	901.6	53.0	954.6	897.6	53.0	950.6	820.1	53.2	873.3	-8.6%	+0.4%	-8.1%
aged 51 and older	22.0	3.0	25.0	22.0	3.0	25.0	22.0	2.0	24.0	0.0%	-33.3%	-4.0%
aged 31–50	645.0	41.0	686.0	645.0	43.0	688.0	632.5	45.2	677.7	-1.9%	+5.1%	-1.5%
aged 30 or younger	234.6	9.0	243.6	230.6	7.0	237.6	165.6	6.0	171.6	-28.2%	-14.3%	-27.8%
Other employees, including:	4,435.4	488.0	4,923.4	4,354.4	477.8	4,832.2	3,844.8	376.6	4,221.4	-11.7%	-21.2%	-12.6%
aged 51 and older	206.0	12.8	218.8	214.5	12.8	227.3	217.0	15.0	232.0	+1.2%	+17.6%	+2.1%
aged 31–50	2,043.9	190.3	2,234.1	2,016.4	188.5	2,204.9	1,879.1	176.3	2,055.4	-6.8%	-6.5%	-6.8%
aged 30 or younger	2,185.5	285.0	2,470.5	2,123.5	276.5	2,400.0	1,748.8	185.3	1,934.0	-17.6%	-33.0%	-19.4%
Staff of all levels												
aged 51 and older	228.0	15.8	243.8	237.5	15.8	253.3	240.0	17.0	257.0	+1.1%	+7.9%	+1.5%
aged 31–50	2,693.6	232.3	2,925.9	2,665.2	232.5	2,897.7	2,514.3	223.5	2,737.8	-5.7%	-3.9%	-5.5%
aged 30 or younger	2,420.1	294.0	2,714.1	2,354.1	283.5	2,637.6	1,914.4	191.3	2,105.6	-18.7%	-32.5%	-20.2%
Total for all levels	5,341.8	542.0	5,883.8	5,256.8	531.8	5,788.6	4,668.7	431.8	5,100.4	-11.2%	-18.8%	-11.9%
– of which full-time employees	3,609.0	494.0	4,103.0	3,594.0	484.0	4,078.0	3,345.0	399.0	3,744.0	-6.9%	-17.6%	-8.2%
– of which part-time employees	2,568.0	77.0	2,645.0	2,456.0	78.0	2,534.0	2,568.0	77.0	2,645.0	+4.6%	-1.3%	+4.4%

TABLE Z1.3. EMPLOYEES WITH PERMANENT EMPLOYMENT CONTRACTS AT THE CCC GROUP
[GRI 102-8]

FTEs	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	29.1	39.3	68.4	22.0	34.3	56.3	24.5	38.3	62.8	+11.4%	+11.7%	+11.6%
aged 51 and older	3.0	7.0	10.0	4.0	5.0	9.0	3.0	5.0	8.0	-25.0%	0.0%	-11.1%
aged 31–50	26.1	32.3	58.4	18.0	29.3	47.3	21.5	32.3	53.8	+19.4%	+10.3%	+13.8%
aged 30 or younger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	—	—	—
Managers, including:	1,642.5	194.0	1,836.5	1,701.1	205.5	1,906.6	1,625.9	187.0	1,812.9	-4.4%	-9.0%	-4.9%
aged 51 and older	66.4	12.0	78.4	66.4	10.5	76.9	70.0	6.0	76.0	+5.5%	-42.9%	-1.1%
aged 31–50	1,129.6	134.0	1,263.6	1,138.1	141.0	1,279.1	1,154.4	144.0	1,298.4	+1.4%	+2.1%	+1.5%
aged 30 or younger	446.6	48.0	494.6	496.6	54.0	550.6	401.5	37.0	438.5	-19.2%	-31.5%	-20.4%
Other employees, including:	6,650.6	867.6	7,518.1	6,804.2	875.3	7,679.5	6,714.2	833.6	7,547.8	-1.3%	-4.8%	-1.7%
aged 51 and older	747.9	78.1	826.0	840.1	81.6	921.8	820.9	77.1	898.0	-2.3%	-5.5%	-2.6%
aged 31–50	3,433.2	406.6	3,839.8	3,523.9	418.5	3,942.4	3,600.0	427.3	4,027.2	+2.2%	+2.1%	+2.2%
aged 30 or younger	2,469.5	382.9	2,852.3	2,440.3	375.1	2,815.4	2,293.4	329.2	2,622.6	-6.0%	-12.2%	-6.8%
Staff of all levels												
aged 51 and older	817.3	97.1	914.4	910.5	97.1	1,007.6	893.9	88.1	982.0	-1.8%	-9.3%	-2.5%
aged 31–50	4,588.8	572.9	5,161.7	4,680.0	588.8	5,268.7	4,775.9	603.5	5,379.4	+2.0%	+2.5%	+2.1%
aged 30 or younger	2,916.0	430.9	3,346.9	2,936.9	429.1	3,366.0	2,694.9	367.2	3,062.1	-8.2%	-14.4%	-9.0%
Total for all levels	8,322.1	1,100.9	9,423.0	8,527.3	1,115.0	9,642.3	8,364.6	1,058.9	9,423.5	-1.9%	-5.0%	-2.3%
– of which full-time employees	6,139.0	963.0	7,102.0	6,119.0	975.0	7,094.0	6,145.0	976.0	7,121.0	+0.4%	+0.1%	+0.4%
– of which part-time employees	2,494.0	131.0	2,625.0	2,532.0	138.0	2,670.0	2,452.8	118.0	2,570.8	-3.1%	-14.5%	-3.7%

TABLE Z1.4. EMPLOYEES WITH PERMANENT EMPLOYMENT CONTRACTS AT CCC S.A.
[GRI 102-8]

FTEs	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	4.8	1.0	5.8	4.8	1.0	5.8	3.8	2.0	5.8	-21.1%	+100.0%	0.0%
aged 51 and older	0.0	0.0	0.0	1.0	0.0	1.0	1.0	0.0	1.0	0.0%	—	0.0%
aged 31–50	4.8	1.0	5.8	3.8	1.0	4.8	2.8	2.0	4.8	-26.7%	+100.0%	0.0%
aged 30 or younger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
Managers, including:	806.6	46.0	852.6	807.6	45.0	852.6	767.1	47.2	814.3	-5.0%	+4.9%	-4.5%
aged 51 and older	22.0	3.0	25.0	22.0	3.0	25.0	22.0	2.0	24.0	0.0%	-33.3%	-4.0%
aged 31–50	598.0	36.0	634.0	602.0	37.0	639.0	598.5	40.2	638.7	-0.6%	+8.6%	0.0%
aged 30 or younger	186.6	7.0	193.6	183.6	5.0	188.6	146.6	5.0	151.6	-20.1%	0.0%	-19.6%
Other employees, including:	1,904.4	204.5	2,108.9	1,903.7	205.8	2,109.4	2,071.0	235.3	2,306.3	+8.8%	+14.3%	+9.3%
aged 51 and older	125.0	8.0	133.0	130.0	9.0	139.0	157.5	11.0	168.5	+21.2%	+22.2%	+21.2%
aged 31–50	1,191.6	129.0	1,320.6	1,194.9	127.0	1,321.9	1,286.8	142.5	1,429.3	+7.7%	+12.2%	+8.1%
aged 30 or younger	587.8	67.5	655.3	578.8	69.8	648.5	626.8	81.8	708.5	+8.3%	+17.2%	+9.3%
Staff of all levels												
aged 51 and older	147.0	11.0	158.0	153.0	12.0	165.0	180.5	13.0	193.5	+18.0%	+8.3%	+17.3%
aged 31–50	1,794.4	166.0	1,960.4	1,800.7	165.0	1,965.7	1,888.0	184.7	2,072.7	+4.8%	+11.9%	+5.4%
aged 30 or younger	774.4	74.5	848.9	762.4	74.8	837.1	773.4	86.8	860.1	+1.4%	+16.1%	+2.7%
Total for all levels	2,715.8	251.5	2,967.3	2,716.1	251.8	2,967.8	2,841.9	284.5	3,126.3	+4.6%	+13.0%	+5.3%
– of which full-time employees	2,367.0	247.0	2,614.0	2,369.0	246.0	2,615.0	2,460.0	279.0	2,739.0	+3.8%	+13.4%	+4.7%
– of which part-time employees	491.0	7.0	498.0	490.0	9.0	499.0	543.0	9.0	552.0	+10.8%	0.0%	+10.6%

TABLE Z1.5. EMPLOYEES WITH TEMPORARY EMPLOYMENT CONTRACTS AT THE CCC GROUP
[GRI 102-8]

FTEs	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	0.0	1.0	1.0	1.0	5.0	6.0	3.0	3.0	6.0	+200.0%	-40.0%	0.0%
aged 51 and older	0.0	1.0	1.0	0.0	2.0	2.0	0.0	1.0	1.0	—	-50.0%	-50.0%
aged 31–50	0.0	0.0	0.0	1.0	3.0	4.0	3.0	2.0	5.0	+200.0%	-33.3%	+25.0%
aged 30 or younger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
Managers, including:	229.0	29.0	258.0	229.0	36.0	265.0	172.0	41.3	213.3	-24.9%	+14.6%	-19.5%
aged 51 and older	1.0	1.0	2.0	1.0	0.0	1.0	1.0	0.0	1.0	0.0%	—	0.0%
aged 31–50	135.0	18.0	153.0	137.0	26.0	163.0	105.0	36.3	141.3	-23.4%	+39.4%	-13.3%
aged 30 or younger	93.0	10.0	103.0	91.0	10.0	101.0	66.0	5.0	71.0	-27.5%	-50.0%	-29.7%
Other employees, including:	3,998.0	722.9	4,720.9	3,872.8	662.9	4,535.7	3,044.8	522.3	3,567.1	-21.4%	-21.2%	-21.4%
aged 51 and older	152.9	21.8	174.6	152.3	21.9	174.2	89.3	18.0	107.3	-41.4%	-17.7%	-38.4%
aged 31–50	1,475.8	243.3	1,719.1	1,340.5	205.4	1,545.9	1,044.8	168.0	1,212.8	-22.1%	-18.2%	-21.5%
aged 30 or younger	2,369.3	457.9	2,827.2	2,380.0	435.7	2,815.7	1,910.7	336.4	2,247.0	-19.7%	-22.8%	-20.2%
Staff of all levels												
aged 51 and older	153.9	23.8	177.6	153.3	23.9	177.2	90.3	19.0	109.3	-41.1%	-20.4%	-38.3%
aged 31–50	1,610.8	261.3	1,872.1	1,478.5	234.4	1,712.9	1,152.8	206.2	1,359.0	-22.0%	-12.0%	-20.7%
aged 30 or younger	2,462.3	467.9	2,930.2	2,471.0	445.7	2,916.7	1,976.7	341.4	2,318.0	-20.0%	-23.4%	-20.5%
Total for all levels	4,227.0	752.9	4,979.9	4,102.8	703.9	4,806.7	3,219.8	566.6	3,786.4	-21.5%	-19.5%	-21.2%
– of which full-time employees	2,564.0	677.0	3,241.0	2,531.0	655.0	3,186.0	2,062.0	525.0	2,587.0	-18.5%	-19.8%	-18.8%
– of which part-time employees	2,526.0	114.0	2,640.0	2,414.0	110.0	2,524.0	1,718.5	68.9	1,787.4	-28.8%	-37.4%	-29.2%

TABLE Z1.6. EMPLOYEES WITH TEMPORARY EMPLOYMENT CONTRACTS AT CCC S.A.
[GRI 102-8]

FTEs	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
aged 51 and older	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
aged 31–50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
aged 30 or younger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
Managers, including:	95.0	7.0	102.0	90.0	8.0	98.0	53.0	6.0	59.0	-41.1%	-25.0%	-39.8%
aged 51 and older	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	—	—
aged 31–50	47.0	5.0	52.0	43.0	6.0	49.0	34.0	5.0	39.0	-20.9%	-16.7%	-20.4%
aged 30 or younger	48.0	2.0	50.0	47.0	2.0	49.0	19.0	1.0	20.0	-59.6%	-50.0%	-59.2%
Other employees, including:	2,531.0	283.5	2,814.5	2,450.8	272.0	2,722.8	1,773.8	141.3	1,915.1	-27.6%	-48.1%	-29.7%
aged 51 and older	81.0	4.8	85.8	84.5	3.8	88.3	59.5	4.0	63.5	-29.6%	+6.7%	-28.0%
aged 31–50	852.3	61.3	913.5	821.5	61.5	883.0	592.3	33.8	626.1	-27.9%	-45.0%	-29.1%
aged 30 or younger	1,597.8	217.5	1,815.3	1,544.8	206.8	1,751.5	1,122.0	103.5	1,225.5	-27.4%	-49.9%	-30.0%
Staff of all levels												
aged 51 and older	81.0	4.8	85.8	84.5	3.8	88.3	59.5	4.0	63.5	-29.6%	+6.7%	-28.0%
aged 31–50	899.3	66.3	965.5	864.5	67.5	932.0	626.3	38.8	665.1	-27.6%	-42.5%	-28.6%
aged 30 or younger	1,645.8	219.5	1,865.3	1,591.8	208.8	1,800.5	1,141.0	104.5	1,245.5	-28.3%	-49.9%	-30.8%
Total for all levels	2,626.0	290.5	2,916.5	2,540.8	280.0	2,820.8	1,826.8	147.3	1,974.1	-28.1%	-47.4%	-30.0%
– of which full-time employees	1,242.0	247.0	1,489.0	1,225.0	238.0	1,463.0	885.0	120.0	1,005.0	-27.8%	-49.6%	-31.3%
– of which part-time employees	2,077.0	70.0	2,147.0	1,966.0	69.0	2,035.0	1,412.0	45.0	1,457.0	-28.2%	-34.8%	-28.4%

TABLE Z1.7. NUMBER OF EMPLOYEES HIRED IN THE PERIOD JANUARY 1ST 2020–JANUARY 31ST 2021 AT THE CCC GROUP

number of persons	under permanent contracts			under temporary contracts			total		
	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	3	2	5	3	4	7	6	6	12
aged 51 and older	0	0	0	0	0	0	0	0	0
aged 31–50	3	2	5	3	4	7	6	6	12
aged 30 or younger	0	0	0	0	0	0	0	0	0
Managers, including:	43	11	54	115	30	145	158	41	199
aged 51 and older	2	0	2	3	0	3	5	0	5
aged 31–50	28	8	36	71	26	97	99	34	133
aged 30 or younger	13	3	16	41	4	45	54	7	61
Other employees, including:	1,003	159	1,162	2,925	404	3,329	3,928	563	4,491
aged 51 and older	65	6	71	97	5	102	162	11	173
aged 31–50	312	28	340	819	98	917	1,131	126	1,257
aged 30 or younger	626	125	751	2,009	301	2,310	2,635	426	3,061
Staff of all levels									
aged 51 and older	67	6	73	100	5	105	167	11	178
aged 31–50	343	38	381	893	128	1,021	1,236	166	1,402
aged 30 or younger	639	128	767	2,050	305	2,355	2,689	433	3,122
Total for all levels	1,049	172	1,221	3,043	438	3,481	4,092	610	4,702

TABLE Z1.8. NUMBER OF EMPLOYEES HIRED IN THE PERIOD JANUARY 1ST 2020–JANUARY 31ST 2021 AT CCC S.A.

number of persons	under permanent contracts			under temporary contracts			total		
	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	0	0	0	0	0	0	0	0	0
aged 51 and older	0	0	0	0	0	0	0	0	0
aged 31–50	0	0	0	0	0	0	0	0	0
aged 30 or younger	0	0	0	0	0	0	0	0	0
Managers, including:	6	2	8	23	6	29	29	8	37
aged 51 and older	0	0	0	0	0	0	0	0	0
aged 31–50	4	2	6	17	5	22	21	7	28
aged 30 or younger	2	0	2	6	1	7	8	1	9
Other employees, including:	65	8	73	1,625	94	1,719	1,690	102	1,792
aged 51 and older	5	1	6	38	0	38	43	1	44
aged 31–50	32	3	35	370	15	385	402	18	420
aged 30 or younger	28	4	32	1,217	79	1,296	1,245	83	1,328
Staff of all levels									
aged 51 and older	5	1	6	38	0	38	43	1	44
aged 31–50	36	5	41	387	20	407	423	25	448
aged 30 or younger	30	4	34	1,223	80	1,303	1,253	84	1,337
Total for all levels	71	10	81	1,648	100	1,748	1,719	110	1,829

TABLE Z1.9. NUMBER OF EMPLOYEES WHO LEFT EMPLOYMENT AT THE CCC GROUP IN THE PERIOD JANUARY 1ST 2020–JANUARY 31ST 2021

number of persons	under permanent contracts			under temporary contracts			total		
	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	25	9	34	0	1	1	25	10	35
aged 51 and older	9	1	10	0	1	1	9	2	11
aged 31–50	11	7	18	0	0	0	11	7	18
aged 30 or younger	5	1	6	0	0	0	5	1	6
Managers, including:	174	38	212	90	16	106	264	54	318
aged 51 and older	10	2	12	1	0	1	11	2	13
aged 31–50	118	22	140	45	13	58	163	35	198
aged 30 or younger	46	14	60	44	3	47	90	17	107
Other employees, including:	1,874	319	2,193	3,210	442	3,652	5,084	761	5,845
aged 51 and older	224	15	239	132	10	142	356	25	381
aged 31–50	812	86	898	890	93	983	1,702	179	1,881
aged 30 or younger	838	218	1,056	2,188	339	2,527	3,026	557	3,583
Staff of all levels									
aged 51 and older	243	18	261	133	11	144	376	29	405
aged 31–50	941	115	1,056	935	106	1,041	1,876	221	2,097
aged 30 or younger	889	233	1,122	2,232	342	2,574	3,121	575	3,696
Total for all levels	2,073	366	2,439	3,300	459	3,759	5,373	825	6,198

TABLE Z1.10. NUMBER OF EMPLOYEES WHO LEFT EMPLOYMENT AT CCC S.A. IN THE PERIOD JANUARY 1ST 2020–JANUARY 31ST 2021

number of persons	under permanent contracts			under temporary contracts			total		
	W	M	W+M	W	M	W+M	W	M	W+M
Senior management, including:	0	0	0	0	0	0	0	0	0
aged 51 and older	0	0	0	0	0	0	0	0	0
aged 31–50	0	0	0	0	0	0	0	0	0
aged 30 or younger	0	0	0	0	0	0	0	0	0
Managers, including:	66	4	70	34	3	37	100	7	107
aged 51 and older	5	1	6	0	0	0	5	1	6
aged 31–50	48	3	51	15	2	17	63	5	68
aged 30 or younger	13	0	13	19	1	20	32	1	33
Other employees, including:	182	26	208	2,146	181	2,327	2,328	207	2,535
aged 51 and older	21	1	22	67	2	69	88	3	91
aged 31–50	119	10	129	550	29	579	669	39	708
aged 30 or younger	42	15	57	1,529	150	1,679	1,571	165	1,736
Staff of all levels									
aged 51 and older	26	2	28	67	2	69	93	4	97
aged 31–50	167	13	180	565	31	596	732	44	776
aged 30 or younger	55	15	70	1,548	151	1,699	1,603	166	1,769
Total for all levels	248	30	278	2,180	184	2,364	2,428	214	2,642

TABLE Z1.11. NUMBER OF EMPLOYEES BY JOB POSITION AT THE CCC GROUP

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Management Board	5	19	24	3	17	20	4	17	21	+33.3%	0.0%	+5.0%
Directors	24	37	61	24	38	62	27	33	60	+12.5%	-13.2%	-3.2%
Managers	1,853	233	2,086	1,812	229	2,041	1,758	233	1,991	-3.0%	+1.5%	-2.5%
Store employees	8,961	478	9,439	8,957	476	9,433	8,097	442	8,539	-9.6%	-7.1%	-9.5%
Production personnel	761	161	922	764	153	917	555	94	649	-27.4%	-38.6%	-29.2%
Administrative staff	1,567	601	2,168	1,466	573	2,039	1,584	544	2,128	+8.0%	-5.1%	+4.3%
Warehouse and logistics staff	860	587	1,447	834	588	1,422	778	439	1,217	-6.7%	-25.3%	-14.4%
All employees	14,031	2,116	16,147	13,860	2,074	15,934	12,803	1,801	14,604	-7.6%	-13.2%	-8.3%

TABLE Z1.12. NUMBER OF EMPLOYEES BY JOB POSITION AT CCC S.A.

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Management Board	0	3	3	0	3	3	0	3	3	—	0.0%	0.0%
Directors	6	1	7	6	1	7	6	2	8	0.0%	+100.0%	+14.3%
Managers	905	54	959	900	53	953	823	54	877	-8.6%	+1.9%	-8.0%
Store employees	4,510	144	4,654	4,428	157	4,585	3,834	109	3,943	-13.4%	-30.6%	-14.0%
Production personnel	0	0	0	0	0	0	0	0	0	—	—	—
Administrative staff	220	70	290	227	71	298	149	64	213	-34.4%	-9.9%	-28.5%
Warehouse and logistics staff	558	304	862	552	296	848	524	230	754	-5.1%	-22.3%	-11.1%
All employees	6,199	576	6,775	6,113	581	6,694	5,336	462	5,798	-12.7%	-20.5%	-13.4%

TABLE Z1.13. DATA ON OTHER WORKERS AT THE CCC GROUP [GRI 102-8]

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of persons providing work under civil-law contracts (short-term and piece-work contracts)	1,159	281	1,440	1,197	299	1,496	1,250	295	1,545	+4.4%	-1.3%	+3.3%
Number of persons providing work under cooperation agreements (B2B)	16	45	61	7	21	28	11	40	51	+571%	+90.5%	+82.1%
Number of persons providing work under contracts of appointment	4	11	15	2	10	12	2	9	11	0.0%	-10.0%	-8.3%

TABLE Z1.14. DATA ON OTHER WORKERS AT CCC S.A. [GRI 102-8]

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of persons providing work under civil-law contracts (short-term and piece-work contracts)	21	3	24	63	16	79	36	6	42	-42.9%	-62.5%	-46.8%
Number of persons providing work under cooperation agreements (B2B)	3	11	14	1	3	4	0	0	0	-100.0%	-100.0%	-100.0%
Number of persons providing work under contracts of appointment	0	3	3	0	3	3	0	3	3	—	0.0%	0.0%

TABLE Z1.15. EMPLOYEES WITH DISABILITIES AT THE CCC GROUP

number of persons, PLN '000	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of disabled employees	558	73	631	549	76	625	462	58	520	-15.8%	-23.7%	-16.8%
Contributions paid to PFRON			1,468.9			1,667.6			2,546.2			+52.7%

TABLE Z1.16 EMPLOYEES WITH DISABILITIES AT CCC S.A.

number of persons, PLN '000	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of disabled employees	402	23	425	395	23	418	321	14	335	-18.7%	-39.1%	-19.9%
Contributions paid to PFRON			0,0			0,0			0,0			—

TABLE Z1.17. GLASS CEILING RATIOS AT THE CCC GROUP

%	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	41.9%	58.1%		36.9%	63.1%		40.0%	60.0%		3.1%	-3.1%	
Managers	89.4%	10.6%		88.9%	11.1%		88.7%	11.3%		-0.1%	0.1%	
Other employees	87.0%	13.0%		87.4%	12.6%		87.8%	12.2%		0.4%	-0.4%	
All employees	87.1%	12.9%		87.4%	12.6%		87.7%	12.3%		0.3%	-0.3%	
– senior management and managers s	87.8%	12.2%		87.4%	12.6%		87.1%	12.9%		-0.3%	0.3%	
GCR2			45.2%			50.5%			47.7%			-2,8pp
GCR1			2.2%			1.5%			1.1%			-0,4pp
GCR (senior management and managers)			0.7%			0.0%			0.5%			+0,5pp

TABLE Z1.18. GLASS CEILING RATIOS AT CCC S.A.

%	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	82.6%	17.4%		82.6%	17.4%		65.2%	34.8%				
Managers	94.4%	5.6%		94.4%	5.6%		93.9%	6.1%				
Other employees	90.1%	9.9%		90.1%	9.9%		91.1%	8.9%				
All employees	90.8%	9.2%		90.8%	9.2%		91.5%	8.5%				
– senior management and managers	94.4%	5.6%		94.4%	5.6%		93.7%	6.3%				
GCR2			8.2%			8.2%			26.3%			+18.1pp
GCR1			3.7%			3.6%			2.4%			-1,2pp
GCR (senior management and managers)			3.6%			3.5%			2.2%			-1,4pp

7.2. APPENDIX 2. DATA ON EMPLOYEE REMUNERATION

TABLE Z2.1. AVERAGE MONTHLY GROSS PAY AT THE CCC GROUP

PLN	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	MID	W	M	MID	W	M	MID	W	M	MID
Senior management	20,138.9	23,350.6	24,144.1	26,582.5	24,804.6	27,764.2	21,244.3	23,001.6	22,298.7	-20.1%	-7.3%	-19.7%
Managers	4,512.6	9,724.1	5,350.5	4,533.1	9,124.9	5,320.0	4,706.9	9,508.7	5,247.5	3.8%	4.2%	-1.4%
Other employees	2,778.7	4,012.1	3,140.6	2,826.9	4,215.1	3,204.3	3,114.1	4,860.7	3,327.8	10.2%	15.3%	+3.9%
All employees	3,077.5	5,119.6	3,563.1	3,130.9	5,311.2	3,628.1	3,404.3	5,970.4	3,720.8	8.7%	12.4%	+2.6%

TABLE Z2.2. AVERAGE MONTHLY GROSS PAY AT CCC S.A.

PLN	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	MID	W	M	MID	W	M	MID	W	M	MID
Senior management	35,478.3	24,121.2	33,503.1	36,722.0	37,493.4	36,856.2	34,964.5	28,029.4	32,552.3	-4.8%	-25.2%	-11.7%
Managers	4,532.6	10,012.0	4,836.8	4,632.4	9,977.2	4,930.4	4,395.2	8,492.8	4,644.8	-5.1%	-14.9%	-5.8%
Other employees	2,989.7	4,593.8	3,148.7	3,067.8	4,685.4	3,227.7	3,120.6	4,915.0	3,280.6	+1.7%	+4.9%	+1.6%
All employees	3,279.0	5,159.7	3,452.2	3,365.3	5,274.5	3,540.7	3,370.1	5,462.9	3,547.2	+0.1%	+3.6%	+0.2%

TABLE Z2.3. RATIO OF THE AVERAGE REMUNERATION OF WOMEN TO THE AVERAGE REMUNERATION OF MEN AT THE CCC GROUP

%	January 1st –December 31st 2019	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
Senior management	86.2%	107.2%	92.4%	-14.8%
Managers	46.4%	49.7%	49.5%	-0.2%
Other employees	69.3%	67.1%	64.1%	-3.0%
All employees	60.1%	58.9%	57.0%	-1.9%

TABLE Z2.4. RATIO OF THE AVERAGE REMUNERATION OF WOMEN TO THE AVERAGE REMUNERATION OF MEN AT CCC S.A.

%	January 1st –December 31st 2019	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
Senior management	147.1%	97.9%	124.7%	+26.8%
Managers	45.3%	46.4%	51.8%	+5.3%
Other employees	65.1%	65.5%	63.5%	-2.0%
All employees	63.6%	63.8%	61.7%	-2.1%

TABLE Z2.5. GENDER PAY GAP RATIOS AT THE CCC GROUP

%	January 1st –December 31st 2019	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
GPGR Senior management	13.8%	7.2%	7.6%	+0.5%
GPGR Managers	53.6%	50.3%	50.5%	+0.2%
GPGR Other employees	30.7%	32.9%	35.9%	+3.0%
GPGR All employees	39.9%	41.1%	43.0%	+1.9%

TABLE Z2.6. GENDER PAY GAP RATIOS AT CCC S.A.

%	January 1st –December 31st 2019	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
GPGR Senior management	47.1%	2.1%	24.7%	+22.7%
GPGR Managers	54.7%	53.6%	48.2%	-5.3%
GPGR Other employees	34.9%	34.5%	36.5%	+2.0%
GPGR All employees	36.4%	36.2%	38.3%	+2.1%

TABLE Z2.7. OHS INDICATORS AT THE CCC GROUP

	January 1st –December 31st 2019	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
Accidents involving employees				
Minor accidents	73.00	77.00	32.00	-58.4%
Serious accidents	3.00	6.00	4.00	-33.3%
Fatal accidents	0.00	0.00	0.00	—
Group accidents	0.00	0.00	0.00	—
Total accidents	76.00	83.00	36.00	-56.6%
Accidents involving employees of subcontractors working on site				
Minor accidents	0.00	0.00	4.00	—
Serious accidents	0.00	0.00	0.00	—
Fatal accidents	0.00	0.00	0.00	—
Group accidents	0.00	0.00	0.00	—
Total accidents	0.00	0.00	4.00	—
Other OHS data				
Accident frequency rate (accidents at work per 1,000 employees)	5.28	5.74	3.03	-47.3%
Days lost	1938.00	2084.00	1150.00	-44.8%
Accident severity rate (number of days lost per accident)	25.50	25.11	28.75	+14.5%
Cases of occupational diseases reported in the period	0.00	0.00	0.00	—
Number of employees with exceeded maximum admissible concentrations (MAC) or maximum admissible intensities (MAI) in the year	48.00	45.00	40.00	-11.1%

TABLE Z2.8. OHS INDICATORS AT CCC S.A.

	January 1st –December 31st 2019	January 1st 2019 –January 31st 2020	January 1st 2020 –January 31st 2021	YoY change
Accidents involving employees				
Minor accidents	4.00	4.00	3.00	-25.0%
Serious accidents	0.00	0.00	0.00	—
Fatal accidents	0.00	0.00	0.00	—
Group accidents	0.00	0.00	0.00	—
Total accidents	4.00	4.00	3.00	-25.0%
Accidents involving employees of subcontractors working on site				
Minor accidents	0.00	0.00	1.00	—
Serious accidents	0.00	0.00	0.00	—
Fatal accidents	0.00	0.00	0.00	—
Group accidents	0.00	0.00	0.00	—
Total accidents	0.00	0.00	1.00	—
Other OHS data				
Accident frequency rate (accidents at work per 1,000 employees)	0.68	0.69	0.78	+13.5%
Days lost	235.00	235.00	297.00	+26.4%
Accident severity rate (number of days lost per accident)	58.75	58.75	74.25	+26.4%
Cases of occupational diseases reported in the period	0.00	0.00	0.00	—
Number of employees with exceeded maximum admissible concentrations (MAC) or maximum admissible intensities (MAI) in the year	0.00	0.00	0.00	—

TABLE Z2.9. AVERAGE NUMBER OF TRAINING HOURS AT THE CCC GROUP [GRI 404-1]

number of hours per employee in the period	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	6.2	17.6	12.8	7.8	18.4	14.5	16.1	5.8	10.0	1075%	-68.2%	-31.2%
Managers	5.5	9.5	5.9	5.8	10.6	6.3	28.0	18.5	26.9	385.0%	74.2%	+326.5%
Other employees	4.0	3.2	3.9	4.2	4.6	4.2	17.7	10.4	16.8	325.3%	128.6%	+299.2%
All employees	4.2	4.3	4.2	4.4	5.7	4.6	19.3	11.4	18.3	339.7%	102.2%	+303.0%
Training expenditure in the period (PLN '000)	2,495.5	458.4	2,995.0	2,506.0	459.9	3,008.2	867.8	240.1	1,225.4	-65.4%	-47.8%	-59.3%

TABLE Z2.10. AVERAGE NUMBER OF TRAINING HOURS AT CCC S.A. [GRI 404-1]

number of hours per employee in the period	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	3.2	10.0	4.3	3.2	10.0	4.3	33.6	42.5	36.7	+964.0%	+325.0%	+744.0%
Managers	0.1	0.0	0.1	0.1	0.0	0.1	46.0	32.0	45.1	+36727.9%	–	+38181.6%
Other employees	0.7	0.8	0.7	0.7	0.8	0.7	39.0	21.5	37.4	+53071.1%	+2669.7%	+5052.4%
All employees	0.6	0.7	0.6	0.6	0.7	0.6	40.2	22.8	38.7	+6370.3%	+3097.3%	+6049.0%
Training expenditure in the period (PLN '000)	634.4	58.9	693.3	634.4	58.9	693.3	169.7	15.8	216.3	-73.2%	-73.2%	-68.8%

TABLE Z2.11. NUMBER OF EMPLOYEES UPGRADING THEIR SKILLS AT THE CCC GROUP

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	6	8	14	5	7	13	1	1	3	-80.0%	-85.7%	-76.9%
Managers	47	35	82	45	33	79	21	4	25	-53.3%	-87.9%	-68.4%
Other employees	134	67	201	129	66	196	38	19	58	-70.5%	-71.2%	-70.4%
All employees	187	110	297	180	108	289	62	25	87	-65.6%	-76.9%	-69.9%

TABLE Z2.12. NUMBER OF EMPLOYEES UPGRADING THEIR SKILLS AT CCC S.A.

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	0	0	0	0	0	0	0	0	0	–	–	–
Managers	0	0	0	0	0	0	0	1	1	–	–	–
Other employees	0	0	0	0	0	0	3	8	12	–	–	–
All employees	0	0	0	0	0	0	4	10	14	–	–	–

TABLE Z2.13. NUMBER OF EMPLOYEES TRAINED IN SELECTED TOPICS AT THE CCC GROUP

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+MM
Induction OHS training	1,838	201	7,755	1,838	201	7,755	1,193	148	4,174	-35.1%	-26.4%	-46.2%
Periodic OHS training	3,353	268	5,360	3,353	268	5,360	2,038	194	3,499	-39.2%	-27.6%	-34.7%
Specialist OHS training, including first aid training	121	11	436	121	11	436	3,181	152	3,409	+2528.9%	+1281.8%	+681.9%
Fire safety training	4,124	372	5,151	4,124	372	5,151	3,733	295	4,100	-9.5%	-20.7%	-20.4%

TABLE Z2.14. NUMBER OF EMPLOYEES TRAINED IN SELECTED TOPICS AT CCC S.A.

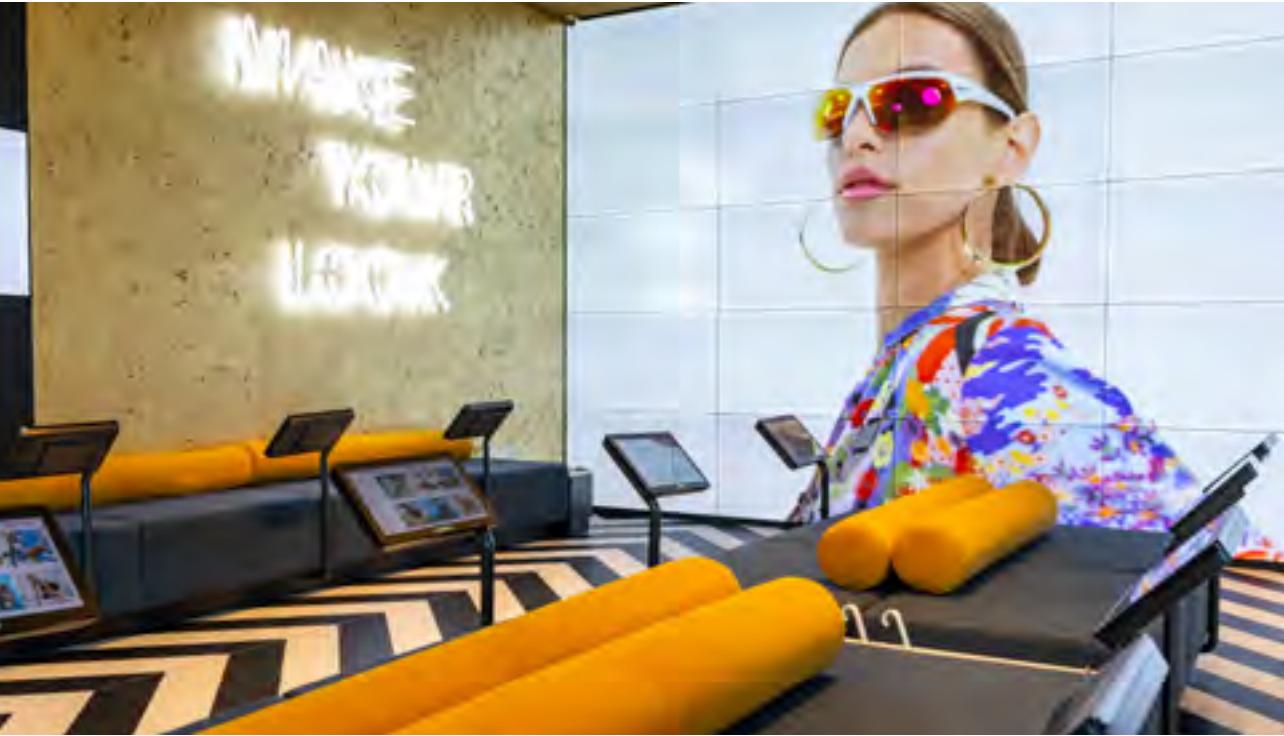
number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Induction OHS training			4,339			4,339			1,838			-57.6%
Periodic OHS training			1,070			1,070			1,081			+1.0%
Specialist OHS training, including first aid training			96			96			2,383			+2382.3%
Fire safety training			24			24			2,220			+9150.0%

TABLE Z2.15. EMPLOYEES RECEIVING REGULAR PERFORMANCE REVIEWS AT THE CCC GROUP

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	1	3	4	3	5	8	4	5	9	+33.3%	0.0%	+12.5%
Managers	251	30	281	570	84	537	447	60	507	-21.6%	-28.6%	-5.6%
Other employees	735	107	842	1,442	218	1,660	1,136	186	1,322	-21.2%	-14.7%	-20.4%
All employees	987	140	1,127	1,916	289	2,205	1,587	251	1,838	-17.2%	-13.1%	-16.6%

TABLE Z2.16. EMPLOYEES RECEIVING REGULAR PERFORMANCE REVIEWS AT CCC S.A.

number of persons	January 1st –December 31st 2019			January 1st 2019 –January 31st 2020			January 1st 2020 –January 31st 2021			YoY change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	0	0	0	0	0	0	0	0	0	–	–	–
Managers	0	0	0	0	0	0	0	0	0	–	–	–
Other employees	0	0	0	0	0	0	0	0	0	–	–	–
All employees	0	0	0	0	0	0	0	0	0	–	–	–



7.3. APPENDIX 3. ENVIRONMENTAL DATA



TABLE Z3.1. FUEL AND ENERGY CONSUMPTION AT CCC S.A.

	Unit	January 1st– December 31st 2019	January 1st 2019– January 31st 2020	January 1st 2020– January 31st 2021	YoY change
Fuels used in buildings and systems					
Natural gas	MWh	6,067.1	6,417.0	5,242.2	-18.3%
Fuel oil	MWh	0.0	0.0	0.0	—
LPG	MWh	0.0	0.0	5,242.2	—
Fuels used in buildings and systems	MWh	6,067.1	6,417.0	0.0	-18.3%
Fuels used in transport by own vehicles					
Gasoline	MWh	2,112.0	2,202.2	1,153.2	-47.6%
Diesel oil	MWh	2,885.6	2,969.7	1,068.0	-64.0%
LPG	MWh	0.0	0.0	0.0	—
Total fuels used in transport by own vehicles	MWh	4,997.5	5,171.9	2,221.2	-57.1%
Energy generated					
Electricity generated from RES	MWh	55.4	62.3	84.5	+35.6%
Purchased energy					
Electricity	MWh	49,043.7	49,529.8	37,448.7	-24.4%
– of which retail stores	MWh	42,434.6	42,434.6	30,896.6	-27.2%
– other	MWh	6,609.1	7,095.2	6,552.2	-7.7%
Heat	MWh	0.0	0.0	0.0	—
Total energy consumption	MWh	60,163.6	61,180.9	44,996.6	-26.5%
Total energy consumption	GJ	216,589.7	220,251.24	161,987.8	-26, 5%

TABLE Z3.2. CONSUMPTION OF FUELS AND ENERGY FROM RENEWABLE AND NON-RENEWABLE ENERGY SOURCES AT CCC S.A.

	Unit	January 1st– December 31st 2019	January 1st 2019– January 31st 2020	January 1st 2020– January 31st 2021	YoY change
Energy from all renewable sources (fuels and purchased energy)	MWh	5,279.9	5,839.5	3,927.2	-32.7%
Percentage of energy from renewable sources	%	8.78%	9.54%	8.73%	-0,8pp
Energy from all non-renewable sources (fuels and purchased energy)	MWh	54,883.8	55,341.5	41,069.4	-25.8%
Percentage of energy from non-renewable sources	%	91.22%	90.46%	91.27%	+0.8pp
Total energy from all sources	MWh	60,163.8	61,180.9	44,996.6	-26.5%

TABLE Z3.3. ENERGY INTENSITY RATIOS AT CCC S.A.

	Unit	January 1st– December 31st 2019	January 1st 2019– January 31st 2020	January 1st 2020– January 31st 2021	YoY change
Energy from renewable sources per pair of shoes	kWh/pair	0.2	0.2	0.1	-44.8%
Energy from renewable sources per PLN 1m of revenue	MWh/PLN 1m	2.3	2.4	2.2	-11.8%
Energy from non-renewable sources per pair of shoes	kWh/pair	2.2	2.0	1.2	-39.1%
Energy from non-renewable sources per PLN 1m of revenue	MWh/PLN 1m	24.2	23.1	22.5	-2.6%
Energy from all sources per pair of shoes	kWh/pair	2.4	2.2	1.3	-39.6%
Energy from all sources per PLN 1m of revenue	MWh/PLN 1m	26.5	25.6	24.7	-3.5%

TABLE Z3.4. GREENHOUSE GAS EMISSIONS AT CCC S.A. IN THE FINANCIAL YEAR 2020/2021

[GRI 305-1, 305-2, 305-4]

	Unit	January 1st– December 31st 2019	January 1st 2019– January 31st 2020	January 1st 2020– January 31st 2021	YoY change
SCOPE 1					
Emissions from fuel consumption in buildings and installations	MgCO ₂ e	1,127.6	1,192.6	974.3	-18.3%
Emissions from fuel consumption in transport	MgCO ₂ e	1,298.2	1,343.1	572.2	-57.4%
Total Scope 1 GHG emissions	MgCO ₂ e	2,425.8	2,535.7	1,546.5	-39.0%
Scope 1 emissions per pair of shoes	kgCO ₂ e/pair	0.1	0.1	0.0	-49.9%
Scope 1 emissions per PLN 1m in revenue	MgCO ₂ e/ PLN 1m	1.1	1.1	0.8	-20.0%
SCOPE 2 LOCATION-BASED					
Emissions from purchased electricity	MgCO ₂ e	37,925.5	34,977.9	25,060.7	-28.4%
Emissions from purchased heat	MgCO ₂ e	0.0	0.0	0.0	-
Total Scope 2 location-based GHG emissions	MgCO ₂ e	37,925.5	34,977.9	25,060.7	-28.4%
Scope 2 location-based emissions per pair of shoes	kgCO ₂ e/pair	1.5	1.4	0.8	-41.6%
Scope 2 location-based emissions per PLN 1m of revenue	MgCO ₂ e/ PLN 1m	16.7	14.6	13.7	-6.0%
SCOPE 2 MARKET-BASED					
Total Scope 2 market-based GHG emissions	MgCO ₂ e	n.a.	n.a.	25,382.4	n.a.
Scope 2 market-based emissions per pair of shoes	kgCO ₂ e/pair	n.a.	n.a.	0.6	n.a.
Scope 2 market-based emissions per PLN 1m of revenue	MgCO ₂ e/ PLN 1m	n.a.	n.a.	4.4	n.a.
SCOPE 1+2 LOCATION-BASED					
Total Scope 1+2 location-based GHG emissions	MgCO ₂ e	40,351.3	37,513.7	26,607.2	-29.1%
Scope 1+2 location-based emissions per pair of shoes	kgCO ₂ e/pair	1.6	1.4	0.8	-41.8%
Scope 1+2 location-based emissions per PLN 1m of revenue	MgCO ₂ e/ PLN 1m	17.8	15.7	14.6	-6.9%

MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS AT CCC S.A.

Raw materials consumption is not reported for CCC S.A. as the company does not use any raw materials – most raw materials are used by CCC Factory and relevant data is reported at the Group level.


TABLE Z3.5. HAZARDOUS AND NON-HAZARDOUS WASTE AT CCC S.A.

	Unit	January 1st– December 31st 2019	January 1st 2019– January 31st 2020	January 1st 2020– January 31st 2021	YoY change
HAZARDOUS WASTE					
Recycling	MG	0.2	0.2	0.0	-100.0%
Landfill	MG	0.0	0.0	0.0	—
Disposal	MG	0.0	0.1	1.1	+1119.7%
Reuse	MG	0.0	0.0	0.0	—
Permanent on-site storage	MG	0.0	0.0	0.0	—
Total hazardous waste	MG	0.2	0.2	0.0	-100.0%
Hazardous waste per pair of shoes	g/pair	0.0	0.0	0.0	-100.0%
Hazardous waste per PLN 1m of revenue	kg/PLN 1m	0.1	0.1	0.0	-100.0%
NON-HAZARDOUS WASTE					
Recycling	MG	2,285.1	2,546.6	3,501.2	+37.5%
Landfill	MG	39.4	0.0	0.0	—
Disposal	MG	0.0	0.1	0.0	-100.0%
Reuse	MG	0.0	0.0	0.0	—
Permanent on-site storage	MG	0.0	0.0	0.0	—
Total non-hazardous waste	MG	2,285.1	2,546.6	3,501.2	+37.5%
Non-hazardous waste per pair of shoes	g/pair	92.5	92.5	104.1	+12.9%
Non-hazardous waste per PLN 1m of revenue	Mg/PLN 1m	1.0	1.1	1.9	+80.4%

TABLE Z3.6. WATER CONSUMPTION AND WASTEWATER DISCHARGE AT CCC S.A.

	Unit	January 1st– December 31st 2019	January 1st 2019– January 31st 2020	January 1st 2020– January 31st 2021	YoY change
WATER CONSUMPTION					
Water purchased	m ³	15,218.3	16,222.6	12,870.0	-20.7%
Water from own intakes	m ³	0.0	0.0	0.0	-
Total water consumption	m³	15,218.3	16,222.6	12,870.0	-20.7%
Water consumption per pair of shoes	l/pair	0.6	0.6	0.4	-34.9%
Water consumption per PLN 1m of revenue	m ³ /PLN 1m	6.7	6.8	7.1	+4.1%
WASTEWATER					
Wastewater discharged into municipal network	m ³	11,173.6	11,944.1	10,040.7	-15.9%
Wastewater discharged per pair of shoes	l/pair	0.5	0.4	0.3	-31.0%
Wastewater discharged per PLN 1m of revenue	m ³ /PLN 1m	4.9	5.0	5.5	+10.3%

7.4. APPENDIX 4. EXTERNAL ASSURANCE STATEMENT



INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of CCC Group

Introduction and objectives of work

BUREAU VERITAS Polska Sp. z o. o. (Bureau Veritas) has been engaged by CCC S.A. (CCC) to provide limited assurance of Selected information included in its report "Non- financial report of the CCC Group for 2020/202" (the Report). This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our work was limited to assurance over GRI Standards 2016, Core option, GRI Standards 2018: 403 and CCC's disclosures included in the Report for the period 1st January 2020 to 31st January 2021.

Excluded from the scope of our work is any assurance of other information included in the Report.

Reporting Criteria

The Selected Information needs to be read and understood together with the standards for sustainability reporting. The GRI Standards as set out at <https://www.globalreporting.org>.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by CCC and statements of future commitment).

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other monitoring arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of CCC.

Bureau Veritas was not involved in the drafting of the Report or the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of CCC.

Assessment Standard


We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Selected Information;
2. Conducting interviews with relevant personnel of CCC;

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3. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by CCC;
5. Agreeing a selection of the Selected Information to the corresponding source documentation;
6. Reviewing CCC's systems for quantitative data aggregation and analysis;
7. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Evaluation against GRI Standards

Bureau Veritas Polska Sp. z o.o. undertook an evaluation of The Report against the GRI Standards. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI application level.

Based on our work, it is our opinion that:

- Integrated report "Non- financial report of the CCC Group for 2020/202" has been prepared in accordance with standards for sustainability reporting The GRI Standards (2016 and 2018), Core option.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.


Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the TIC Council², cross the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

BUREAU VERITAS POLSKA Sp. z o.o.

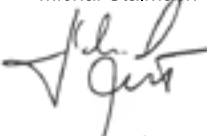
Warsaw, 17th May 2021

Witold Dżugan



Member of the Board

Michał Stalmach




Lead verifier

1 Certificate of Registration No. 44 100 160145 wydany przez TUV NORD CERT GmbH

2 TIC Council Compliance Code EDITION 1 December 2018

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VERIFICATION STATEMENT

GREENHOUSE GAS EMISSIONS

Introduction and objectives of work

BUREAU VERITAS Polska Sp. z o.o. (Bureau Veritas) has been engaged by CCC S.A (CCC) to conduct an independent verification at a limited assurance level of the greenhouse gas (GHG) emissions reported by CCC for the reported period of 1st January 2020 to 31st January 2021. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of CCC. Bureau Veritas was not involved in determining the GHG emissions. Our sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- CCC SA (headquarter), 2 production plants, companies selling in their own stores in Poland, Slovakia, Hungary, Czechia, Austria, Bulgaria, Slovenia, Croatia, Russia, Serbia, Romania and Switzerland (here under the Vögele Shoes and Bingo brands). The listed entities together constitute the CCC Group.

Verified data:

Scope of GHG emission	Source of emission	CCC Group Emission [tonnes CO2e]	CCC S.A. Emission [tonnes CO2e]
Scope 1	Emissions from fuel consumption in buildings and installations	2 469.9	974.3
	Emissions from fuel consumption in transport	2 414.7	572.2
	Total	4 884.6	1 546.6
Scope 2	Emissions from the purchase of electricity (location-based)	45 406.9	25 060.7
	Emissions from the purchase of electricity (market-based)	46 449.8	25 382.4
	Emissions from the purchase of heat	2 320.1	0.0
	Total (location-based)	47 727.0	25 060.7
	Total (market-based)	47 339.0	25 382.4
Scope 1 + 2 (location-based)		52 611.6	26 607.2
Scope 1 + 2 (market-based)		53 654.5	26 928.9

The data and information supporting the GHG emissions assertion in scope 1 and for heat were historical. Data on electricity consumption in approx. 83% of stores were estimated on the basis of historical data in approx. 17% of stores.

Period covered by GHG emissions verification:

1st January 2020 to 31st January 2021

Reporting Protocols against which verification was conducted:

- World Resources Institute and World Business Council for Sustainable Development, Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard REVISED EDITION, March 2004 (scope 1);
- World Resources Institute and World Business Council for Sustainable Development, GHG Protocol Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard, 2015.


GHG Verification Protocols used to conduct the verification:

- ISO 14064-3: Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

Level of Assurance:

- Limited

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Verification Methodology:

- Interviews with relevant personnel;
- Review of documentary evidence produced by CCC;
- Review of CCC data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of samples of data used by CCC to determine GHG emissions.

Assurance Opinion:

Based on the results of our verification process, Bureau Veritas found no evidence that the GHG emissions shown above:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard.

It is our opinion that CCC has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of GHG emissions for the stated period and boundaries.

Statement of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history.


No member of the verification team has a business relationship with CCC, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

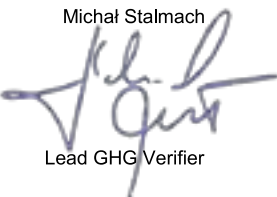
Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the TIC Council², cross the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

BUREAU VERITAS POLSKA Sp. z o.o.

Warsaw, 17th May 2020



Witold Dżugan
Member of the Board




Michał Stalmach
Lead GHG Verifier

¹ Certificate of Registration No. 44 100 160145 wydany przez TÜV NORD CERT GmbH

² TIC Council Compliance Code EDITION 1 December 2018

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This non-financial statement of CCC S.A. and the CCC Group for the financial year 2020/2021 has been authorised by the Management Board of CCC S.A.



Marcin Czyczerski
CEO and President
of the Management Board



Mariusz Gnych
Vice President
of the Board of CCC S.A.



Karol Półtorak
Vice President
of the Board of CCC S.A.



Adam Holewa
Vice President
of the Board of CCC S.A.

Polkowice, May 18th 2021

Design & DTP:



