

Go for more

**- TOWARDS
SUSTAINABLE
DEVELOPMENT**

FIRST NON-FINANCIAL REPORT OF THE CCC GROUP / 2017

CCC
SHOES & BAGS



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LETTER OF PRESIDENT

CCC
SHOES & BAGS

DEAR SIRs,

GRI 102-14

Life is like riding a bike. To keep your balance, you must move forward. It is similar in business. By implementing our ambitions and continuing the development of the CCC Group in a sustainable manner, we do not forget about our activities for the benefit of local communities.

We believe that victory cannot be an end in itself. According to CCC values, the way we go in the success is also significant. The satisfaction of doing business is bigger when we are more aware of the fact that we pursue our business goals based on CSR activities. A natural consequence of our approach is the development of the corporate social responsibility strategy "GO FOR MORE - towards sustainable development" for the years 2017-2019. Its assumptions are presented to you in this - the first non-financial opening report of the CCC Group. We share in it not only our business achievements, measured by growing revenues and profits, but also the results of CSR activities conducted for years - the number of workplaces generated by us, investments favourable to the natural environment or the development of ethical standards in the supply chain.

Like dozens of Polish enterprises, we started as a small local company, taking advantage of huge opportunities after the year 1989. Today, we are a leader in the retail footwear market in Central and Eastern Europe, and our products are available in 19 markets, through sales in bricks and mortar stores in 17 countries, as well as through online sales conducted in 12 countries. The success we have achieved would not be possible without consistency in the operation and commitment of our Shareholders, Employees and partners cooperating with us. By opening stores on other foreign markets, we prove that Polish business is innovative and that the standards of sustainable development we implement build the recognition and thus the position of CCC is recognized in the most thriving and best-growing group of companies. At CCC, we have been open to new business opportunities for years, not forgetting to set ambitious socially responsible goals. The pillars of the Group's further development will be three key areas included in the CSR strategy presented here: # I go for more - brand promise with customer experience; # more opportunities - development of the organization's potential and # more trust - good and effective management. These are our basic principles and challenges, as well as the CCC's contribution to achieving the global goals of UN sustainable development.

We care about the satisfaction of millions of consumers, every year visiting our stores and buying our products, therefore we will continue our international expansion taking into account both innovative and friendly solutions. We are consistently implementing the omnichannel development strategy that enables customer service and sales on many levels. Thanks to the combination of technology and the convenience of shopping in a bricks and mortar store, we will increase even more the comfort of our Consumers. In addition, we are improving the dialogue with Consumers and the method of testing their experience and satisfaction as far as the contact with is concerned.

We focus on promoting the highest standards in the supply chain, strengthening ethics management and supporting activities that have a positive impact on the natural environment. We also believe that by building an organizational culture based on value and commitment, we create safe and friendly workplaces and we enable the professional development of our employees.

I am glad that my sports passions are shared by my co-workers. As fans of sport competition and supporters of our cycling team CCC Team as well as the basketball team of CCC Polkowice, we will keep supporting sport, both professional and amateur one, as well as promoting active recreation among local communities.

In conclusion, I would like to emphasize how important an open dialogue with Stakeholders is to us. In 2017, we conducted a dialogue session with key stakeholders - representatives of industry organizations, government administration, client organizations, non-governmental organizations (ngo), business partners and universities. It allowed us to better understand each of the perspectives and take into account different opinions in the presented report on corporate social responsibility.

It is important for us to maintain the dialogue so that our actions take into account their expectations. Therefore, I encourage you to share your comments and insights about the report with us (csr.eu@ccc.eu). Thanks to them, we will be able to better respond to your expectations and, as a result, continue to build the value of our company and strengthen its positive impact on the environment.

Yours sincerely,
Dariusz Miłek,
President of the Management Board of CCC S.A.

1.



POLISH BRAND,
EUROPEAN MARKET



„THE WAY YOUR COMPANY GROWS CAN BE A PROOF OF HOW POLES CAN BE INNOVATIVE. ALSO AT THIS SCALE OF OPERATION, YOU CANNOT FORGET ABOUT CORPORATE SOCIAL RESPONSIBILITY. YOU REMEMBER.”

Our specialty is footwear that reaches customers in 19 countries. Almost 50 million pairs of footwear sold per year in the network of offline stores gives us the leading position among retail footwear companies in Central Europe. At the same time, we are one of the largest footwear manufacturer in Europe. In 2017, the CCC Factory Sp. z o.o. in Polkowice, where we employ over 820 people, manufactured 3.7 million pairs of shoes. A wide assortment of footwear goes to spacious and modernly furnished stores. They are an important element of our development strategy and we put in a lot of effort to adapt them to our customer's needs. In prestigious shopping malls, we open stores with a standard area of 1000 m², while our showcase is flagship stores with an area of over 2000 m² located in high streets in important European cities. Such units have already been operating successfully in Berlin, Dusseldorf, Vienna and Budapest. We offer there collections that meet customers' expectations in local markets.

Constant investment in the development of the Company contributes to the growth of the company's value and increasing the share in the footwear market in Europe.

Our ambitions go far beyond our current achievements. We understand a further expansion not only as strengthening the market position by increasing revenues and profits, but above all, as implementing the principles of sustainable development policy by all Group companies. We want to contribute to increasing the value for our stakeholders by monitoring our economic, social and environmental impact.

DO YOU KNOW THAT ...

GRI 102-7

The CCC shares reached the highest value of 301.95 PLN on 4 October 2017. The gain from the debut on the Warsaw Stock Exchange in 2004 amounted to over

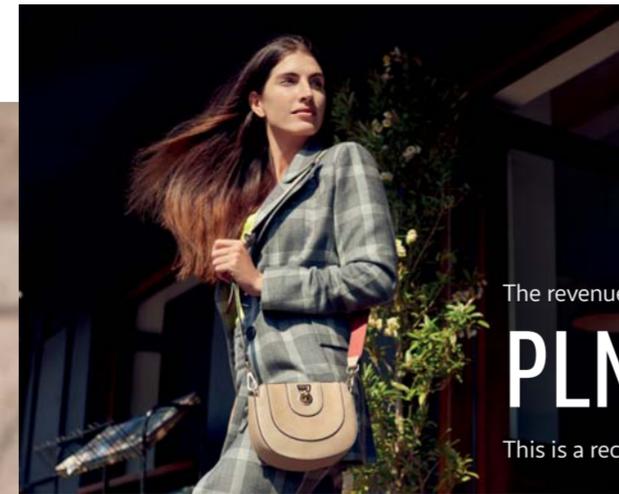
3000%



The value of the shares of CCC S.A. amounts to

PLN 11.7 BILLION

We rank third among the largest Polish private companies



The revenues of the CCC Group in 2017 amounted to

PLN 4.19 BILLION

This is a record breaking result in our history



The largest flagship CCC store has

2784 M²

of the floor space. It is located in Budapest. The display windows are located on 3 floors. We employ nearly 40 employees there

At the end of 2017, the CCC network consisted of

925 stores with a total area of **540,000 M²**

The floor space increased by 17% yoy. We are striving to increase the floor space by approx. 300,000 m² in 2017-2019 (compared to the level at the end of 2016)



WE ARE APPRECIATED



Selected awards that we won in 2016 - 2017.

Business condition:

- Award of the Jan Wejchert Polish Business Council in the category of Success for Dariusz Miłek.
- CE TOP 500 Certificate of Index of Success 2016 Growth and Stability for CCC S.A.
- Index of Success - the award of the consulting company Deloitte and the daily newspaper "Rzeczpospolita" for CCC S.A.
- BEST CEO IN THE SUSTAINABLE APPAREL INDUSTRY 2017 (Award for the Best President of the Management Board in the Sustainable Apparel Industry category) in the EUROPEAN CEO competition organized by World News Media Limited
- A RELIABLE EMPLOYER OF THE YEAR 2016, A SOLID EMPLOYER OF THE YEAR 2017
- Polish company - international champion, award in the category of Visioner of foreign expansion for Dariusz Miłek
- Poland Pearl of Economy for the CCC Group
- Forbes Diamonds 2017

Transparency:

- The best annual report 2015 – a distinction for CCC S.A. for the greatest transparency of information in the marketing report.
- The best annual report 2015 – a distinction for CCC S.A. for the best debut among the evaluated financial statements.

Awards of eobuwie.pl S.A.:

- Star of Service Quality 2017
- Forbes Diamonds 2017
- Gazelles of Business 2017
- E-commerce Polska Awards 2017 – 1st place in the category "Breaking the distrust"
- Eagles of Wprost 2017
- EKOMERSY 2017 – 2nd place in the category: "Foreign expansion"
- GOOD BRAND 2016 - Quality, Trust, Reputation in the category: Online shop with shoes
- EKOMERSY 2016 - a distinction in the categories: "Foreign expansion of the e-shop" and "Consistency of shopping experience in various sales channels"
- E-commerce Polska Awards 2016 – 1st place in two categories: "Best Customer Service" and "Web of the Year"

MEMBERSHIP OF ASSOCIATIONS

GRI 102-13

The CCC Group belongs to associations and organizations involved in supporting and developing education, the labour market and the capital market in Poland.

The Convention of the University of Jan Wyżykowski (UJW) in Polkowic.

The CCC group is represented by Marcin Czyczerski, Vice President of the Management Board of CCC S.A. and Mariusz Gnych, President of the Management Board of CCC Factory Sp. z o.o.

The UJW Convention is an opinion-forming and advisory body supporting the development as well as didactic, scientific and organizational activities of the University. Employers operating in the Convent have a real impact on the curriculum and the quality of education of their potential employees.



More about the UJW Convention: <http://ujw.pl/index.php/wspolpraca/konwent-uczelni/>

Association of Stock Exchange Issuers (SEG)

The company CCC S.A. acts in the organization as a supporting member.

The Association of Stock Exchange Issuers cares about the development of the Polish capital market and represents the interests of companies listed on the Warsaw Stock Exchange. Existing since 1993, SEG serves the issuer's environment with knowledge and advice on the regulation of the stock market and the rights and obligations of participating companies.



More about SEG: www.sge.org.pl

Lower Silesian Educational Cluster LSEZ

The Lower Silesian Educational Cluster in the Legnica Special Economic Zone was established in 2015 to facilitate forecasting the demand of the labour market for specific skills, professions and to increase the availability of practical vocational training.

The organization coordinates the activities of schools and companies so that they can establish a cooperation in the creation of patronage classes and developing the idea of dual education for the needs of enterprises. The letter of intent concerning the cooperation within the Cluster was signed by over 50 partners, including LSEZ, vocational and technical schools, universities, local and regional authorities, the Lower Silesian Chamber of Crafts in Wrocław, the Board of Education in Wrocław and the Lower Silesian Voivodeship Labour Office. Training in a dual system, also called alternate or two-way, is based on learning the profession organized by the employer as well as theoretical and general education in the school system or non-school forms.¹



More about the Lower Silesian Education Cluster LSEZ: <http://lsse.eu/dolnoslaski-klasterek-educyjny/>



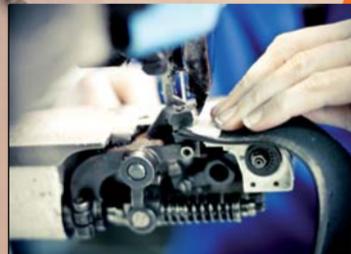
¹ www.edukator.ore.edu.pl

OUR HISTORY



2004-2017

Since 19 December 2015 CCC S.A. has belonged to the elite group of companies from the WIG20 index on the Warsaw Stock Exchange.



The Trade Company Miłek is established, which deals with wholesale and retail sales of footwear. In the same year, the company opens the first franchise stores under the name Yellow Foot.

We start sponsoring cycling and basketball. Currently, we support our cycling team CCC Sprandi Polkowice, local cycling schools for children and youth and women's basketball team CCC Polkowice.

On 2nd December we debut with the IPO on the Warsaw Stock Exchange.* Shortly after the stock exchange debut, the first foreign company CCC begins operations in the Czech city of Prague.



Our sales revenues amount to PLN 1 billion.

We accelerate with the acquisition of foreign markets, there are openings of companies in another countries: 2012 - Slovakia and Hungary; 2013 - Croatia, Slovenia, Germany; 2014 - Bulgaria; 2016 - Serbia, at the same time continuing the development of franchise on foreign markets.



We launch the development activities of omnichannel. In September, we opened the Regional Office in Warsaw.

1996

2000

2004

2010

2012

2017

1999

2001

2005

2011

2016

We register the company CCC Sp. z o.o., which on the basis of its own trading concept, the Price Makes Miracles, starts cooperation with over 100 newly acquired franchisees. Their number is growing rapidly.

We put into use the headquarters of the company and a new warehouse base in the Legnica Special Economic Zone in Polkowice. At the same time, a shoe factory under the name CCC Factory Sp. z o.o. is established there.



For the first time in the company's history, the manufacturing of shoes in Polkowice factory reaches 1 million pairs. After 12 years it is almost 4 times larger.*

*In addition to footwear from our own production, we offer products from imports, mainly from Asia.

We complete the construction of the High-Bay Automatic Warehouse located in LSEZ in Polkowice, which is capable of holding 18 million pairs of shoes. This is our largest investment, and at the same time the most modern facility of this type in Central Europe (23.05 thousand m²). *

* The investment worth PLN 131.66 million in 40% was financed from EU funds through the Innovative Economy program.

We acquire 74.99% of shares in eobuwie.pl S.A., becoming the largest online footwear distributor in Poland. * In the same year, we become the majority shareholder in the Russian company CCC Russia Sp. z o.o. (75% of shares). Our largest store so far in Budapest is launched.

* Through regional domains eobuwie.pl, with tens of thousands of models of the world's best-known brands we reach consumers in 12 countries.

VALUE CHAIN

At each stage of the value chain, we implement and promote the attitudes that we value, which express our responsible approach towards our employees, shareholders, customers and local communities. Thanks to them, we want to stand out as an employer, a business partner and a good neighbour



- 1 Project**

 - We follow the principle of fast fashion, what means we quickly respond to changing fashion trends.
 - During one season we provide customers of different levels of wealth with few thousand models of footwear.
- 2 Evaluation of confirmatory design**

 - Before placing an order, we evaluate first pair of shoes, the so-called a design confirming compliance with previously agreed arrangements and design.
 - We control the quality of materials used, colours and the techniques used for sewing and assembly, as well as the passivity and stability of footwear.
- 3 Manufacturing**

 - The products for the entire CCC Group are provided by CCC.eu Sp. z o.o.. They come from both the Polkowice Group's factory located in the Legnica Special Economic Zone (CCC Factory Sp. z o.o.) as well as from domestic and foreign suppliers. Over 60% of the value of our footwear purchases falls on Asia. China has been the main import market for years, the share of which in the entire Group's purchasing basket exceed 30%.
 - We choose our suppliers extremely carefully. The goods they supply must meet high quality standards, and they themselves should conduct their activities in compliance with human rights and social norms regarding many aspects, including working conditions and payments conditions.



- 4 Logistics**

 - Before shipping to stores in 17 countries, all our products are sent to Logistics Center in Polkowice – one of the largest facilities of this type in Central Europe.
 - The complex in Legnica Special Economic Zone in Polkowice is capable of holding 18 million pairs of footwear.
 - Each subsequent collection goes to Logistics Center in Polkowice about three months ahead of the planned dispatch to stores.
 - We conduct deliveries to the stores every day, based on the analysis of the daily sales of each unit.
- 5 Retail sales and e-commerce**

 - At the end of 2017, the CCC network consisted of 925 stores, including own and franchise stores.
 - In prestigious shopping malls, we open stores with a standard area of 1000 m².
 - Our showcase is flagship stores with an area of over 2000 m² located in high streets in important European cities, among others in Berlin and Vienna.
 - Through the eobuwie.pl internet platform, we provide consumers with well-known global footwear brands in 12 countries.
- 6 After-sales service**

 - Consumers can obtain support and necessary information from employees of CCC stores. We also enable them to contact us by phone, our website and social networks.
 - In 2017, Customer Service Department accepted almost 10.7 thousand applications from customers, of which approx. 1.9 thousand regarding complaints and approx. 1.8 thousand regarding return or exchange of products.

STRONG IN THE DOMESTIC MARKET

GRI 102-6, GRI 102-7

Expectations from a dialogue session:
It is worth strengthening the recognition of the Polish identity of the brand CCC.

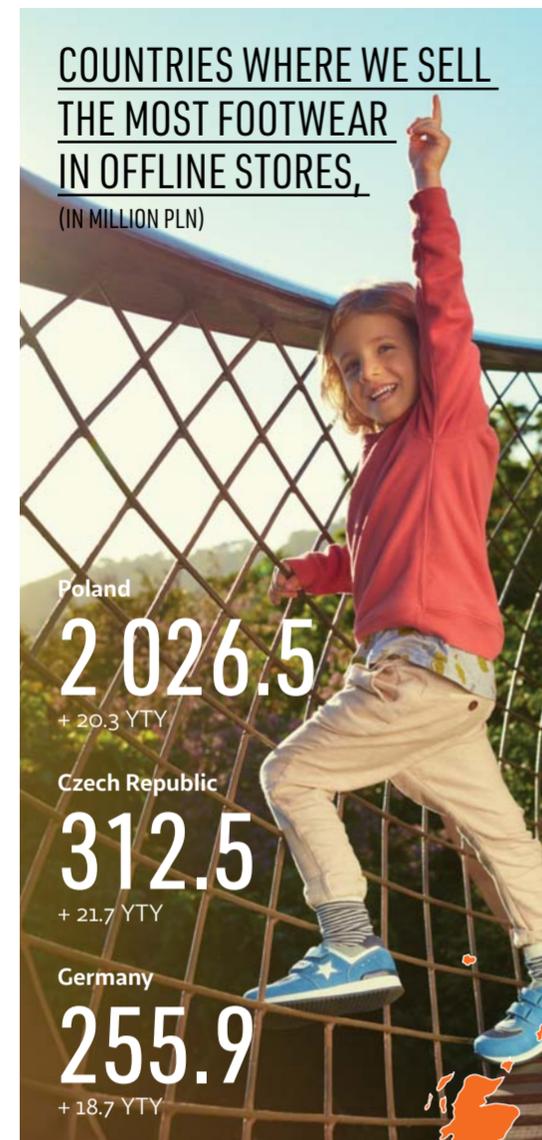
Poland is the market which has the largest share in the sales of CCC. Every fourth pair of footwear purchased in Poland falls on the products offered by CCC, which constitutes over 25% of market share.

One of the most well-known brands is the Polish brand of leather footwear Lasocki, which has won the recognition of customers with its high quality. Its history dates back to the year 1954 and has been developed over the following years, including through the production of women's leather footwear at the Polish CCC factory in Polkowice and expanding the assortment with new collections, e.g. Lasocki Comfort Line, Lasocki Young, Lasocki Kids.



Every fourth pair of footwear purchased in Poland falls on the products offered by CCC, which constitutes over

25%
of market share



TOTAL selling units of the CCC Group

925



Expectations from a dialogue session:
It is worth emphasizing the international character of the company's activities.

The international expansion is carried out through the gradual increase in the number of commercial units. Apart from Poland, we are present in 17 markets, such as the Czech Republic, Slovakia, Germany, Austria, Slovenia, Croatia, Hungary, Bulgaria, Serbia, Russia, Ukraine, Romania, Lithuania, Latvia, Estonia, Moldova, Greece and Sweden. Shops are opened by our subsidiaries or our franchise partners.

NUMBER OF SELLING UNITS OF THE CCC GROUP

KEY FINANCIAL FIGURES

GRI 201-1

Along with the dynamic development of our company, we achieve better financial results year by year, and thus we report an increase in the company value. In 2017, consolidated revenues of the CCC Capital Group were over 30% higher than in 2016. We increased our operating profit (EBIT) by almost 9%.

CONSOLIDATED FINANCIAL RESULTS, IN MILION PLN

| Revenues | Operating profit | Net profit |
|------------------------|----------------------|----------------------|
| 2017 4 194.0 | 2017 404.5 | 2017 302.3 |
| 2016 3 185.3 | 2016 373.4 | 2016 59.7 |

ECONOMIC VALUE RETAINED, IN MILLION PLN

156.0

THIS IS HOW WE GAIN A MARKET ADVANTAGE

In our strategy, we focus on three key areas: expanding the product offer, improving sales methods and maintaining good quality for the price. This is a set of unique competences building our competitive advantage on the European retail market of selling footwear.

Fast fashion, this is fast and fashionably

In CCC, we quickly respond to fashion trends. We provide our customers with various levels of affluence, several thousand different models of shoes during the season. Short series, a variety of colours, styles and looks guarantee us high traffic in our facilities and the frequency of shopping.

Effective sales methods

Further development based on the business model, namely the sale of own brands in retail stores and the offer of foreign brands through the eobuwie.pl domain.

Price-quality relation

The offer of CCC is very attractive in terms of price, both in the segment of leather and synthetic shoes.

MANAGEMENT AND SUPERVISORY STRUCTURE

GRI 102-18, GRI 102-22

Management Board of CCC S.A.



Dariusz Miłek

President of the Management Board of CCC S.A. since 2004 until now. The founder of the trade company F.H. Miłek, and then CCC Sp. z o.o., which was transformed into CCC S.A.



Mariusz Gnych

Vice President of the Management Board of CCC S.A. since 2004 until now. He has been engaged in the company since 2000.



Marcin Czyczerski

Vice President of the Management Board since 1 January 2017 until now.



Karol Półtorak

Vice President of the Management Board of CCC S.A. since 1 December 2016 until now.



Marcin Pałajej

Vice President of the Management Board of CCC S.A. since 9 January 2017 till 31 January 2018.

Members of the Management Board of CCC S.A. are appointed and dismissed by the Supervisory Board. Competences and principles of operation of the Management Board of CCC S.A. were specified in:

- The Code of Commercial Companies;
- The Articles of Association of the Company, which is available on the website (<http://firma.ccc.eu>);
- Regulations of the Management Board, which is available on the website (<http://firma.ccc.eu>);
- Scheme of division of responsibility for individual areas of the company's activity among members of the board (<http://firma.ccc.eu/>).

The Management Board of the Company is authorized in particular to:

- establish internal regulations of the Company and its other normative acts;
- present motions to the Supervisory Board regarding distribution of profits and coverage of losses;
- conclude contracts of employment with employees of the Company who are not members of the Management Board;
- grant a power of attorney;
- adopt resolutions on establishing and closing branches of the Company;
- present applications in all other matters to the Supervisory Board and the General Meeting;
- convene General Meetings.

SUPERVISORY BOARD OF CCC S.A.

Chairman of the Supervisory Board



Wiesław Oleś

from 2nd June 2016 until now. In the Supervisory Board of CCC S.A. since 2015.

Members of the Supervisory Board



Marcin Murawski

– since 2015 until now.



Jerzy Suchnicki

– since 2015 until now.



Waldemar Jurkiewicz

– since 2nd June 2016 until now.



Piotr Nowjalis

– since 10th January 2017 until now.

Wiesław Oleś, Marcin Murawski and Jerzy Suchnicki meet the independence requirements set out in Schedule II to the Commission Recommendation as of 15 February 2005 on the role of non-executive directors or supervisory board members of listed companies and on the (supervisory) committee board and requirements set out in the Code of Best Practice for Companies Listed on the WSE.

AUDIT COMMITTEE

The first-term Audit Committee was appointed in the Company on 2nd June 2016, but due to the end of the term of office of the Supervisory Board and appointing at the Ordinary General Meeting of Shareholders (hereinafter: "AGM") on 8th June 2017, for the next term of office (term 2017-2019), the Supervisory Board at the next meeting after the AGM, on 17th August 2017, appointed the Audit Committee of the second term of office from among the members of the Supervisory Board, in accordance with the requirements of the Act as of 11th May 2017 on statutory auditors, audit firms and public supervision.

As part of the existing Audit Committee, Mr. Marcin Murawski is a member with knowledge and skills in accounting or auditing, while Mr. Piotr Nowjalis has knowledge and skills in the field of the Company industry.

For independent members of the Audit Committee, in accordance with the provisions of the Act on Auditors, Audit Firms and Public Supervision and Schedule II to the Commission Recommendation of 15th February 2005 on the role of non-executive directors or supervisory board members of listed companies and on the (supervisory) board committees; requirements specified in the Code of Best Practice for WSE Listed Companies, Mr. Marcin Murawski and Jerzy Suchnicki were recognized.



CORPORATE GOVERNANCE

GRI 103-1

We are a public company listed on the Stock Exchange, which for years has been building its value in an open manner, sharing key information with our stakeholders.

We make every effort to ensure that in everything we do we obey the principles of corporate governance, which is a set of **rules of conduct** of the company, as well as its supervisory board, management board and shareholders. We are aware of their huge role in strengthening the transparency of listed companies such as CCC.

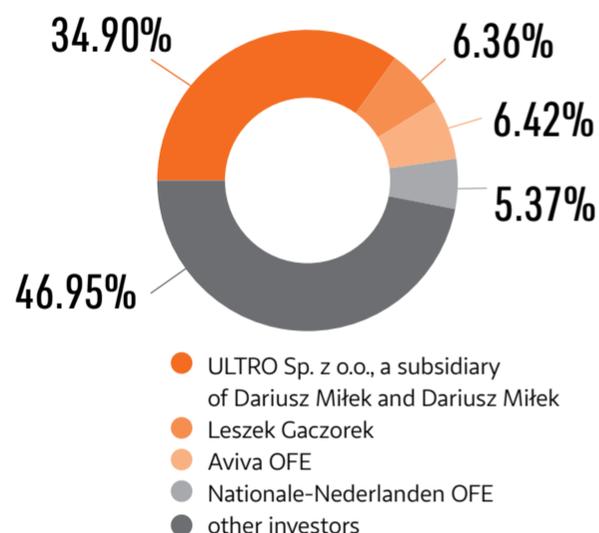
The principles of corporate governance are set out in the document "**Best Practices of WSE Listed Companies 2016**". CCC obeys all rules contained in it. A full statement regarding the application of "DPSN 2016" can be found on our website in the section dedicated to corporate governance: <http://firma.ccc.eu/>.

OWNERSHIP STRUCTURE OF OUR COMPANY

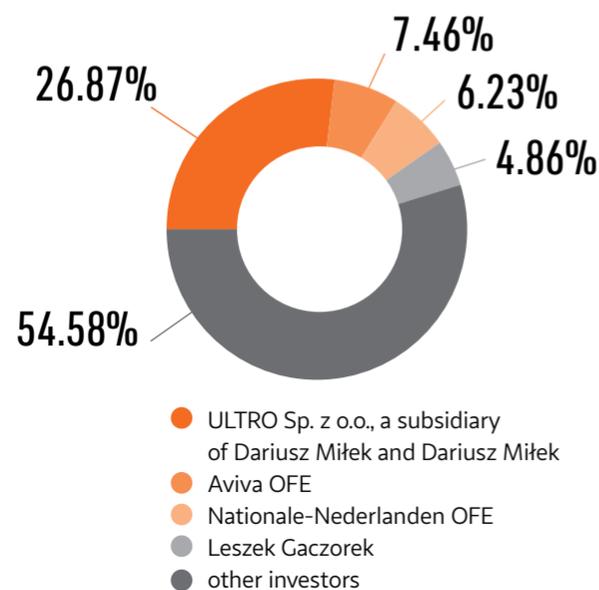
GRI 102-5

Share capital of CCC S.A. amounts to PLN 4,116,400.00 and is divided into 41,164,000 shares with a nominal value of PLN 0.10 each, including 6,650,000 registered shares privileged in terms of voting, in such a way that each share has two votes at the General Meeting of Shareholders.

SHAREHOLDERS OF CCC S.A. BY NUMBER OF VOTES AS OF 31ST DECEMBER 2017, IN %



SHAREHOLDERS OF CCC S.A. BY NUMBER OF SHARES, AS OF 31ST DECEMBER 2017, IN %



GENERAL MEETING OF SHAREHOLDERS

The competences of the General Meeting were specified in:

- The Company's Articles of Association
- Regulations of the General Meeting
- the Code of Commercial Companies
- "Best Practices of companies listed on the Warsaw Stock Exchange".

The General Meeting of Shareholders may be convened in ordinary or extraordinary mode. It takes place at the headquarters of CCC, in Warsaw or in Wrocław, at the place and date indicated in the announcement.

The change in the Company's Articles of Association requires a resolution of the General Meeting of Shareholders adopted by a majority of votes and an entry in the National Court Register. The Supervisory Board of the Company may, in accordance with the authorization granted by the General Meeting of Shareholders, determine the uniform text of the amended articles of association or introduce other editorial changes specified in the resolution of the General Meeting. The resolution on amending the articles of association is effective from the moment of registering it into the National Court Register.

COMMUNICATION WITH CAPITAL MARKET PARTICIPANTS

Information policy of CCC

The main objective of the Company's information policy is to provide equal access to information and effective communication as well as to build trust on the part of capital market participants, in particular individual and institutional investors domestically and abroad.

Among the specific objectives of our information policy, we can distinguish:

- publishing true, reliable and complete information in the scope and time limits required by applicable law;
- effective communication with shareholders and other participants of the capital market, carried out with the use of communication tools available and permitted by law;
- ensuring equal access to information on the Company's operations for all participants of the capital market.

Activities undertaken in the field of Information Policy are addressed to specific participants of the capital market, including, inter alia:

- investors (individual and institutional) and shareholders of CCC S.A.;
- entities related to the regulated market (Polish Financial Supervision Authority, Warsaw Stock Exchange S.A.);
- stock exchange analysts.

GRI 102-40, GRI 102-42, GRI 102-43

CCC conducts an open communication with all participants of the capital market based on the best market standards and practices. A reliable and useful source of information about the company for shareholders, investors, entities related to the regulated market (Polish Financial Supervision Authority, WSE) and stock exchange analysts is our corporate website: www.firma.ccc.eu. We run an investor relations service on our website, especially for them both in Polish and English. We make every effort to ensure that it is transparent, reliable and complete, and as a result enables participants in the capital market to make the right decisions for them.

Tools used for communication with capital market participants are primarily:

- Electronic System of Information Transfer (ESPI) - in order to fulfill information obligations resulting from trading in shares on the regulated market;
- Electronic Information Database (EBI) - to distribute reports on the application of corporate governance;
- Investor Relations Service on the corporate website, where all information about the Company is available, such as current reports, presentations, financial statements, information on the Company's governing bodies, current shareholding structure, contact details, etc.;
- Result conferences for analysts and media representatives, each time after the publication of financial results (video materials from the conference are available on the Investor Relations website);
- Teleconferences for domestic and foreign investors and analysts;
- Meetings of the Management Board and Investor Relations representatives with individual and institutional investors as well as analysts, including the opportunity to visit them in the company;
- Participation of representatives of the Management Board and the Investor Relations team in conferences for investors in Poland and abroad;
- Availability of the Investor Relations team for participants of the capital market by telephone and e-mail. The Company does its utmost to provide answers to questions promptly upon receipt, but no later than within 3 days. The deadline may be extended in particularly justified cases and circumstances independent of the Company;
- Providing materials from General Meetings of Shareholders on the Investor Relations website, including video materials;
- Organization of Open Days and Investor Days for both institutional and individual investors.

CODE OF ETHICS OF THE CCC CAPITAL GROUP

GRI 102-16

All our companies, as well as their employees and suppliers are required to comply with the law and the highest standards of conduct. The foundation for creating transparent, comfortable and equal working conditions for everybody is for us the Code of Ethics of the CCC Capital Group introduced in 2014.

This document defines the most important values that we wish to follow in our operations and our relations with employees, business partners and shareholders. We promote sustainable development, and in our business activities we are guided by high ethical standards.

By following the Code of Ethics, we are able to:

- prevent the occurrence of illegal behaviours, regulations and the highest ethical or questionable standards;
- stop such proceedings as soon as it is revealed;
- take due care in the event that employees violate our policies or procedures;
- implement changes in procedures and instructions to prevent recurrence of infringements.



VALUES THAT WE ESTEEM IN CCC



Development thanks to action

pursuit of the championship, readiness for self-development and encouraging others, taking actions aimed at developing the whole CCC Group, self-improvement of knowledge and professional skills, ability to learn from own mistakes



Operation supported by flexibility

involvement and enthusiasm for work, quick response in a situation of business necessity, efficient decision-making, implementation of non-standard ideas, overtaking of competition activities, anticipation of changes in the market, teamwork and readiness to cooperate with others



Flexibility leading to efficiency

readiness to modify behaviour in the face of changing market situation, support and acceptance of introduced changes, perception of changes as new opportunities and not difficulties, creativity in solving problems and tasks, matching the expectations of our clients



Effectiveness through involvement

taking actions focused on achieving the set goals, achieving high quality work results with optimal use of CCC Group resources, timely and effective implementation of tasks, business awareness, cost effectiveness, determination, independence and responsibility for their actions



Commitment to development

conscious participation in the life of the CCC Group, readiness to make sacrifices resulting from the requirements of the situation and effort for the organization, acceptance of the values and goals of the CCC Group, active acting and taking up challenges, honesty towards the employer and co-workers

OUR ACTIONS AGAINST CORRUPTION BEHAVIOURS

GRI 103-1, GRI 103-2, GRI 103-3 Counteracting corruption, GRI 102-17, Accounting Act: Counteracting corruption and bribery

 **Expectations from a dialogue session:** Showing a transparent policy to counteract corruption.

The CCC Group prohibits the behavior of employees violating the principle of impartiality while performing a specific function or implementation of assigned tasks, in particular all forms of corrupt behaviour. We adhere to the principle that even the appearance of breaking the law can affect the Company's image and damage its reputation.

The **internal audit** plays an important role in this area, which its aim is to make employees aware of the types of corruption behaviours and to determine the rules of conduct in the event of their occurrence.

In order to maintain relations with partners on a proper level, each of the persons employed in the companies of our Group is obliged to comply with and follow the rules:

- a transaction that is carried out by an employee and ends with a payment to the contractor, must depict an authentic service to the Company or companies from the CCC Capital Group or to provide a real good;
- the price for a service or product must show market conditions;
- detailed procedure regarding the selection of business partners is specified in the "Procedure for selecting service and goods suppliers for CCC S.A."

At the CCC Group, we are cautious about offering or accepting gifts as well as representative activities to protect our reputation and our Company from allegations of impropriety of actions.

It is not allowed to receive and give gifts if:

- they are against the law or ethical standards
- they exceed the value of PLN 100 per calendar year (gift of a "small value")
- they have the form of cash or its equivalent, e.g. shares, vouchers, discount cards, payment cards
- they are given in order to receive a favourable business decision
- they are given in response to a specific request
- disclosure of its acceptance could result in a breach of the Company's or employee's reputation.

We make all efforts to create **an environment conducive to open and honest communication.**

Our employees know that in the event of any signs of non-compliance with the rules described in the Code of Ethics or other unneeded conduct, they are required to inform their direct superior, the relevant director general, internal auditor and, in justified cases, also the Member of the Management Board.

When a situation that is characterized by a potential conflict of interest or violation of ethics concerns a direct superior, the employee may send information on this subject without taking into account the communication path. For this purpose, we have created an **Ethics Box**. Reports regarding violations of the Code of Ethics can be sent to the address kodeks.etyki@ccc.eu.

We promote the **principle that reporting any conflict or difficulty is a correct behaviour.**

We guarantee that all issues addressed by the employee regardless of the form of contact are treated as confidential and dealt with in accordance with the principle of adequate discretion. Each employee has full anonymity, unless they decide to disclose their personal data. We also assure you that no retaliation will happen to them.

GRI 205-1, 205-2, 205-3

In 2017, no corrupt practices were identified in the CCC Group.

Percentage and total number of business units analyzed for risk related to corruption and identified risks

| | |
|---|------|
| Total number of business units of the organization | 18 |
| The total number of business units analyzed for risks related to corruption | 18 |
| Percentage of business units analyzed for risks related to corruption | 100% |

Potential corruption mechanisms constituted one of the elements of risk analysis carried out by the Internal Audit in relation to the implemented risk management system.

Due to the fact that most CCC Group processes are centralized, we identified the greatest risks related to corruption in CCC S.A. and CCC.eu Sp. z o.o.

In other companies, the risk is slight, therefore we have focused our activities on the companies that generate the highest risk.

The identified areas that are particularly vulnerable to potential threats related to the risk of corruption are:

- making purchases on behalf of the Company;
- acquisition by the competition of the data on sales strategy and financial data;
- the possibility of bribing employees and, as a consequence, taking control of the infrastructure;
- employee collusion, e.g. in the area of finance and payment settlement.

Employees, in particular managers of organizational units in the CCC Capital Group companies, are obliged to identify current corruption risks in the scope of their operations, reliable internal control and to ensure transparency of processes and activities carried out in terms of anti-corruption and to promote an ethical attitude among colleagues.

In 2017, no anti-corruption training was carried out, now we are taking action to implement trainings in this area.



EQUAL OPPORTUNITIES AND MUTUAL RESPECT

GRI 103-1, GRI 103-2, GRI 103-3;
Diversity and equal opportunity

We are the employer applying the principle of equal opportunities. Discrimination on the grounds of sex, preferences, origin, religion, beliefs and affiliation to an organization is inadmissible and unacceptable in our group.

We provide our employees with **appropriate working conditions regardless of their skin colour, religion, sex, age, nationality, sexual orientation, citizenship, marital status, children's possession, political beliefs, disability or other legally protected status**. This is connected with the provision of reasonable facilities for various forms of disability and resulting from the religious beliefs and practices of the employee.



CCC provides jobs that are characterized by respect for the rights and views of others, responsibility, cooperation and a good atmosphere. The approach adopted that allows building a good atmosphere is determined by:

- creating friendly, respectful relationships with co-workers;
- non-use of any form of discrimination, harassment and mobbing, and active opposition to all their manifestations;
- not using your position to gain any unauthorized personal or property benefits;
- non-dissemination of data and private materials that concern other employees and information that violates their dignity and reputation, as well as leading to conflicts that disrupt the working atmosphere;
- no acceptance for non-constructive criticism and accusations and for the alleging employees.

We do not accept forced labour or any other form of obligatory work. By complying with International Labour Organization Convention 138 and 182 and the UN Convention on the Rights of the Child, we do not allow the employment of children. The ban on child employment also applies to CCC suppliers and sub-suppliers. We assure you that if such proceedings are revealed, we will act to stop employing young people, including any cooperation.

In our Group, we operate in accordance with the guidelines of the **Anti-Discrimination and Mobbing Regulations**. We do not tolerate sexual harassment, that is, demanding sexual activities or initiating any sexual behaviour by one employee against another. Sexual harassment also means creating a work environment that discriminates a person or group of people based on sex.

In CCC, we do not accept employees' harassment, including threats, aggressive behaviour, intimidation, violation of bodily integrity and similar conduct. We encourage our employees to report all threats or other events that raise concerns about their own safety or others to their immediate supervisor or manager of the organizational unit.

RISK MANAGEMENT SYSTEM

Accounting Act: A map of risks with social and environmental considerations

GRI 102-15

The CCC has clearly defined risk management rules that allow us to effectively minimize negative internal events and counteract the effects of adverse external circumstances. As a result, we ensure the security of our company's operations, the effectiveness of our decisions and the implementation of the objectives contained in the Strategy.

We are aware that certain risks cannot be avoided. Therefore, they should be defined in order to then implement measures to minimize the scale and timing of their possible effects.

| Risk | Actions to minimize the effects of risk |
|---|---|
| Implementation of strategy | |
| Strengthening own sales network | <ul style="list-style-type: none"> • we monitor competitors activities, the situation in the industry and the macroeconomic situation; • we have created a detailed plan and we have set up the team responsible for achieving the objectives related to the development of own sales network. |
| Actions aimed at increasing brand recognition and value | <ul style="list-style-type: none"> • we have introduced appropriate advertising and promotional instruments and as well as decor of the stores, • we open the stores in prestigious locations. |
| Location of commercial units | <ul style="list-style-type: none"> • we thoroughly analyze locations before deciding to sign the lease agreements, and we base our decisions on historical data. |
| External | |
| Exchange rate risk | <ul style="list-style-type: none"> • we monitor changes relevant to currency exchange groups, • we introduced a natural hedging strategy |
| The risk of changes in interest rates | <ul style="list-style-type: none"> • we diversify the sources of capital acquisition, • we monitor the most important interest rates. |
| The risk of changes in interest rates | <ul style="list-style-type: none"> • we diversify our operations in terms of the countries in which we operate (thus we reduce the correlation of the economic situation between countries), • we monitor the economic situation in the world and in the countries important for the group, and we adjust our strategy accordingly, • we monitor important economic indicators in selected countries (unemployment rate, GDP per capita, CPI). |
| Seasonal sales and weather conditions | <ul style="list-style-type: none"> • we have our own manufacturing capacities. Thanks to this, we are able to quickly match production and deliver products to stores that meet the expectations and current weather conditions. |
| Trends in fashion and missed collections | <ul style="list-style-type: none"> • we observe trends in European and world fashion (we participate in international footwear fashion fairs, including Milan, Garda and Dusseldorf). |
| Internal | |
| Credit risk | <ul style="list-style-type: none"> • we verify the financial situation of contractors, • we examine the history of cooperation with contractors |



GRI 102-11

Following the leading global corporate models and in response to the expectations of stakeholders, CCC S.A. decided to implement a risk management system covering all areas of the Company's operations. Risk management is part of the company management system, it is the key to sustainable protection

and building its value. It concerns both threats to the operations that bring only negative effects and a potential decrease in its value (negative risks), as well as risks related to the implementation of strategies and processes, accompanying development opportunities and related values (positive risks - opportunities). Risk management is made at every level of organization management.

The risk management process supports the building of corporate governance in CCC S.A. The effect of its introduction is the unification of solutions used to manage risk so that the Company's Management Board as well as other stakeholders obtain current, credible, aggregated and systematic information on risks and opportunities for the Company's operations and the way they are used.

Risk management system implemented in CCC S.A. was designed using the guidelines of the international standard ISO 31000: 2012 "Risk Management - principles and guidelines". This standard lays down rules that must be followed to ensure risk management is effective and recommends that organizations continue to improve the risk management framework. The basic assumption, based on risk management under the guidelines of this standard, is to integrate the risk management process in various areas of the organization's operation and the overall organizational order.

The goal of the adopted in CCC S.A. the systematic approach to risk management is:

- increasing the possibility of achieving the Company's objectives, effectiveness and efficiency of process implementation, ensuring security by meeting the requirements in the context of technical security;
- reducing the frequency of occurrence of negative events, as well as ensuring better preparation for these events and reducing losses arising in their effect when such events occur;
- supporting better use of the organization's resources and promoting continuous improvement.

In CCC, we adhere to the principle of prudent valuation, which is one of the prevailing accounting principles that requires valuation of assets of the entity and sources of their origin so as not to distort the financial result (Article 7 of the Accounting Act as of 29 September 1994).



WE ARE OPEN TO DIALOGUE WITH STAKEHOLDERS

GRI 102-40, GRI 102-42, GRI 102 - 43, GRI 102 -44



Quote from the dialogue session:
It's worth appreciating the company's openness to dialogue

The key stakeholders of the CCC Group are all entities that have a significant impact on the functioning of our organization and on which we have influence operating in the business and social space. In order to build the dialogue with the important partner institutions of the CCC Group as well as create this - the first in our history - CSR report and develop the CSR Strategy, on 4 July 2017 in Polkowice we held a dialogue session with representatives of our key external stakeholders, such as:

- Consumer Federation
- Ministry of Economic Development
- LSSE S.A.
- Foundation "Eudajmonia"
- Foundation "Kupuj Odpowiedzialnie"
- University of Economics in Wrocław
- The Witelon State University of Applied Sciences in Legnica
- The International University of Logistics and Transport in Wrocław
- Jan Wyżykowski University in Polkowice
- Citi Handlowy S.A.
- Sitech Sp. z o.o.
- Cetus-Project Sp. z o.o.
- KGHM Polska Miedź S.A.

In this Report, we present information that our stakeholders asked about. We highly value the reported expectations for future activities that supported the process of building the CSR Strategy of the CCC Group for the years 2017-2019.

RESPONSIBLY ABOUT BUSINESS. CSR STRATEGY OF THE CCC GROUP

At CCC we have always gone for more, never ceasing to develop our business for the benefit of our employees, shareholders, clients, business partners and local communities. Thanks to our work, consistency in acting and putting into practice the values we profess, we have become one of the largest private companies in Poland, and our brand is known and appreciated not only in the country, but also abroad.

The CSR Strategy for 2017-2019, which we present in this report, is an expression of our responsible approach to running a business. By implementing its assumptions, we will contribute to the implementation of the global Sustainable Development Goals defined by the UN.

17 Sustainable Development Goals / SDGs are UN guidelines for the international community, including the private sector. The goals of Sustainable Development are globally targeted, and the world should strive to achieve them by 2030.



**Marcin Czyczerski, Vice President
of the Management Board of CCC S.A. :**

„PREPARATION OF THE FIRST NON-FINANCIAL REPORT IN THE HISTORY OF THE CCC GROUP, THE KEY ELEMENT OF WHICH IS THE CSR STRATEGY IS A NATURAL STEP IN THE DYNAMIC DEVELOPMENT OF OUR ORGANIZATION. WE ARE THE COMPANY THAT MEASURES ITS ACHIEVEMENTS NOT ONLY BY GROWING REVENUES AND PROFITS, BUT ALSO BY THE POSITIVE IMPACT IT HAS ON ITS SURROUNDINGS. BY IMPLEMENTING THE ASSUMPTIONS REGARDING THE SOCIAL RESPONSIBILITY OF OUR GROUP AND BY SHARING FIGURES, BOTH FINANCIAL AND BEYOND THE STRICT BUSINESS SPHERE, WITH OUR STAKEHOLDERS, WE BUILD AN ORGANIZATIONAL CULTURE BASED ON VALUES AND SUPPORTING ETHICAL ATTITUDES. WHAT IS EQUALLY IMPORTANT TO US IS THAT WE INCREASE THE VALUE OF OUR BRAND FOR INVESTORS, WE WANT TO BUILD CUSTOMER ENGAGEMENT THROUGH CSR PROGRAMS, STRENGTHEN THE IMAGE OF THE CCC GROUP AS A DESIRABLE EMPLOYER AND IMPROVE THE CSR ACTIVITIES THAT HAVE BEEN CARRIED OUT FOR YEARS AND PROCESSES COVERING THEIR MANAGEMENT. OUR AMBITION IS TO JOIN THE GROUP OF DISTINGUISHED COMPANIES AS BEING RESPONSIBLE AND PROMOTING CSR ACTIVITIES.”

Corporate Social Responsibility

(CSR) is the responsibility of the organization for the impact of its decisions and actions on the society and the environment, provided by transparent and ethical conduct which:

- contributes to sustainable development, including wealth and public health;
- takes into account the expectations of stakeholders;
- is compliant with applicable law and consistent with international standards of conduct;
- is integrated with the activities of the organization and practiced in its relations.

Source: dpowiedzialnybiznes.pl/hasla-encyklopedii/spoleczna-odpowiedzialnosc-biznesu-csr/

CSC STRATEGIC ASSUMPTIONS OF THE CCC GROUP FOR 2017-2019

Our mission is sustainable development based on three key strategic areas. It is our ambition and the contribution of our group to the implementation of the three global goals of sustainable development (SDG's) adopted by the UN regarding: responsible consumption and production, gender equality and climate action.



In order to increase the effectiveness of the efforts we make, we have set three priorities for each of the three strategic areas within which we implement our projects and activities.

In 2018, we will focus on:

- Developing a system of responsible supply chain management and implementation of the Code of Ethics for suppliers;
- Strengthening the ethics management system;
- Supporting employee's initiatives as part of volunteering and community involvement;
- Raising the level of innovation within our Research and Development Center;
- Development of internal communication with employees;
- Improving dialogue with customers.



Area 1
#Go for more

Brand promise
is customer's experience

AMBITION 1

CCC increases the value of the brand by consciously shaping customer experience and their involvement in all sales channels. It offers safe, good quality products, manufactured with the awareness of the origin of materials, with care for environmental protection and sold in a responsible manner.

PRIORITIES:

1. We provide high quality and safety of products
2. We care about positive experience and relationship with the customer
3. Through the brand, we give customers "something more"

THIS IS WHAT WE HAVE BEEN REALISING:

- We support sport and a healthy lifestyle
- Sponsorship of the cycling group, women's basketball team and the development of cycling schools
- We provide the safety of products
- We enforce from the suppliers certificates regarding product safety, we examine footwear in accredited laboratories,
- We develop the Lasocki Comfort Line
- We improve the dialogue with the customer
- We have joined the Out-of-court Settlement Program for Consumer Disputes
- We shape the customer's experience
- We implement the Customer Innovation Center



Area 2
#More opportunities

Development
of the organization's potential

AMBITION 2

CCC provides dynamic development on the Polish and international market based on a coherent organizational culture, respect for diversity, cooperation and involvement of employees as well as implementation of innovative development projects.

PRIORITIES:

4. In the era of strong foreign expansion, we build a cohesive organizational culture based on the values and involvement of employees at all levels
5. We care about the employees' safety
6. We share knowledge

THIS IS WHAT WE HAVE BEEN REALISING:

- We conduct a survey of employee satisfaction
- We care for the employees' development
- We offer training, co-financing of studies, in-company English language course
- We manage diversity, approx. 5% of employees in Poland are people with disabilities
- We promote equal opportunities - 89.5% of our employees are women
- We co-operate with universities, we offer internships and apprenticeships, and we also conduct post-graduate and dual studies



Area 3
#More trust

Good and effective
management

AMBITION 3

CCC operates on the basis of strong ethical foundations, improves the management process taking into account social risks in the supply chain and undertakes activities aimed at cost and environmental efficiency.

PRIORITIES:

7. We are a company with high ethical standards
8. We build a responsible supply chain
9. We minimize the impact of the company's operations on the natural environment

THIS IS WHAT WE HAVE BEEN REALISING:

- Since 2014, we have had the Code of Ethics
- We introduce innovative solutions with an environmental effect:
 - Photovoltaic farm
 - A new concept of goods packaging and packages management

2.



WE KNOW THE ROUTE
OF OUR PRODUCTS

CCC
SHOES & BAGS

„THE TRANSPARENCY OF THE SUPPLY CHAIN, PRESENTING A DETAILED MODEL OF ITS OPERATION, TO SHOW THE COMPLEXITY AND DEPENDENCIES, TAKING INTO ACCOUNT THE ASPECT OF MANUFACTURING, FACTORIES AND OTHER STAGES IS IMPORTANT.“

The life of every pair of shoes starts with a design in which we take into account the needs of millions of visitors coming to our stores every year. To realize our ideas and deliver about 50 million pairs of shoes to the market every year, we need a modern and efficient production base. They are provided by our own, gradually developed factory in Polkowice and proven plants of our long-term business partners from Europe, Asia and South America.

We choose our contractors extremely carefully. The goods they supply must meet high quality standards, and they themselves should conduct their activities in compliance with human rights and social norms regarding many aspects, including working conditions and payments conditions. Thanks to regular inspections, we can be sure that suppliers meet our requirements.

The dynamic development of the CCC Group is also possible thanks to an innovative approach to logistics. The Logistics Center belonging to us in Polkowice, one of the largest facilities of this type in Central Europe, is a key element of the entire logistics chain. It is here where all new footwear collections are sent before shipping to individual stores in Poland and abroad.

DO YOU KNOW THAT...

3.9 MILLION

– a number of pairs of shoes manufactured in our factory in Polkowice in 2017

50 MILLION

– a number of pairs of shoes that was produced by all suppliers in 2017



60 KM/H

– this is the speed the automated stacker cranes operate in a warehouse in Polkowice



46 MILLION

– a number of pairs of shoes The CCC Group sold in 2017

50 DAYS

– a number of days in 2017 spent by the employees of the Procurement Division in China visiting the factories

131.66 MILLION PLN

we invested in the Logistics Center in Polkowice operating since 2012. 40% are funds from EU subsidies as part of the Innovative Economy project

1 MILLION

– a number of pairs of shoes that can be sent to CCC stores in Europe from our Logistics Center in Polkowice daily

18 MILLION

– a number of pairs of footwear that can be held in our modern Logistics Center in Polkowice having 111 thousand m²

HERE OUR PRODCUTS ARE MADE

GRI 102-9

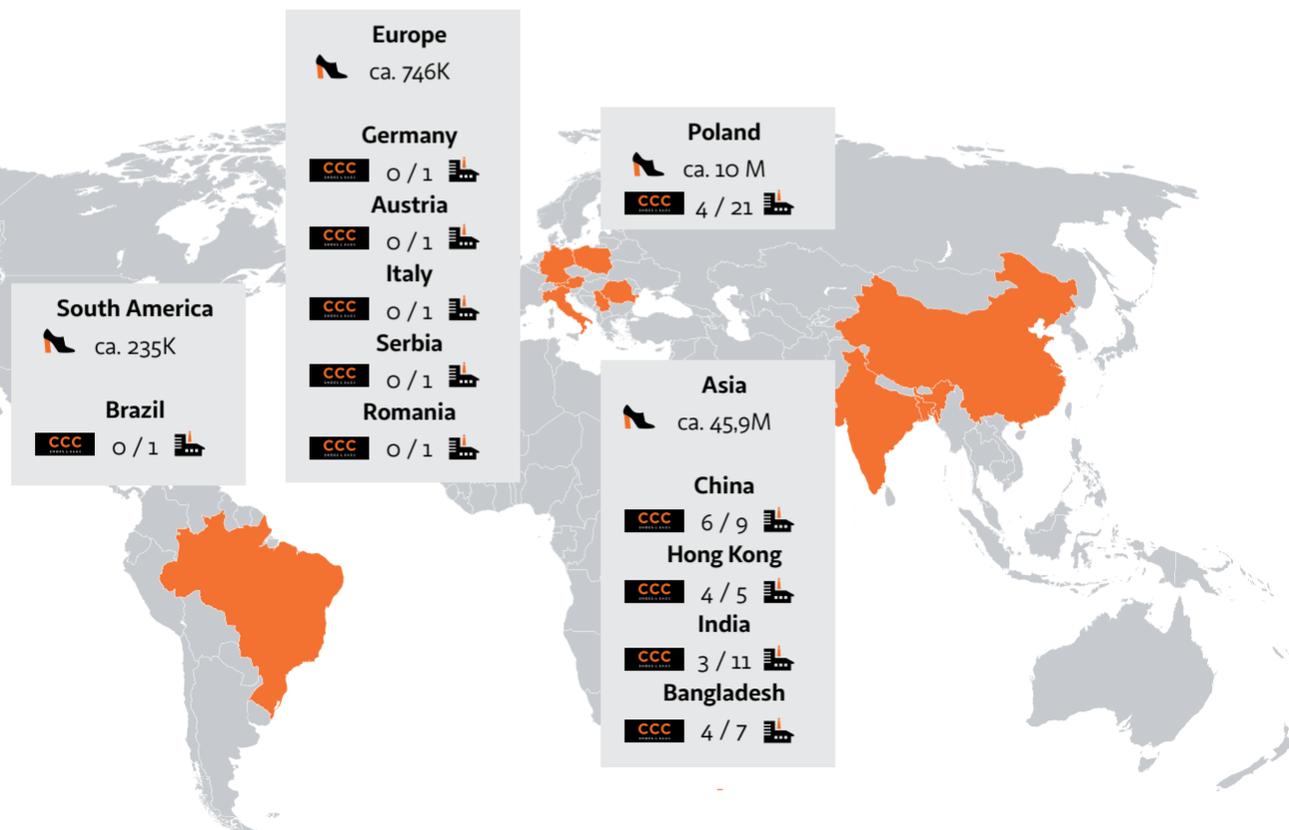
„WE CLOSELY FOLLOW THE ORIGIN OF OUR PRODUCTS. WE KNOW OUR SUPPLIERS AND BUILD LONG-LASTING RELATIONS WITH THEM. THIS IS THE BASIS FOR A CONSCIOUS AND COMPREHENSIVE RISK MANAGEMENT REGARDING EMPLOYEE, SOCIAL AND ENVIRONMENTAL ISSUES, AS WELL AS THE WAY TO STRENGTHEN THE POSITIVE IMPACT OF OUR OPERATIONS ON THE ENVIRONMENT.“

A Deputy Purchasing Director, Agata Gretkierewicz

The products for the entire CCC Group are provided by CCC.eu Sp. z o.o.. They come from both the Polkowice Group's factory located in the Legnica Special Economic Zone (CCC Factory Sp. z o.o.) as well as from domestic and foreign suppliers. Over 60% of the value of our footwear purchases falls on Asia. China has been the main import market for years, the share of which in the entire Group's purchasing basket exceed 30%. The bags offered by us also come from Asia whereas shoe care products, jewellery, fancy leather and cycling accessories come from European countries.

GRAPHIC: THE CCC GROUP SUPPLY CHAIN MAP

CCC uses footwear suppliers located on three continents.

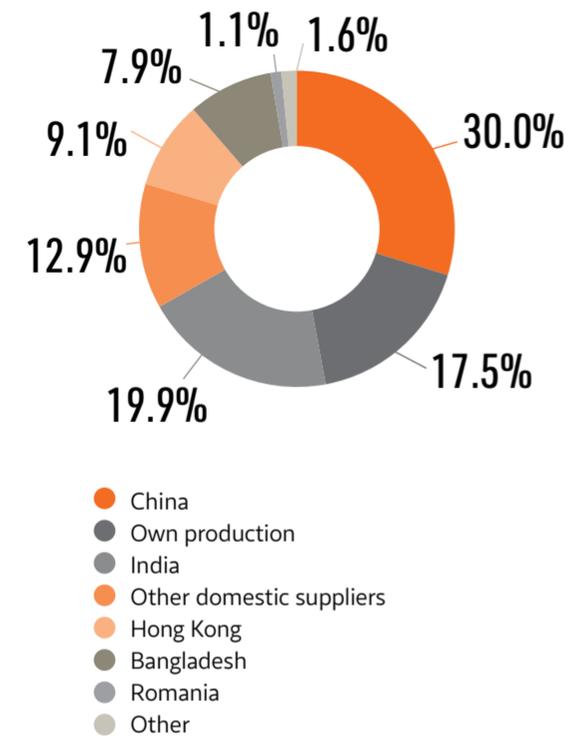


suppliers

CCC exclusive suppliers

footwear produced

TERRITORIAL STRUCTURE OF SHOES' PURCHASE IN 2017



FACTORY IN POLKOWICE

GRI 204-1

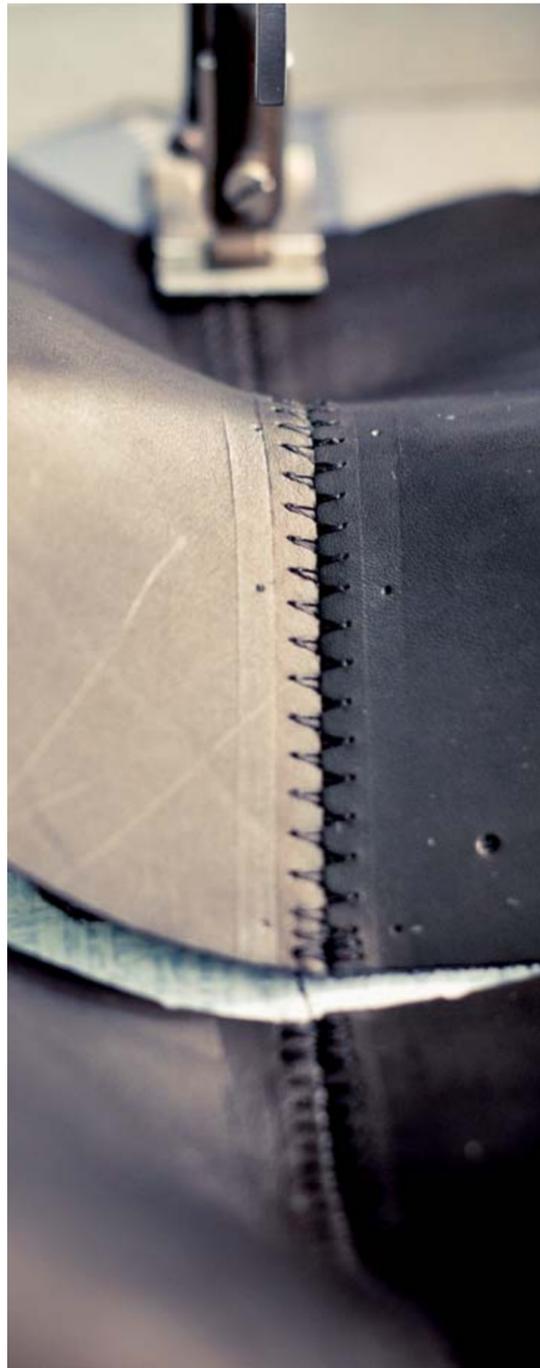
The total share of products coming from Poland in the value of purchases made by CCC.eu Sp. z o.o. amounts to 30.4%, of which 17.5% is for footwear from its own factory in Polkowice. Its production is growing rapidly, and in 2017 increased by 9%

WE MANAGE ESG RISK



A quote from the dialogue session:

It is necessary to inform consumers about the company's activities for obeying human rights, labour rights and environmental protection standards when manufacturing shoes bought by them.



A very important factor in cooperation with business partners is for us **establishing a risk management strategy** and an acceptable level of risk that we are able to take and which will not disturb our flow of work. The level of risk is constantly monitored not only to know the real threats and be able to prevent them, but also to support our Suppliers on the path of self-improvement.

We separately assess the risk of suppliers and their sub-suppliers. Based on the OECD guidelines (*OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*), we analyze in detail the following categories affecting the assessment of the level of risk and, consequently, adequate actions:

- Nature of cooperation - Agent or Supplier
- Location of a supplier
- Number of sub-suppliers and their location
- Number of employees in the factory
- Implementation of a different brand code of conduct
- Audit executed and authorization from another brand
- Presence of CCC employees in a given factory
- Existing management systems, certificates, external standards
- Categories of used materials for manufacturing

In the "supplier location" category, for example, we considered socio-economic factors. For example, high rates of migrant labour are a risk factor for cases of child labour, forced labour, non-compliance with pay regulations or sexual harassment.

However, the size of the company and the number of employees taken on affect the way the factory is controlled. The larger the enterprise, the harder it is to identify possible irregularities, prevent them or eliminate them completely.

Then, taking into account the importance of individual categories, we assigned suppliers the appropriate risk levels: low, medium, high. We believe that the implementation of the Supplier Code of Conduct and monitoring activities will contribute to increasing the group of low risk Suppliers. High risk suppliers and suppliers that do not comply with the obligations set out in the Code, as well as those for whom CCC will raise further concerns after they are met, they may be audited by an employee of CCC or a representative designated by CCC.

PRINCIPLES OF COOPERATION WITH SUPPLIERS

The dialogue with suppliers and building long-term partner relations are a key factor for us. We work mainly with long-term suppliers who are able to comply with the requirements and standards in force at the CCC Capital Group.

Running a footwear manufacturing in factories on exclusive rights allows a better control and monitoring of due diligence in the field of human rights and provides a greater impact on working conditions. In every factory on exclusive rights, there is an on-site person employed by CCC S.A., permanently residing and working in a given factory, which is responsible for the manufacturing process of footwear and control of the conditions in a particular factory.

We also regularly visit our partners in person to get a closer look at the manufacturing process and the conditions prevailing in the factory, but also to maintain direct relations with suppliers and talk about current problems or cooperation rules. Factories have been visited by the Purchase Department from the beginning of cooperation, more or less since 2003, on average 3-4 times in each year. In 2017, the employees of the Purchasing Division spent about 50 days visiting factories in China.

Our suppliers are extremely important to us because thanks to their work, we can meet the expectations of customers and, as a result, increase the value of our company. We build long-term relationships with them, based on fair rules. We also want our suppliers to value cooperation with us. We regularly collect feedback on whether they are satisfied with it, and any comments are the basis for us to make changes in the way we act.



GRI 103-1, GRI 103-2, GRI 103-3;
Description of policies, key KPIs, results and significant risks related to the entity's activities in respect of human rights

We choose our contractors with great care. We collaborate only with reliable suppliers whose products meet our high quality and safety requirements. The timeliness of manufacturing and deliveries is equally important to us. We strive to ensure that our partners respect both local and European human rights and social criteria.

As a responsible entrepreneur, we make sure that the goods manufactured for us are created not only in accordance with the requirements for the quality of footwear, but also that our contractors meet the requirements for working conditions and payment. We regularly inspect the factories in which the goods are manufactured at our request. During our local visits, our employees have the opportunity to check, among others, valid working time standards, compliance with health and safety rules, minimum wage and working hours, as well as information flow standards between employees and management staff. It is important for us to also be sure that the facilities do not discriminate employees, they do not employ children and comply with health and safety rules.

GRI 102-12, Accounting Act: Human Rights

In the CCC Capital Group, we strive to standardize the standards of our suppliers and the manner of their evaluation. When working on the Supplier Code of Conduct, the comments and concerns of our suppliers and their employees were very important to us. We conducted a questionnaire in which we asked, among other things, about their understanding of specific ethical issues, issues related to social responsibility or sustainable development. It was a valuable lesson for us, because we could better understand the critical issues, present our vision of ethical development and talk about the unrest related to the very procedure of implementing the Code.

We are currently implementing a strategic approach to social responsibility in relation to the supply chain throughout the Capital Group. The Code of Conduct for Suppliers together with the compliance monitoring system is based on recognized standards, including ILO, ISO 26000, SA 8000, Leather Working Group guidelines, Fair Wear Foundation, OECD guidelines for the clothing and footwear industry. We want to promote good practices in the industry in Poland. As the only company from the footwear industry, we were involved together with the Ministry of Development and other partners in translating the OECD guidelines (OECD Due Diligence Guidance for Responsible Supply Chain in the Garment and Footwear Sector) into Polish.

What are the greatest expectations and concerns of Suppliers in relation to the implementation of the Code? (statements taken from the process of dialogue with suppliers)

„We are not only aware of legal regulations related to child labour or forced labour, but we also follow them in everyday practice. In the Chinese labour law as of 1995, the work of persons under 16 is legally prohibited, therefore we always check the age of workers before their employment. In addition, all employees have contracts signed with us. We believe that the Supplier Code of Conduct will only be of benefit to us. We will strengthen the principles of a safe and healthy work environment while guaranteeing the quality of products.”

The supplier from China

(Our largest supplier from China, supplies us over 11 million pairs of shoes annually)

„Bangladesh is a country that is constantly developing. Our government runs numerous training programs, and basic school education is free. We are aware of how much work there is still ahead of us. We would like to increase our attractiveness as an employer, and improve the efficiency of employees, which is why we would very much appreciate the support of CCC in this area in the form of trainings, workshops or various types of programs.”

The supplier from Bangladesh

We are convinced that the Supplier Code of Conduct will help us build and strengthen a good image of our company without compromising our common interests.

The supplier from India

The Supplier Code of Conduct of the CCC Capital Group covers key issues of responsibility in the supply chain, such as: employment and payment conditions, child labour, forced labour, discrimination, freedom of association, harassment and mobbing, corruption and bribery, conflict of interest, intellectual property, protection information and product safety. In the Code, we set the standards of action that we expect from every supplier, wherever the footwear is made for us. We also present our vision of mutual relations in it.

GRI 412-3

Manufacturing of own brands by eobuwie.pl S.A. is outsourced to Polish suppliers. The company conducts the process of identifying and segmenting suppliers in terms of social criteria, such as practices in the area of employment, respect for human rights and social impact assessment. The company plans to implement formal provisions in contracts as well as a monitoring and control system.

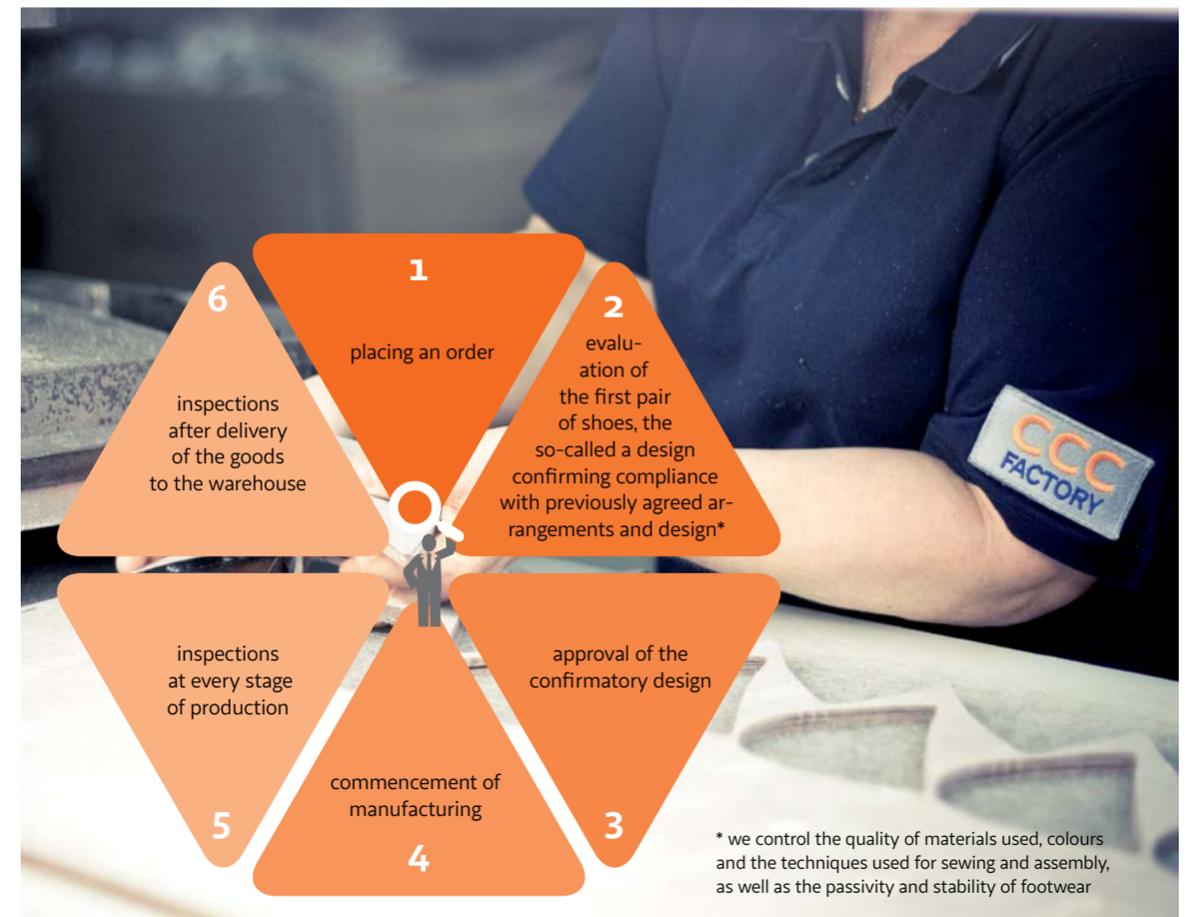
WE CARE ABOUT THE HIGHEST QUALITY

GRI 103-1, GRI 103-2, GRI 103-3 ,
Health and consumer safety

A quote from the dialogue session:
 It is important to focus on providing the safety and quality of the product.

The quality of the products we offer is key to us. That is why the manufacturing of shoes, both in our own factory and at our suppliers, is scrupulously checked by us at every stage. We check not only the quality of used materials, but also the standards of used sewing techniques, manufacturing and the way of packing footwear into carton boxes. We make another assessment of the goods when they delivered to the warehouse. If irregularities occur, we prepare a report, i.e. book of errors. We then send it to the Purchasing Division with photos of footwear defects and we send it back to the contractor on the day of delivery.

CCC SHOES FOR „6”



* we control the quality of materials used, colours and the techniques used for sewing and assembly, as well as the passivity and stability of footwear

18

In 18 factories, regular supervision on site is carried out by CCC employees

8

8 factories manufacturing for us undergo regular audits in accordance with Disney requirements

WE REQUIRE CERTIFICATES AND APPROVALS

GRI 416-1

Taking care of the highest quality and safety of our products, we make sure that our suppliers have the required certificates and approvals. Contractors are required to manufacture in accordance with applicable standards. They also care about the safety of products, which means that there are no substances harmful to the health and life of consumers in the goods supplied to us. In addition, to be absolutely certain about the high quality of the products we sell, we put our shoes on a random basis in accredited laboratories. We control our suppliers on a regular basis. The information we provide to them after the inspections enable them to implement remedial or preventive actions.

If this necessity arises, together with the supplier we analyze our cooperation to determine how it should be improved.

We also carry out checks on the products supplied to us. If the product does not meet our safety requirements, we clear up the problematic situation with the supplier, we start remedial and corrective actions, so that the similar situation will not be repeated in the future. The suppliers themselves analyze the information we send regarding deficiencies, they contact their subcontractors and control the quality of materials.

GRI 416-2

In 2017, there were no company of the CCC Group where the controlling bodies identified any deficiencies in the safety and content of unauthorized hazardous substances or those permitted with restrictions, thus no sanctions were imposed.

If, after detecting an irregularity, the supplier does not notice the seriousness of the problem and does not take corrective actions, we do not commence any cooperation with it.

BANNED SUBSTANCES UNDER CONTROL

GRI 419-1

The care for the quality of our products is our priority, therefore why we follow the national and EU laws regulating the subject of product safety on an ongoing basis. Our suppliers are obliged to adapt the production of footwear to EU regulations and standards.

To ensure the safe use of our products, we will provide customers with information regarding:

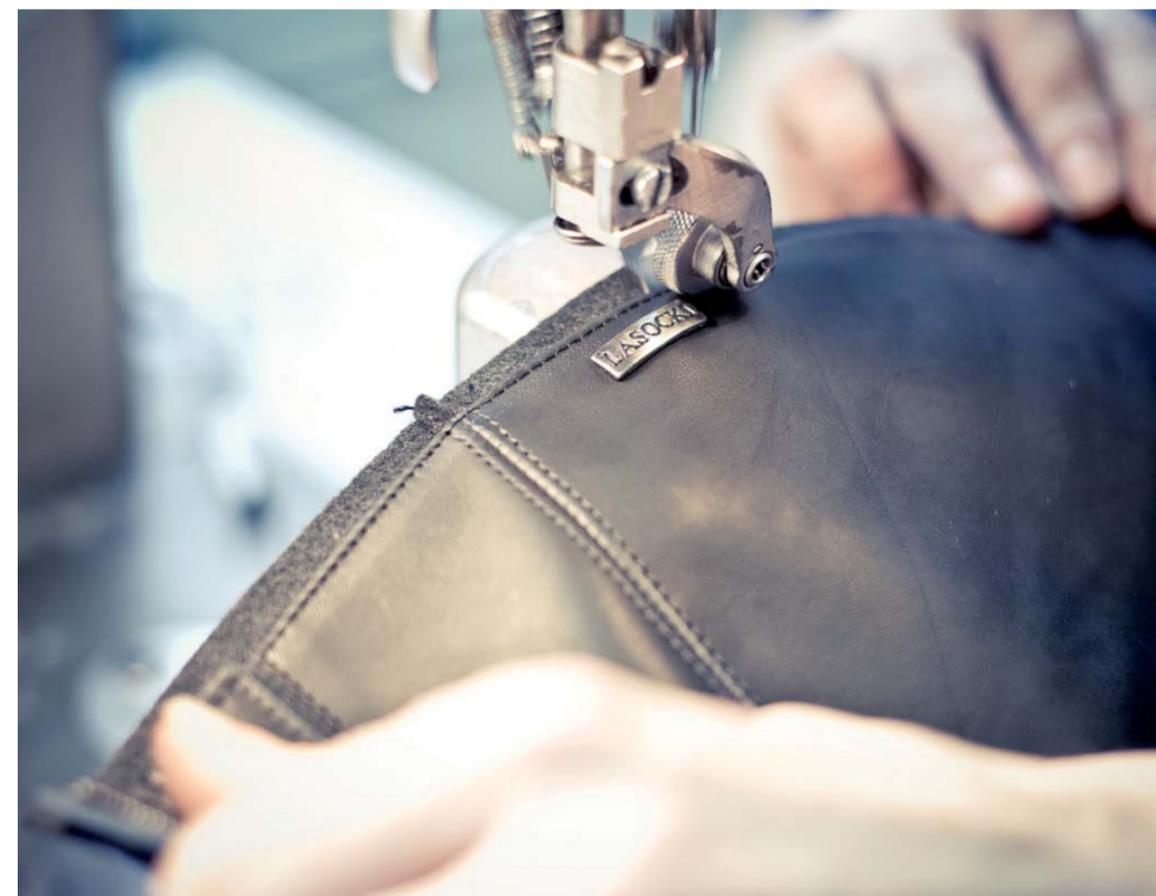
- correct marking of footwear by placing the identification markings of the product on it;
- appropriate method of its use in the form of instructions which is added to each pair of shoes that are brought to the customer.

SAFE INNOVATIONS

The innovative products that we intend to launch under our flagship Lasocki brand are an expression of the importance of safety, health and comfort for consumers. The creation of a special Comfort Line, combining health and aesthetic values, will be run by our Research and Development Center, which will begin its operations in mid-2018.

We want to create specialized shoes for people after injuries that will help their recovery. While working on them, we will take, among others the durability of the footwear construction and materials used in its production, as well as the limitation of the influence of temperature on skin thermoregulation, shoe deformation, water permeability and abrasiveness.

During our research, we intend to use the knowledge and experience of physiotherapists, podologists and researchers at the Faculty of Materials Science and Footwear Technology at the Radom University of Science.



THROUGH THE WAREHOUSE TO STORE SHELVES

Distribution of goods to our stores is carried out in an innovative way. All goods from both our own manufacturing and from domestic and foreign suppliers, before being on the shelves in our stores, are shipped to the Logistics Center in Polkowice. Each subsequent collection goes there about three months ahead of the planned dispatch to stores. The first dispatch to stores sends an overview of all sizes in one assortment. After the sale of the first tranche of shoes, a replenishment takes place based on sending shoes in the sizes that sell the fastest to the stores. We conduct deliveries to the stores every day, based on the analysis of the daily sales of each unit. If the shoes model in the size that is the most popular in a given store is no longer in the central warehouse, we are looking for it in other stores, where this model or size does not meet such a great popularity. The goods are then sent between the stores without the mediation of the central warehouse.

LOGISTICS IN THE CCC GROUP

The dynamic development of the company, which is associated with increasing requirements for distribution performance, led us to implement the largest ever investment in the company's history - the construction of a modern Logistics Center in the Legnica Special Economic Zone in Polkowice. The complex capable of holding 18 million pairs of footwear has been in operation since 2012.

The distribution center, in connection with the existing sorting plant, is able to handle over 100,000 cartons, or about 1.1 million pairs of shoes during two working shifts.

The most important object of the Polkowice Logistic Center is a fully automated mini-load warehouse with an area of 23,064 sq m. It can hold 5 million pairs of shoes, or 500,000 carton boxes of various dimensions. It is the largest of its kind, modern, fully automated facility in Central Europe.

Thanks to 20-meter long crane stackers and an advanced cardboard conveyor system, we can store carton boxes from acceptance to shipping with a minimum human contribution. Equipped with special carton grippers, the stacker cranes move along 160-meter long corridors at speeds of up to 60 km/h. The employees deal only with unloading carton boxes, their control and servicing of machines. This allows for more efficient use of warehouse space, which currently amounts to PLN 110,000 m² and shortening the dispatch time. Mechanization also gives us the basis for further development of logistics processes.

Thanks to the optimization of logistics processes in eobuwie.pl S.A. from the moment the order is received to the company until it is handed over to the courier, it takes only a few or several minutes. A new and unprecedented solution on the market is the ability to receive an order on Monday which was placed on Sunday.



3.



STEP IN STEP
WITH THE CUSTOMER



CCC is the most recognizable footwear brand in Poland. It owes its prestigious position to a wide range of products for people of all ages, who value comfort, convenience, style and elegance. Each of more than 263 million customers visiting our stores every year has the opportunity to buy good quality products at a low price.

We are particularly proud of the Lasocki brand, the most valuable Polish footwear brand, and also one of the most valuable trademarks with a Polish origin.² The advantages of the products offered under this brand, are high quality, durable materials and thus durability of use.

At CCC, we respond quickly to changing fashion trends, not forgetting to improve the quality of our services. We make every effort to ensure that visitors to our stores can choose products they and their beloved ones will enjoy.

In 2017, we began to implement a new store concept that allows organizing the space and helps customers quickly find the products they are looking for. The new store concept has just been now introduced in the new CCC stores, there are also relocations, enlargements and remodelling of existing stores.

DO YOU KNOW THAT ...

263.6 MILLION
customers visited our stores in 2017

38.8 MILLION
customers bought our products in 2017

336.1 MILLION PLN
our flagship brand is worth. In 2017, its value increased by 42%³

We can dispatch
1 MLN
pairs of shoes daily from our
Logistics Center in Polkowice.

40,000
products under almost 500 brands
are offered by eobuwie.pl

9 MILLION
people visit our eobuwie.pl internet platform
in Poland and foreign domains every month

24 HOURS
that's all the eobuwie.pl platform needs to
complete the order, which is completed
on the same day that it is placed

60.5 MILLION
products were sold in 2017

² Rzeczpospolita Ranking of the most valuable Polish brands – 23rd of February 2018

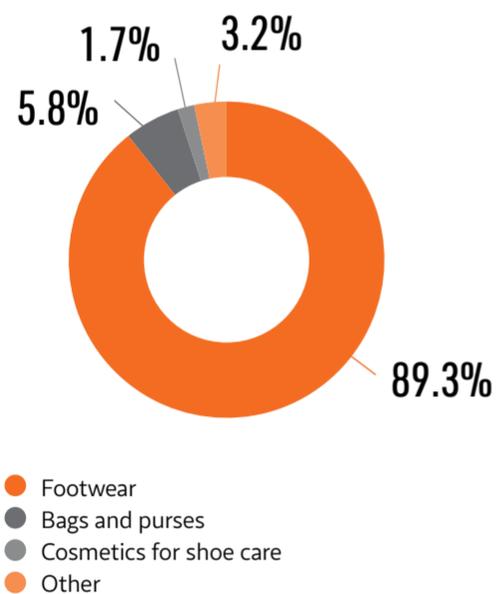
³ Rzeczpospolita Ranking of the most valuable Polish brands – 23rd of February 2018

THE BEST SHOES FOR EVERY BUDGET

GRI 102-2

The footwear has the largest share in the sale of CCC. It accounts for almost 90% of our revenues. We provide shoes under brands belonging to us (private labels) and brands of our business partners (licensed brands). Our products are suitable for all occasions: from shoes to casual wear through sports shoes, to elegant leather shoes. We also offer our clients handbags, cosmetics for footwear care, jewellery, fancy leather goods and cycling accessories.

SALES STRUCTURE OF THE CCC GROUP, IN%



THE LEADING BRANDS IN THE CCC GROUP



Women's products

- Lasocki (shoes and bags)
- Jenny Fairy
- Clara Barson



Men's products

- Lasocki (shoes and bags)
- Cesare Cave
- Vapiano
- Gino Lanetti



Kids' products

- Lasocki Young
- Lasocki Kids
- Action Boy
- Magic Lady
- Nelli Blu
- Disney
- Marvel



Sprandi, brand intended for:

- an active family;
- young, open people who like spending time and relax in outdoors in the fresh air; people who walk a lot and need comfortable and functional footwear at a reasonable price.



GO FOR MORE

For 2 years, we have been developing a communication platform following the slogan "Go for more - I'm going for more." It is a manifesto, according to which CCC supports a woman in reaching her desires and helps in reaching for more. CCC accompanies the woman in her journey. Through our image-building activities, we show that our brand offers more opportunities, trust and warmth.

- **# more opportunities:** consumers like to have a choice in everything they do. They feel that a lot depends on them. Their life tastes better when they have more opportunities.
- **# more trust:** time spent with the loved ones is a source of positive energy for customers of our stores. Together, they can overcome every bad weather, and one needs to trust life more.
- **# more warmth:** warmth, which when buying our products is given by the loved ones, returns to them with redoubled power and drives them to act. They can share the warmth and thanks to this the world will be more beautiful.
- **# I go for more:** thanks to the CCC brand offer, consumers can not only walk safely and confidently for more, but also reach for more. We support consumers in their daily roles as: parents, partners, carers, employees, giving them a virtually unlimited choice of products at very competitive prices.

RESPONSIBLE MARKETING AND RELIABLE INFORMATION

GRI 103-1, GRI 103-2, GRI 103-3
Marketing and labelling of products and services

Expectation from the dialogue session:
It is worth considering what is communicated in the mutual relations of the companies - the customer and in which way.

Advertising is an important medium for information about our products. We make every effort to ensure that our advertising message is reliable, honest and informative about the prices of products and promotion rules. We pay special attention to price labelling in the case of discount sales and products at discount prices. We cross out the original price, indicating the discount amount and the new product price. In addition, since the fall - winter 2017 season, we introduce detailed regulations for our discount sale activities, both in Poland and on foreign markets.

GRI 206-1, GRI 417-3

Cases of non-compliance with regulations and voluntary codes concerning marketing communication in the CCC Group and legal actions taken against the organization regarding cases of violations of the rules of free competition, monopolistic practices and their effects. In 2017 there were no other similar cases of non-compliance



| Country | Case description | CCC response |
|---------|---|--|
| Poland | A reminder from the Office of Competition and Consumer Protection (UOKiK) to voluntarily supplement communication regarding LED lights shoes | Removal of irregularities by adjusting the information provided in accordance with applicable UOKiK requirements and recommendations |
| Germany | A call of the Verband Sozialer Wettbewerb Consumer Organization to Verband Sozialer Wettbewerb to place the address of CCC Germany in advertising communication | Removal of irregularities by posting the address in accordance with the recommendations of the Consumer Organization |

WE CARE ABOUT A GOOD CONTACT WITH OUR CUSTOMERS

We are in constant contact with our customers. Thanks to their questions and doubts, we are constantly improving the quality of our products and services. Our store employees gladly advise on the selection of footwear, as well as provide information on complaints, current promotions, availability of footwear and new collections.

We also enable them to contact us by phone. The number for our headquarters in Polkowice is provided on the CCC website. There is also a special contact form on it: <http://ccc.eu/pl/contact>.

FORMS OF CONSUMER CONTACT WITH THE CCC CUSTOMER SERVICE DEPARTMENT IN 2017, THE NUMBER OF APPLICATIONS

| | |
|------|-----------------------------|
| 6891 | contact form on the website |
| 2847 | telephone inquiries |
| 944 | ccc@ccc.eu |

NUMBER OF CONSUMER DECLARATIONS IN 2017 DIVIDED INTO CATEGORIES

| | |
|------|--|
| 2858 | CCC Club |
| 2070 | availability of goods |
| 1920 | complaints |
| 1838 | return or exchange |
| 1058 | others, including sales, VAT invoices and shoe size exchange |
| 548 | service quality |
| 238 | promotional campaigns |
| 152 | quality of service during complaints |

Communication with us is also possible through social networks. On Facebook, we run profiles in the following languages: Polish, German, Bulgarian, Croatian, Czech, Slovak, Slovenian, Hungarian, Romanian. Whereas, on Instagram we have a global profile in English.

We strive to ensure that clients from all 19 countries in which we are present can find as much information as they need on the Company's website. Currently, her views are available in Polish, English, German, Bulgarian, Czech, Estonian, Hungarian, Latvian, Lithuanian, Romanian, Serbian, Slovak, Slovenian,

Russian and Ukrainian. We publish on our website, among others, rules of making complaints and returns and answers to frequently asked questions by our clients. They can also find our latest offer, a description of the CCC Club's operation and the rules of proper shoe care.



KINDNESS AND RESPECT EVERY DAY

 **Expectation from the dialogue session:**
Presentation of service standards in CCC stores. This is them that build the atmosphere we feel as customers entering the store.

At CCC, we adhere to the principle that high service standards in our stores are as important as the quality of products in our stores. It comes from respect for our customers and kindness, which is one of the features we value. The Customer Service Standards developed by us apply to all sellers in our stores.

Customer service standards in CCC stores:

- We say hello and goodbye to every entering customer.
- We are a partner for a customer who always meets a smiling, polite and helpful seller.
- The store rooms are tidy. Thanks to this, we enable customers who value self-service to make their own choice.
- The seller is helpful to all customers who may need support.
- Every customer needing help must be served.
- After purchase, the customer must leave our store with a positive impression.

We make sure that our employees are not only polite, but also reliable. That's why their knowledge about products and their care is so important. The high quality of service allows us also appropriate arrangement of stores, planned with the comfort of our customers in mind.

HOW DOES THE COMPLAINT PROCESS WORK?

 **Expectation from the dialogue session:**
An important dimension of responsibility towards the customer is to inform about the mechanisms for reporting complaints and the manner of their consideration, forms of appeal.

At CCC we have precisely defined rules for complaints on products. The employees of our stores are responsible for its service, and the decision on the method of its consideration is made on the basis of the Civil Code (warranty for defects), internal procedures issued by the Complaint Department of CCC S.A. and skills acquired during training in the field of complaints.

In 2017, consumer declarations in the field of complaints most often concerned:

- getting a contact with the Complaint Department;
- information on general terms of complaint;
- requests for intervention in the scope of complaints;
- getting explanations regarding the opinion issued to the complaint and the possibility of appeal against the decision;
- information on documents necessary to submit a complaint;
- the way of considering the complaint of footwear, differing from the customer's expectations;

Customers can submit a complaint within 24 months from the date of purchase of the goods (in the case of a warranty, this period is one year from the date of noticing the defect). We inform you about our two-year product liability period on our website. Complaints should be filed in the country where the purchase was made. It is possible to submit it in any CCC store after showing a proof of purchase (e.g. a fiscal receipt, a VAT invoice, or other proof of the purchase / sale agreement). In the absence of a proof of purchase, the customer has the opportunity to file a complaint, but only in the store where he bought our product.

To streamline the entire process, we enable our customers to check the status of a complaint filed at the address available on the website of our company. It is possible after entering the number of the complaint and the code that can be found on the printout of the complaint order in the form. <http://r.ccc.com.pl/ccrek/r.asp>

1920 customer reports regarding complaints were received by the Customer Service Department in 2017.

1838 consumer declarations regarding the return or exchange of goods were accepted by the Customer Service Department in 2017.

PRODUCT RETURN

We allow the customers of CCC stores to return or exchange a new product. It may take place within 3 calendar days from the day following the purchase. Returned goods should be delivered in original and undamaged packaging to any CCC store in the country. The customer is obliged to provide the original fiscal receipt as well as sign a return report.

In 2017, consumer declarations in the field of return or exchange of goods related most often to:

- a failure of meeting the conditions for returning or exchanging goods;
- an exchange of shoes purchased during promotional campaigns;
- a possibility of returning or exchanging goods in any store;
- an exchange of incorrectly paired footwear (e.g. two left shoes, different sizes);
- a refund of money to the payment card (a transfer delay, questions about the rules);
- a return of care products, jewellery and shoe inserts.



AGREEMENT WITH CUSTOMERS IS ESSENTIAL

Taking care of good relations with customers we decided to use the principles of out-of-court resolution of consumer disputes. This is enabled by the current Act on Out-of-court resolution of consumer disputes in an amicable way (Journal of Laws of 2016, item 1823).

We inform our customers on the possibility of an amicable resolution of the dispute through the CCC website and annotation on complaint forms. Dissemination of this information is intended to deepen the knowledge of our customers that the Trade Inspection, proper for the place of business activity, is eligible for the settlement of consumer disputes, and a full list of provincial inspectorates can be found on the website of the Office of Competition and Consumer Protection (www.uokik.gov.pl/wazne_ad-resy.php).

Our efforts to meet the clients' requirements and to react quickly and appropriately to their comments and needs are met with a positive assessment outside. In March 2017, the West Pomeranian Voivodship Inspectorate of Trade Inspection awarded CCC S.A. the Certificate of Entrepreneur Friendly to Consumers. We have been appreciated for the openness and a will to engage in a dialogue with the consumer through mediation.



EOBUWIE.PL RAISES TRUST

High quality of service is the hallmark of eobuwie.pl online store operating for 20 years. Compliance with the highest standards along with a rich offer pays off alongside better financial results of our e-commerce business.



Eobuwie.pl as a leading store on the e-commerce market in Poland has been awarded many times with prestigious awards. In 2017 it received, among others:

- Service Quality Star 2017
- Forbes Diamonds 2017
- Gazelles of Business 2017
- E-commerce Polska Awards 2017 - 1st place in the category "Breaking the distrust"
- Eagles of Wprost 2017
- EKOMERSY 2017 - 2nd place in the category: "Foreign expansion"

ASPECTS DISTINGUISHING EOBUWIE.PL ON THE MARKET

- high intuitive use of the website
- ease of doing shopping
- high availability of products
- a guarantee that the product purchased by them is 100% original and has all company logos
- fast delivery in no more than 24 hours
- 30 days to return the product. It is 16 days longer than the statutory consumer law in Poland.⁴
- e-mail information about each stage of completing the order.

In order to respond to the needs of own customers on an ongoing basis, the eobuwie.pl shop encourages them to share their opinions on the purchased product and the functionality of the platform on independent websites: Opineo.pl, Ceneo.pl and Sklepy24.pl.

Expressions of client's trust of eobuwie.pl are numerous certificates and awards, including the Service Quality Star received in 2017. In this program, customer satisfaction is monitored throughout the year through a multiplatform consisting of the jakoscobslugi.pl portal and the Premia360 mobile application, as well as a survey among respondents.

Each product purchased at eobuwie.pl is covered by a two-year warranty. This principle is subject to the entire range of the shop, including products bought during the promotion. Its clients do not bear the shipping costs of the complained product.

Pursuant to the Regulation of the European Parliament and of the Council No. 524/2013 as of 21 May 2013, eobuwie.pl makes available on its website an electronic link to the ODR platform: ec.europa.eu/odr. It is a source of information on forms of out-of-court dispute resolution that may arise between entrepreneurs and consumers.

⁴ Article 27 of the Act on Consumer Rights.

EOBUWIE.PL S.A. COMBINES THE ONLINE SALES CHANNEL WITH OFFLINE

To meet the customers' expectations and combining the best experience from online shopping with what customers of offline stores enjoy, in 2017 eobuwie.pl S.A. opened its first offline store in Zielona Góra, which is the first such an innovative store in Poland. Customers use interactive touch screens to view and order footwear. A special mobile application has been programmed to operate them. There are 40,000 footwear models available for almost 500 brands, of which nearly 900 selected models are available in-store. Other models from the entire eobuwie.pl offer can be delivered to the customer within a maximum of two hours.



4.



OUR EMPLOYEES,
OUR SUCCESS

CCC
SHOES & BAGS

GRI 103-1, GRI 103-2, GRI 103-3 Employment, Compliance with law and regulations Accounting Act: Employees Issues

Our market success would not be possible without our employees. Due to their commitment, passion and willingness to develop, we are the leader of the footwear market in Central Europe. The development of organizational potential is one of our strategic CSR goals. In accordance with the CCC Group Personnel Policy, we would like to strengthen the organizational culture based on respect for diversity, cooperation and involvement of employees and the implementation of innovative projects. We are also oriented towards activating employees, and the aim of the activities is to direct them to individual improvement, which in turn serves to raise and develop personal competences.

We are convinced that committed employees who can develop and meet professionally through joint action enable the implementation of ambitious goals and further expansion. Thanks to it, we will be able to create even better working and living conditions for our employees and their families.

The CCC's business success is determined by the knowledge, experience, skills and competences of employees. Therefore we have an extremely important approach to human resource management as well as mutual relations between employees. At CCC, there is no place for discrimination based on sex, age or disability. All our employees have equal access to training and promotions. Particularly strong emphasis is placed on improving the competence of people who have a direct contact with customers, that is, sellers and store managers.

We attach great importance to safety and working conditions in our companies. We regularly train our employees in the field of occupational health and safety and facilitate their access to comprehensive medical examinations.

CCC is a valued employer offering good working conditions and payment levels. Selection and training of future staff ensures cooperation with schools and universities as part of internship, post-graduate and dual-degree programs.

DO YOU KNOW THAT ...

89.5 %
employees of the CCC Group are women

100 %
of employees working in the manufacturing of shoes at CCC Factory are employed under a contract of employment



Over **100**
people participated in 2017 in the English language course organized at the Company's headquarters



Nearly **13,000**
- the number of employees in the CCC Group

62
disabled people - work at CCC Factory. This is 7.5% of the entire staff



345
disabled people are employed in the company CCC S.A. That's 5% of all employees

98
people - took part in the years 2013 - 2015 in the Incentive Scheme involving the acquisition of CCC shares

26
people benefited in 2017 from our post-graduate program, which we run with the University of Economics in Wrocław.

EMPLOYMENT STRUCTURE IN THE CAPITAL GROUP CCC

GRI 102-8

„THE CCC GROUP IS ONE OF THE LARGEST EMPLOYERS IN THE REGION.“

We employ a total of nearly 13,000 people in the CCC Capital Group, of which 8,249 people work in Poland, where there is, among others, the company headquarters, factory and Logistics Center in Polkowice, as well as there are 448 CCC stores in Poland.

The company CCC S.A., in which administrative, warehouse and sales areas were located, employs 6,700 people, of which women are a significant part, employed in sales - 84%. Nearly 100% of employees are employed under a contract of employment.

EMPLOYMENT STRUCTURE IN THE COMPANY CCC S.A.

| Total number of employees by gender and region: | Number of employees | | |
|--|---------------------|------------|--------------|
| | 2017 | | |
| | Women | Men | Total |
| employed for a definite period | 4 606 | 263 | 4 869 |
| employed for an indefinite period | 1 172 | 150 | 1 322 |
| employed for a trial period | 403 | 70 | 473 |
| employed until the birth due date | 4 | 0 | 4 |
| employed as a replacement | 32 | 0 | 32 |
| Total | 6 217 | 483 | 6 700 |

| Number of employees (per person) per employment time: | Number of employees | | |
|--|---------------------|------------|--------------|
| | 2017 | | |
| | Women | Men | Total |
| Full-time | 3436 | 396 | 3 832 |
| Part-time | 2781 | 87 | 2 868 |
| Total | 6217 | 483 | 6 700 |

| Number of employees (per person) broken down into: | Number of employees | | |
|---|---------------------|-----|-------|
| | 2017 | | |
| | Women | Men | Total |
| employed on the basis of a contract of mandate | 5 | 5 | 10 |

In CCC.eu Sp. z o.o. 335 people work, half of whom are women - 50%.

The company CCC Factory Sp. z o.o. which deals with the manufacturing of footwear, employs 827 people - of which 78% (or 643 employees) are women. All CCC Factory employees are employed under a contract of employment.

The Company eobuwie.pl S.A., based in Zielona Góra, employs 254 people under a contract of employment. Among the persons employed in the Company with a steady job are predominantly women. We signed the contracts of mandate with 184 people, of whom 116 are women.

In the company eobuwie.pl Logistics Sp. z o.o. 133 people are employed, and half of them are women. 3% of all employees work part-time.

Over 4,706 people work in subsidiaries operating abroad. Women make up 92% of employees, while 67% of employees are people employed for an indefinite period.

EMPLOYMENT STRUCTURE IN THE CCC GROUP

| Total number of employees by gender and region: | Number of employees | | |
|--|---------------------|--------------|---------------|
| | 2017 | | |
| | Women | Men | Total |
| employed for a definite period | 6 588 | 661 | 7 249 |
| employed for an indefinite period | 4 549 | 594 | 5 143 |
| employed for a trial period | 433 | 93 | 526 |
| employed until the birth due date | 5 | 0 | 5 |
| employed as a replacement | 32 | 0 | 32 |
| Total | 11 607 | 1 348 | 12 955 |

| Number of employees (per person) per employment time: | Number of employees | | |
|--|---------------------|--------------|---------------|
| | 2017 | | |
| | Women | Men | Total |
| Full-time | 6 382 | 1 102 | 7 484 |
| Part-time | 5 225 | 246 | 5 471 |
| Total | 10 607 | 1 348 | 12 955 |

| Number of employees and associates (per person), broken down into: | Number of employees | | |
|---|---------------------|------------|------------|
| | 2017 | | |
| | Women | Men | Total |
| employed on the basis of a contract of mandate | 142 | 103 | 245 |
| employed on the basis of a contract for specific work | 12 | 14 | 26 |
| employees under supervision and / or seasonal workers | 36 | 11 | 47 |
| Total | 190 | 128 | 318 |



GRI 405-1

Every second person employed in the entire CCC Group is from 30-50 years old (49.2%). Nearly half are people under 30, which constitute 46.1% of employees in the CCC Group. The highest percentage of employees is employed in trade - 70.2%. Administrative employees are the second largest group - 10.3% of all employees, most of whom are between 30 and 50 years old - nearly 60%. In our staff, every tenth

person (9.4%) works in a warehouse, and for 8.3% daily duties are related to manufacturing work. The Management Board of CCC S.A. consists of men, 80% of whom are people between 30 and 50 years of age.

The Supervisory Board of CCC S.A. consists of men, 40% of whom are people between 30 and 50 years of age.

CCC S.A.

| Employees by age category and diversity | Percentage of employees in each category in 2017 against the total number of employees in the organization | | Total percentage of employees in a given group in 2017 |
|---|--|-------|--|
| | Women | Men | |
| <30 years old | 44.9% | 4.2% | 49.1% |
| 30-50 years old | 45.3% | 2.5% | 47.8% |
| >50 years old | 3.0% | 0.1% | 3.1% |
| Total % per gender | 93.2% | 6.8% | 100.0% |
| Foreigners | 0.2% | 0.05% | 0.25% |

| Employees according to the employment structure | Percentage of employees in each age group in 2017 against the total number of employees in the organization | | | Total percentage of employees in a given group in 2017 |
|---|---|-----------------|---------------|--|
| | <30 years old | 30-50 years old | >50 years old | |
| Managerial staff | 0.01% | 0.84% | 0.06% | 0.91% |
| Administrative employees | 0.85% | 2.20% | 0.12% | 3.17% |
| Warehouse workers | 4.22% | 4.90% | 0.48% | 9.60% |
| Sales network employees | 43.57% | 40.24% | 2.51% | 86.32% |

| Employees according to the employment structure | Percentage of employees in each category in 2017 against the total number of employees in the organization | | Total percentage of employees in a given group in 2017 |
|---|--|-------|--|
| | Women | Men | |
| Managerial staff | 0.45% | 0.46% | 0.91% |
| Administrative employees | 2.47% | 0.70% | 3.17% |
| Warehouse workers | 6.00% | 3.62% | 9.62% |
| Sales network employees | 83.87% | 2.43% | 86.30% |



| Composition of the Supervisory Board by age category and diversity | Breakdown of % in each category in 2017 | | Total percentage of a given group in the Supervisory Board in 2017 |
|--|---|--------|--|
| | Women | Men | |
| <30 years old | 0.0% | 0.0% | 0.0% |
| 30-50 years old | 0.0% | 40.0% | 40.0% |
| >50 years old | 0.0% | 60.0% | 60.0% |
| Total % per gender | 0.0% | 100.0% | 100.0% |

| Composition of the Management Board by age category and diversity | Breakdown of % in each category in 2017 | | Total percentage of a given group in the Management Board in 2017 |
|---|---|--------|---|
| | Women | Men | |
| <30 years old | 0.0% | 0.0% | 0.0% |
| 30-50 years old | 0.0% | 80.0% | 80.0% |
| >50 years old | 0.0% | 20.0% | 20.0% |
| Total % per gender | 0.0% | 100.0% | 100.0% |

THE GROUP CCC S.A.*

| Employees by age category and diversity | Percentage of employees in each category in 2017 against the total number of employees in the organization | | Total percentage of employees in a given group in 2017 |
|---|--|-------|--|
| | Women | Men | |
| <30 years old | 39.7% | 6.4% | 46.1% |
| 30-50 years old | 44.5% | 4.7% | 49.2% |
| >50 years old | 4.1% | 0.6% | 4.7% |
| Total % per gender | 88.3% | 11.7% | 100.0% |
| Foreigners | 0.2 | 0.0% | 0.2% |

| Employees according to the employment structure | Percentage of employees in each age group in 2017 against the total number of employees in the organization | | | Total percentage of employees in a given group in 2017 |
|---|---|-----------|---------|--|
| | <30 lat | 30-50 lat | >50 lat | |
| Managerial staff | 0.0% | 1.6% | 0.3% | 1.87% |
| Administrative employees | 3.9% | 5.8% | 0.6% | 10.27% |
| Warehouse workers | 4.5% | 4.4% | 0.4% | 9.35% |
| Sales network employees | 35.5% | 32.7% | 2.0% | 70.23% |
| Manufacturing workers | 1.7% | 5.1% | 1.5% | 8.28% |

| Employees according to the employment structure | Percentage of employees in each age group in 2017 against the total number of employees in the organization | | Total percentage of employees in a given group in 2017 |
|---|---|------|--|
| | Women | Men | |
| Managerial staff | 1.1% | 0.8% | 1.88% |
| Administrative employees | 6.4% | 3.9% | 10.28% |
| Warehouse workers | 5.4% | 3.9% | 9.35% |
| Sales network employees | 68.2% | 2.0% | 70.22% |
| Manufacturing workers | 6.8% | 1.4% | 8.28% |

* The scope of the data does not include subsidiaries abroad.

The CCC Group emphasizes openness to employing people with a disability certificate, as well as applying every effort to supporting disabled employees and strengthening internal integration. We conduct activities that activate this professional group and offer workplaces tailored to it.

Work conditions in the companies from the CCC Group allow the employment of disabled people. In the company CCC S.A. and CCC.eu Sp. z o.o. 348 people are employed with a disability certificate. In the company CCC Factory Sp. z o.o. their share in total employment is 62 people, which is 7.5%. At eo-buwie.pl, we employ two employees with a degree of disability certificate. In foreign companies, we employ a total of 91 disabled people, of which 41 in Hungary.

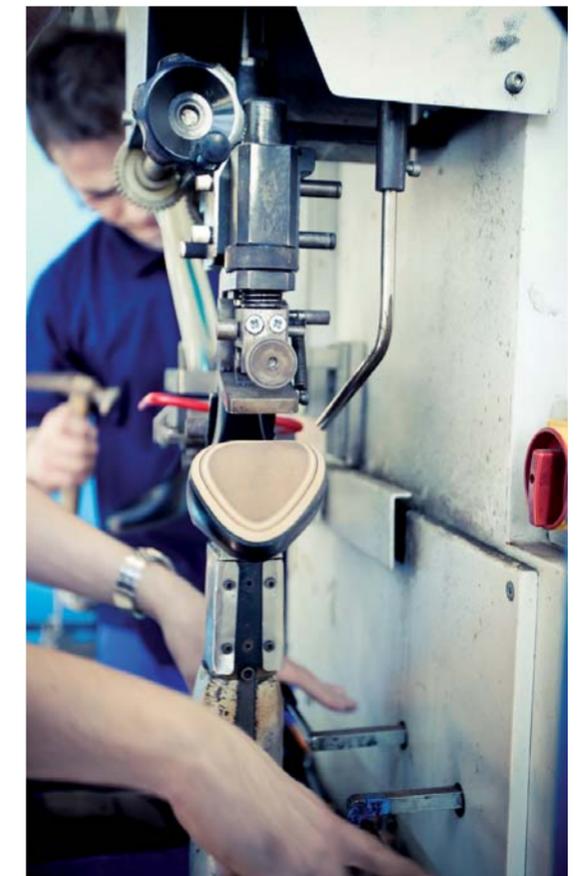
In December 2017, in CC CCC SA stores, a pilot program was launched, thanks to which deaf and hearing-impaired people joined the group of CCC store employees.

The deaf people in our country constitute a group of over 400,000 people, of whom nearly 82% are affected by unemployment. The Capital Group CCC S.A. therefore consciously met the expectations of deaf people by offering them employment in the CCC Group stores, thus breaking the communication barrier. CG CCC S.A. provided the deaf and hard of hearing staff with the support of a mobile sign language interpreter, making deaf workers able to perform their duties equally with hearing associates.

Due to employing disabled people, in December 2017, we organized a series of trainings for managers and their teams in the field of cooperation with people with disabilities.

NEIGHBOURLY COOPERATION OF CCC FACTORY WITH THE FOUNDATION EUDAJMONIA

Due to employing disabled people, in March 2015, all foremen participated in the training on cooperation with people with disabilities, during which they had the opportunity to learn about different types of disability and overcome barriers and limitations of people without disabilities in relation to people with disabilities. The training was carried out thanks to the cooperation with the local Polkowice Foundation EUDAJMONIA. One of the trainers was a blind person, who in a breakthrough way, for many people showed how actively a disabled person can live and work. For the entire crew, training on the rules for applying for a disability degree was made available along with information on the benefits for the employee resulting from the certificate received. Also thanks to the support of the EUDAJMONIA Foundation in the preparation of processes, from 2016 the factory began to employ deaf people, who turned out to be one of the better employees.





GRI 102-41

Collective labour agreements have not been adopted in the CCC Group companies.

GRI 202-2

We believe that local employees of the top management know and understand the specificity of the region best. Therefore, all top management employed in our key locations in Poland are employees recruited from the local market. On the scale of the whole Group, the percentage of the management staff also recorded a high result - 66%.

| | The total number of employees of executive staff | Number of employees of top management from the local market | The percentage of employees of top management employed from the local market |
|---------------------------------|--|---|--|
| CCC S.A. | 5 | 5 | 100% |
| CCC.eu Sp. z o.o. | 5 | 5 | 100% |
| CCC Shoes & Bags Sp. z o.o. | 2 | 2 | 100% |
| eobuwie.pl S.A. | 3 | 3 | 100% |
| eobuwie.pl Logistics Sp. z o.o. | 1 | 1 | 100% |
| CCC Factory Sp. z o.o. | 2 | 2 | 100% |
| Foreign subsidiaries | 38 | 25 | 66% |

CONDITIONS AND ATMOSPHERE AT WORK

We pay great attention to the satisfaction of our employees with the working conditions and satisfaction with the tasks they do. Care for their development contributes to their great involvement in the projects entrusted to them.

Expectation from the dialogue session:
Description of the offered working conditions and the company's care for good relations with employees.

We provide our employees with a number of non-wage benefits. In addition, we regularly examine the level of their job satisfaction and respond to the opinions they have submitted.

The employee satisfaction surveys of CCC S.A. conducted in 2017 and CCC.eu Sp. z o.o., in nine different areas, the satisfaction of employees is at an average level of 76%. The area in which overall job satisfaction is assessed (81.5% satisfaction) is rated the most. The organization of work was rated the lowest (65.7%). In order to raise the above indicator, we distinguished specialized functions in its structures, organized responsibility for individual areas and undertook activities in the area of training for the managerial staff.

SATISFACTION FROM WORK AT CCC S.A. AND CCC.EU SP. Z O.O.

| | |
|---------------------------------|--------------|
| general job satisfaction | 81.5% |
| CCC as an employer | 80.5% |
| cooperation with the supervisor | 79.9% |
| working conditions | 78.9% |
| relationships with colleagues | 77.3% |
| motivation and bonus system | 73.6% |
| communication in the company | 71.8% |
| professional development | 71.5% |
| work organization | 65.7% |



The company eobuwie.pl S.A. does not conduct employee satisfaction surveys. However, the management of this company responds to the any reservations and initiatives reported by the employees to the immediate supervisor. Communication between employees takes place mainly directly, which facilitates the fact that the majority of employees provide work at the company's headquarters. Employees are informed about the most important events for the company by e-mail. Employees also have access to the epracownik application, which enables, among others, access to internal information.

Our activities bring tangible results: eobuwie.pl employees are eager to engage in new projects, such as implementing new IT solutions or testing a mobile application. The contest for the name for the children's footwear brand was also very popular.

GRI 406-1

In 2017, in the companies of the CCC Group, we did not meet any cases of discrimination based on sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnicity, religion, sexual orientation or a form of employment.

ATTRACTIVE WORKPLACE

GRI 202-1

We provide our employees with a fair remuneration. The average salary of the lowest level staff is higher than the minimum wage for all companies on the Polish market and foreign markets.

| Companies of the CCC Group | the remuneration ratio of WOMEN at the lower level of employment to the minimum wage | the remuneration ratio of MEN at the lower level of employment to the minimum wage |
|---------------------------------|--|--|
| CCC S.A. | 1.49 | 1.62 |
| CCC.eu Sp. z o.o. | 1.47 | 1.61 |
| CCC Factory Sp. z o.o. | 1.27 | 1.26 |
| eobuwie.pl S.A. | 1.43 | 1.46 |
| eobuwie.pl Logistics Sp. z o.o. | 1.63 | 1.52 |

| Foreign subsidiaries | the remuneration ratio of WOMEN at the lower level of employment to the minimum wage | the remuneration ratio of MEN at the lower level of employment to the minimum wage |
|----------------------|--|--|
| Austria | 1.10 | 1.52 |
| Bulgaria | 1.67 | 1.67 |
| Croatia | 1.16 | 1.16 |
| Czech Republic | 1.69 | 1.69 |
| Germany | 1.38 | 1.37 |
| Hungary | 1.09 | 1.09 |
| Russia | 1.25 | 1.28 |
| Serbia | 1.85 | 1.85 |
| Slovakia | 1.63 | 1.63 |
| Slovenia | 1.05 | 1.05 |

The basic salary of an employee depends on his/her skills, competence, experience and level of responsibility. In addition, our employees have the opportunity to receive a bonus for achieved results. The rules for granting bonuses are individually determined for individual organizational units. In addition to a basic salary, we offer numerous bonuses and allowances to our employees.

Employees of the company's headquarters in Polkowice - administration and office, and warehouse employees - receive a fixed bonus of 10% of the basic salary. In addition, they receive a seniority allowance

after reaching 24, 36 and 48 months of work experience and may receive quarterly and annual bonuses awarded for the lack of sick leave.

The remuneration of sales employees in addition to the basic salary consists of a sales bonus, the amount of which depends on the degree of sales achieved, the category of the store and the position of the employee. In addition, after working for 12 months they receive a seniority allowance, which increases after the next 12 months. Employees of stores located in cities significant for the company for operational reasons also receive an agglomeration allowance.

Apart from the basic salary, the managerial staff is given the opportunity to receive a task bonus after fulfilling the goals set for it. The key employees of companies from the CCC Capital Group also participate in the Incentive Scheme, which assumes the allocation of subscription warrants enabling the subscription for CCC SA shares. The scheme is addressed to the board members of the company CCC S.A. and members of the board of subsidiaries, key employees and associates of the Group. It is to contribute to the long-term increase in the value of the CCC company, increase its net profit and stabilize the managerial staff.

98 people participated in the Scheme for the years 2013-2015. In 2017, we launched a new Incentive Scheme for the years 2017-2019, which will cover no more than 150 people.

WORKPLACE

In September 2017, the Regional Office in Warsaw was opened. Over 2 thousand m² are dominated by open spaces adapted in terms of functions and equipment for the mobile working mode, which prevails among the team. The proportion of traditional workplaces to the space for creative and informal work is approximately 50/50.

The arrangement of space provides comfortable working conditions for departments performing their stationary tasks, and on the other hand, it offers the opportunity to choose the optimal place for people whose work is mobile. Thinking about employees often arriving from Polkowice, the office has also created numerous hot desk workplaces, which can be adapted to temporary workplaces if necessary.



BENEFITS FOR EMPLOYEES

Taking care of our employees' satisfaction, we offer them a number of non-wage benefits

GRI 401-2

Non-wage offer for the employees of CCC S.A. and CCC.eu Sp. z o.o.:

- Sports programs
 - The Multisport package allows using a wide range of sports facilities throughout Poland. We offer our employees the option of choosing one of two variants.
 - OK System sports package provides the widest range of sports and leisure services and the access to over 4,000 partner facilities throughout Poland. Depending on the needs, our employees can choose between FIT and FIT & more.
- Private medical care, which covers all employees. Employees can choose between the Luxmed package, available throughout the country, or Medicus, available to employees employed in Polkowice. For an additional fee, employees can extend the range of services available, as well as buy packages for members of their families.

- Group insurance - all employees can join it, and preferential insurance rates depend on the variant chosen by the employee.
- Company discounts to CCC stores and eobuwie.pl store
- Christmas bonuses
- Free participation in the English language course
- Professional training related to the scope of employees' duties

Our own benefit proposal is offered to its employees by the manufacturing company CCC Factory Sp. z o.o. which includes:

- Co-financing commuting to work in the amount of 90% of costs incurred.
- Working time is arranged in a way that allows the use of the so-called long weekends. Every year during the holiday period, manufacturing is halted for 4 weeks, and employees go on vacation. It facilitates taking care of children and taking a holiday leave during the most attractive period.
- Medical care is provided at the factory. There is a nursing room open every day for eight hours. In addition, a doctor's appointment is possible twice a week.
- Twice a year, Christmas packages are organized on the occasion of Christmas and Easter.

- Co-financing for children's leisure activities in the amount of up to 80% of costs.
- Possibility to buy tickets to the aquapark in Polkowice at preferential prices.

At CCC Factory, in addition to constant access to the nurse's and doctor's assistance, we organize the Medical Action every year. Within its framework, employees can take advantage of detailed medical tests. Among the performed tests there are: blood screening, in which CA 125 tumor antigens (ovarian cancer) and PSA (prostate cancer) as well as breast, thyroid and abdominal ultrasonography. Every year, the examination package offered is changed.

The benefits offered to employees of eobuwie.pl include:

- Multisport cards that can be awarded for a nominal monthly fee. Employees can also buy cards for their family members.
- Private medical care,
- Life insurance,
- Discounts on purchases at the eobuwie.pl store
- Co-financing for English language courses

WE SUPPORT OUR WORKING MOTHERS



Expectation from the dialogue session:

Indication of initiatives supporting women in the workplace.

In the companies in the CCC Group, most of the employees are women, both in standard and managerial positions.

At CCC Factory, work takes place in a two-shift system from Monday to Friday without a night shift. In addition, it is a customary practice to allow workers, whose fixed employment contract terminated, to return to work when they were on parental leave.

In eobuwie.pl women have, more often than men, the possibility of teleworking. Their facilities are also equipped with social facilities allowing for breastfeeding of the child.



80%

of employees of CCC Factory benefited from the Medical Action in 2017



NEW EMPLOYEES AND LEAVINGS IN THE CCC GROUP IN 2017

GRI 401-1

Attractive employment conditions, including many non-wage benefits, as well as the continuous development of the CCC Group translate into low turnover of staff in the area of employment and administrative positions.

Very low rates of leavings in eobuwie.pl S.A. - 3.01% and eobuwie.pl Logistics Sp. z o.o. - 1.49% indicates the stability of employment in these companies. The particularly low level of turnover of staff concerns employed women 1.49% compared to 4.55% among men. Low turnover of staff also applies to eobuwie.pl S.A. - 4.72% and CCC Factory Sp. z o.o. - 9.92%.

However, the high rate of retirement in the CCC Group, constituting 44.4%, is affected by a large turnover of sales network employees employed mainly in CCC S.A. - 86% of employees are employees of the sales network.

CCC S.A. ADMISSIONS

| Total number of employees (per person), broken down into: | Number of employees (per person) | 2017 | |
|---|----------------------------------|---------------------------------|--|
| | | Number of newly hired employees | Percentage of newly hired employees (per person) |
| Women | 6216 | 3626 | 58.33% |
| Men | 484 | 375 | 77.48% |
| Total | 6700 | 4001 | 59.72% |

| Total number of employees (per person) broken down by age group: | Number of employees (per person) | 2017 | |
|--|----------------------------------|---|-------------------------------------|
| | | Number of newly hired employees (per person) in a given group | Percentage of newly hired employees |
| <30 | 3260 | 2957 | 90.71% |
| 30-50 | 3234 | 969 | 29.96% |
| >50 | 206 | 75 | 36.41% |
| Total | 6700 | 4001 | 59.72% |

CCC S.A. LEAVINGS

| Total number of employees (per person), broken down into: | Number of employees (per person) | 2017 | |
|---|----------------------------------|---|----------------------------------|
| | | Number of employees leavings (per person) | Percentage of employees leavings |
| Women | 6216 | 3570 | 57.43% |
| Men | 484 | 299 | 61.78% |
| Total | 6700 | 3869 | 57.75% |

| Total number of employees (per person) broken down by age group: | Number of employees (per person) | 2017 | |
|--|----------------------------------|--|----------------------------------|
| | | The number of employees leavings (per person) in a given age group | Percentage of employees leavings |
| <30 | 3260 | 2787 | 85.49% |
| 30-50 | 3234 | 1002 | 30.98% |
| >50 | 206 | 80 | 38.83% |
| Total | 6700 | 3869 | 57.75% |

**CCC GROUP
ADMISSIONS**

| Total number of employees (per person), broken down into: | Number of employees (per person) | Number of newly hired employees | Percentage of newly hired employees (per person) |
|---|----------------------------------|---------------------------------|--|
| | | | |
| Women | 11 607 | 5697 | 49.1% |
| Men | 1 348 | 870 | 64.5% |
| Total | 12 955 | 6567 | 50.7% |

| Total number of employees (per person) broken down by age group: | Number of employees (per person) | Number of newly hired employees (per person) in a given group | Percentage of newly hired employees |
|--|----------------------------------|---|-------------------------------------|
| | | | |
| <30 | 6 086 | 4 584 | 75.3% |
| 30-50 | 6 187 | 1 819 | 29.4% |
| >50 | 682 | 164 | 24.0% |
| Total | 12 955 | 6567 | 50.7% |

**CCC GROUP
LEAVINGS**

| Total number of employees leavings (per person), broken down into: | Number of employees (per person) | The number of employees leavings (per person) | Percentage of employees leavings |
|--|----------------------------------|---|----------------------------------|
| | | | |
| Women | 11 607 | 5 164 | 44.5% |
| Men | 1 348 | 633 | 47.0% |
| Total | 12 955 | 5 797 | 44.7% |

| Total number of employees leavings (per person) broken down by age group: | Number of employees (per person) | The number of employees leavings (per person) in a given age group | Percentage of employees leavings |
|---|----------------------------------|--|----------------------------------|
| | | | |
| <30 | 6 086 | 4 032 | 66.3% |
| 30-50 | 6 187 | 1 611 | 26.0% |
| >50 | 682 | 154 | 22.6% |
| Total | 12 955 | 5 797 | 44.7% |

HEALTH AND SAFETY OF EMPLOYEES

GRI 403-2

Providing health and safety at work is one of the priorities of our Group. Thanks to the investments

made by us, they can work in modern facilities. In addition, we respond to reported security needs on a regular basis.

All workplaces in the CCC Group meet health and safety standards. The number of accidents at work is negligible in the scale of the entire Group.

NUMBER OF ACCIDENTS AT WORK

| | Women | Men | In total |
|---------------------------------|-------|-----|----------|
| CCC S.A. | 25 | 4 | 29 |
| CCC.eu Sp. z o.o. | 0 | 0 | 0 |
| CCC Factory Sp. z o.o. | 3 | 1 | 4 |
| eobuwie.pl S.A. | 1 | 0 | 1 |
| eobuwie.pl Logistics Sp. z o.o. | 0 | 0 | 0 |

ACCIDENTS FREQUENCY RATIO (IR)*

| | Women | Men | In total |
|---------------------------------|-------|-----|----------|
| CCC S.A. | 4.1 | 9.5 | 4.4 |
| CCC.eu Sp. z o.o. | 0 | 0 | 0 |
| CCC Factory Sp. z o.o. | 4.7 | 5.6 | 4.9 |
| eobuwie.pl S.A. | 5.59 | 0 | 4.05 |
| eobuwie.pl Logistics Sp. z o.o. | 0 | 0 | 0 |

TOTAL NUMBER OF DAYS OF INCAPACITY FOR WORK DUE TO ACCIDENTS AT WORK (LDR)**

| | Women | Men | In total |
|---------------------------------|-------|-------|----------|
| CCC S.A. | 12.4 | 17.7 | 12.7 |
| CCC.eu Sp. z o.o. | 0 | 0 | 0 |
| CCC Factory Sp. z o.o. | 43.85 | 15.21 | 37.48 |
| eobuwie.pl S.A. | 10.61 | 0 | 7.69 |
| eobuwie.pl Logistics Sp. z o.o. | 0 | 0 | 0 |

* IR, calculated as the total number of persons injured in accidents/ employment x 1000

** LDR, calculated as the total number of lost days to the number of planned working hours of the employees in the reported period *200000

INDICATOR OF THE SERIOUSNESS OF ACCIDENTS ***

| | Women | Men | In total |
|---------------------------------|-------|-----|----------|
| CCC S.A. | 30.6 | 20 | 29.2 |
| CCC.eu Sp. z o.o. | 0 | 0 | 0 |
| CCC Factory Sp. z o.o. | 47 | 14 | 38.75 |
| eobuwie.pl S.A. | 19 | 0 | 19 |
| eobuwie.pl Logistics Sp. z o.o. | 0 | 0 | 0 |

ABSENCE RATIO (AR)****

| | Women | Men | In total |
|---------------------------------|-------|------|----------|
| CCC S.A. | 1.07 | 0.02 | 1.1 |
| CCC.eu Sp. z o.o. | 0.06 | 0.02 | 0.08 |
| CCC Factory Sp. z o.o. | 2.49 | 1.18 | 2.20 |
| eobuwie.pl S.A. | 8.11 | 16.3 | 9.75 |
| eobuwie.pl Logistics Sp. z o.o. | 4.5 | 22.5 | 8.13 |

INDICATOR OF IDENTIFIED OCCUPATIONAL DISEASES (ODR)*****

| | Women | Men | In total |
|---------------------------------|-------|-----|----------|
| CCC S.A. | 0 | 0 | 0 |
| CCC.eu Sp. z o.o. | 0 | 0 | 0 |
| CCC Factory Sp. z o.o. | 0 | 0 | 0 |
| eobuwie.pl S.A. | 0 | 0 | 0 |
| eobuwie.pl Logistics Sp. z o.o. | 0 | 0 | 0 |

*** calculated as the number of days of incapacity for work due to accident/ number of accidents)

**** AR, calculated as the total number of hours of absence from work due to sick leave or illness and accidents at work, to the number of employees' scheduled working hours in the reporting period * 200000

*****ODR, calculated as the number of occupational diseases / total hours worked by all employees in a given period *200000



The total number of all incidents amounted to only 34 in 2017, of which 29 took place in CCC S.A., the remaining 4 in CCC Factory and 1 in eobuwie.pl.

There was no fatal accident and the indicator of the seriousness of accidents occurring in 2017 is low in the entire Group, both among women and men.

Of all companies only in eobuwie.pl S.A. a higher percentage of people on sick leave referred to men, and in other companies, sickness absence more often referred to women. What's more important, no occupational disease was observed in any employee.

GRI 403-1

The Health and Safety committees operate in the companies which consider, inter alia, issues in the field of technical work safety. Their tasks also include developing preventive actions and solutions that improve working conditions. Committees in CCC S.A. and CCC.eu Sp. z o.o. comprise 5 people each, at CCC Factory Sp. z o.o. - 3 persons. Their member is also a doctor indicated by the entity with which the company has a contract for the provision of medical services.

GRI 403-3

Due to the specificity of production, in the company CCC Factory, 39 employees are exposed to work in conditions of increased noise and 30 to the risk of vibration (vibrations), in order to minimize the risk of specific diseases related to work, a program of organizational and technical efforts to limit the exposure to noise and mechanical vibrations of employees of CCC Factory sp. z o.o. in Polkowice was made.

Occupational safety and health inspectors, especially a high priority was given to the activities related to raising occupational safety awareness, popularizing issues related to health and safety, familiarizing employees with post-accident recommendations and monitoring and assessment of working conditions.



Fire-fighting activities

In 2017, at the headquarters of CCC S.A. there were night exercises of the State Fire Brigade in Polkowice. The CCC company made available to the fire brigade a place for exercises on the premises of its facilities. Firefighters had the opportunity to familiarize themselves with the topography of the company and the company's hydrant network, improving their skills during the exercise. Thanks to this kind of actions, we increase the fire safety of our facilities.

In order to increase fire safety, we have launched a fire visualization system that facilitates quick identification of a place at risk of fire and conducted a trial evacuation exercise. As part of further security activities, we are also preparing to join the fire monitoring at the District Headquarters of the State Fire Brigade in Polkowice, equipping with new fire detectors and improving the evacuation marking and work safety.

WE TRAIN TO MAKE IT SAFER

GRI 103-1, GRI 103-2, GRI 103-3,
Health and safety



Expectation from a dialogue session:

Discussing how a company provides employee safety: "It is important that employees know what health and safety means and that it is not a slogan."

We make sure that our employees are properly trained in health and safety. Everyone participates in both in-company and e-learning training.

Due to the work performed, the employees of the Logistics Center and the factory in Polkowice are most exposed to accidents at work. Therefore we put a lot of effort into providing safety.

In the Logistics Division, regular meetings of representatives of the Health and Safety Department with employees of the Logistics Center take place, which are held place between shifts. We provide them with the most important information on occupational health and safety, including accidents, potentially accidental events, preventive activities, current work or safe ways to do it. We also discuss situations recorded during everyday rounds. The rounds are also an opportunity for the controlling person to be able to carry out a brief interview with the employees to assess whether, for example, the forklift operator has a basic knowledge of the safe operation of the device. If it turns out that his knowledge is not satisfactory, he is directed to a second training. He can only come back to work if we are sure that his level of knowledge is sufficient.

We respond to the demands of our employees on how to improve safety at the workplace. Thanks to this, we have improved the lighting in the warehouse hall at the manual work stations, and have also redone the electrical installation so that the current switches are closer to the entrance.

Other activities aimed at improving safety and working conditions in our Logistics Center include: equipping standing workstations in ergonomic mats; purchase of footbridges (platforms) to eliminate dangerous, free spaces and to mount them at unloading and loading gates; Placing tables with the most important KPI - Health and Safety Indicators and

improving the fire protection marking in racks areas in the warehouse.

In order to be able to respond as quickly as possible in the event of possible incidents and accidents in the workplace, we decided to create first aid and medical care points in the Factory and Logistics Centre. We selected their equipment based on the analysis of events that took place in the past and what dressing materials were needed at the time. When completing the equipment, we also took into account individual needs of employees, including people with diabetes and disabled.

We conducted specialist trainings in the field of first aid, conducting effective evacuation of people from endangered places and extinguishing fires for team members appointed by the employer. 155 employees were trained, in addition several of the employees of the Logistics Center have the entitlements of a paramedic. Thanks to this, we can be sure that in the event of an accident or injury, there is a high probability that a person who can provide first aid will be in the vicinity.

During the first aid training, defibrillators were used which the company purchased in the number of 3 pieces.

In order to increase safety in stores, the Safety Department launched video conference trainings for sales employees.



DEVELOPMENT AND MOTIVATION OF EMPLOYEES

GRI 103-1, GRI 103-2, GRI 103-3, Education and training

The training of our employees is aimed at increasing their competences, knowledge and skills, and thus the quality of services provided by us. Thanks to the satisfaction of the job and the possibility of development, the commitment of our employees also translates into an increase in the value of our company.

Employees are directed to training not only because of the current needs of the Group. They can also apply for referrals to trainings, courses and studies that suit their needs. We place great emphasis on training for call center employees and sellers who have a direct contact with consumers. The training in soft competences for middle management is also important for us. In addition, all employees have the opportunity to take part in English language courses.

It is important to us that the employees trained by us use the newly acquired knowledge by performing daily duties. It is a good practice to share training materials with colleagues and to share the acquired knowledge.

Part of the training is compulsory for all employees. These are health and safety trainings, and in the case of office workers, also the learning of touch typing.⁵ Compulsory training is also mandatory, its scope depends on the position taken. All new employees, including administration employees, should receive training in the store. The duration of such training varies due to the source of acquiring the candidate (internal and external recruitment), and its direct superior decides about its length.

⁵ concerns eobuwie.pl S.A.



Employees of CCC companies can apply for funding for studies at bachelor, vocational, master, postgraduate and MBA studies, as well as participation in training, courses, conferences, seminars, symposia, training and skills training workshops.

The amount of co-financing for learning is determined individually on the basis of the current employment history and the specificity of the company. We condition it for seniority, direct supervisor's opinion and usefulness of the undertaken learning on the position held or the compatibility of the scope of science with the needs of our company.

LEAN MANUFACTURING IN CCC FACTORY

GRI 404-2

Since 2016, we have taken steps to introduce Lean Manufacturing tools. As a result of the external audit, a decision was made to introduce three main activities:

1. Mapping the value stream
2. Introduction of the employee suggestion program.
3. Introduction of 5S in the field of manufacturing.

In 2016-2017, masters, managers and foremen were trained with Lean Manufacturing as a modern tool for organizing manufacturing, role and use of TPM and 5S in manufacturing as well as horizontal and vertical communication.

In the Capital Group, the annual project Manager's Academy is implemented, aimed at providing better efficiency in the area of Group sales, as well as enable valuable exchange of experience. This project allows improving managerial skills, presents aspects related to building relationships in a team and motivating employees.

Taking care of raising the business awareness of our employees in 2017, we introduced a permanent element of training in the onboarding process, planning store training also for employees of the office structure. Store training mainly involve employees of departments that work closely with stores (once a year employees of Investment and IT departments hold a training day in the shop, learning the needs of stores).

By systematically approaching the entire implementation process of the new employee, we engaged our employees in on-the-job training, which includes employees of regional structures both in Poland and on foreign markets where we have our stores. These employees receive training in cooperating departments and in the region.

In connection with the reorganization of work in the regional structures related to the creation of a new position: HR Business Partner (HRBP), we supported employees in the region with training and workshops in the field of management of changes, providing feedback, communication, complaints as well as labour law.



Taking into account business priorities in the area of graphic optimizations, preparation for changes in the regulation on personal data protection and facing market challenges in the recruitment area, store managers were dedicated a series of training on recruitment, labour law and methods of arranging optimal work schedules.

In 2017, we also used trainings co-financed from the KFS (National Training Fund) funds. As part of the project, funding was obtained for the organization of 407 hours of educational training, in which 118 employees took part. As part of training, employees gained new or expanded their existing skills, including from: scope of MS Office package service, accounting and taxes, operation of machines and devices, operation of the municipal waste management system; principles of operation of the electricity market; Lean Management in office processes; budget management in service and renovation costs; and in the field of textile products.

EMPLOYEE EVALUATION SYSTEM

GRI 404-3

The system of periodic appraisals is dedicated to employees employed in administrative and office positions, as well as store and warehouse positions. The main purpose of periodic appraisal is to broaden employees' awareness of their strengths and weaknesses, thereby strengthening positive areas and reducing competence gaps. Thanks to this, it is possible to increase the effectiveness and quality of actions undertaken by employees aimed at achieving the objectives, as well as to implement a development plan in which specific actions and stages of their implementation are defined. The assessment is based on criteria that are not of a discriminatory nature.

The evaluation covers:

- employee qualifications (possession and utilization of knowledge of technical skills, knowledge of regulations, procedures, rules regarding the position held);
- implementation and fulfillment of the tasks entrusted (a manner, quality, effective use of working time and available resources);

- abilities and skills (e.g. analytical skills, ability to work in difficult situations);
- employee attitude (identification with the company, team work, development potential);

During the evaluation process, the direct superior identifies the needs for the further professional development of employees.

The periodic assessment is carried out for:

- employees in managerial positions - twice a year;
- employees in standard positions - once a year.

At CCC.eu Sp. z o.o. all employees are subject to periodic assessments, both managers and directors, as well as administrative and office employees - in this way we care for the development of our employees.

In 2017 at CCC Factory Sp. z o.o. and eobuwie.pl S.A. and eobuwie.pl Logistics Sp. z o.o. no formal employee evaluation process was carried out.

CCC S.A

| Employment structure | Percentage of employees assessed by gender in 2017 | |
|----------------------|--|-------|
| | Women | Men |
| Executive staff | 0.45% | 0.46% |
| Administration | 2.47% | 0.70% |
| Warehouse | 5.97% | 3.62% |
| Store managers | 12.58% | 0.38% |

CCC.EU SP. Z O.O.

| Employment structure | Percentage of employees assessed by gender in 2017 | |
|-------------------------------------|--|--------|
| | Women | Men |
| managers and directors | 7.85% | 6.44% |
| administrative and office employees | 41.96% | 43.75% |

SHARING KNOWLEDGE

GRI 203-1

CCC enjoys the opinion of a reliable, stable and growing employer. Graduates of schools and universities have the opportunity to start a career in our Group immediately after graduation, and in many cases it is not professional experience, and practical skills and such features as commitment, speed of learning, independence and dynamics are crucial when choosing an employee.

"CCC IS AN IMPORTANT PARTNER IN THE FIELD OF STAFF EDUCATION. AS A UNIVERSITY, WE APPRECIATE THE COMPANY'S COMMITMENT, AND STUDENTS APPRECIATE THE OPPORTUNITY TO PARTICIPATE IN ACTIVITIES CONDUCTED BY PRACTITIONERS."

The number of interns and apprentices in CCC Group companies is growing every year. Students gain valuable experience enabling them to take up an attractive job after completing their education. Whereas, our internships enable promotion as a future employer. The possibility of promoting attitudes and values valued by us among potential future employees can not be overestimated.

We cooperate with the International University of Logistics and Transport in Wrocław and the Witelon University in Legnica as part of dual studies. Students who are financed tuition fees by us for three days a week, they gain theoretical knowledge in classes, what's more - practical experience in our company.

Taking into account further integration of the logistics, transport and forwarding industry in Poland, seeing the need to train specialists in this industry and exchange experience, CCC and the International University of Logistics and Transport in Wrocław decided to jointly organize a profiled practical studies.



As part of our cooperation, we strive primarily to:

- organize internships for students of International University of Logistics and Transport,
- a mutual cooperation, promotion and support of partner undertakings,
- exchange and use of experience and information on current events in the logistics, transport and forwarding sectors.

Additionally, the CCC Company - as part of the cooperation organizes joint actions:

- reference visits at the facility for students from the scientific club MWSLiT,
- a main prize in the competition - paid internship and bags/handbags, advertising materials (loudspeakers, USB sticks, powerbank, etc.) for the winners of the competition.

We also cooperate with the Witelon University in Legnica. Together with Accenture and Oracle, we run a series of lectures for students. In this project, we are among the companies that implement new technological solutions in the field of retail sales support. Our goal is to provide students with specialist knowledge, as well as give them a unique opportunity to apply for future work while studying. The series of lectures assumes two trends: technological, directed mainly to IT students and business and analytical, educating future consultants. CCC together with business partners with whom it implements the RMS project, proposed a completely unique educational program in this part of Europe.

As a result of cooperation with the University of Economics in Wrocław, a postgraduate course of study was created: management of foreign expansion and development in the fashion industry. Classes for two-semester studies are conducted by university lecturers and members of the Management Board and the management staff of our Group in equal proportions. The method of conducting classes and the subject of lectures allow to explore issues relevant to people who are interested in working in the international retail network and to gain a holistic view of the processes taking place in a large capital group. Theoretical classes are combined with practitioners. Graduates of post-graduate studies have the opportunity to take up employment in companies of the CCC Group.

We have been cooperating with the Secondary School in Chocianów for years, to support talented

graduates in their first steps in the labour market. We organized a "vocational touring" trip, the aim of which was to explore the secrets of the functioning of CCC in Polkowice. We surprised the students not only with the large size of the factory, but above all with the extraordinary atmosphere that prevails in it. Students realized that having such features as: flexibility, action, efficiency, commitment and development allows to gain further career levels. An example of this may be the history of the accepted technical college graduate in November 2017. After a demanding recruitment process, he was employed as a clerk for customs matters, primarily due to excellent organizational skills, accuracy and timeliness, analytical thinking skills and the ability to work in a team.

In the scope of internship programs eobuwie.pl S.A. cooperates with: The Secondary School of Electronics and Automotive, Secondary School of Economics and University of Zielona Góra. Internships and apprenticeships take place mainly in the Department of Logistics, Accounting, Settlements Office, IT Department and the Reception Office.

In the second half of 2017, together with the Faculty of Mathematics, Computer Science and Econometrics of the University of Zielona Góra and partners, eobuwie.pl organized MATH AND DATA SCIENCE DAY - a meeting devoted to mathematics and its application. The program prepared for high school students the following lectures, workshops and demonstrations took place such as: "Secrets of cryptography", "Why do we need a data analyst?" or "Standard deviation - a measure that pays to know." In addition, lecturers at WMLiE introduced the students to the educational offer, and the students presented the realities of studying.



Academy of e-commerce

In 2017, eobuwie.pl together with the University of Zielona Góra initiated a two-semester program of study of e-commerce Academy, which will be launched in 2018. The free program is addressed to the undergraduate and graduate students. Classes under the program will be conducted by employees of the CCC Group, and classes will take place at both the University and at the eobuwie.pl headquarters in Zielona Góra. The most active students will be rewarded with the offer of paid internships in companies of the CCC Group.

5.



NOT ONLY HERE AND NOW -
CARE FOR THE ENVIRONMENT



Care to maintain a balance between economic growth and environmental protection is an important aspect of the CCC Group's operations. We are gradually implementing projects that have a positive impact on the environment so as to be the best neighbour and partner who cares about the quality of life of local communities.

DO YOU KNOW THAT...



Nearly

PLN 465,000

amounted to the total savings in energy purchases in warehouses and factory in Polkowice in 2016 compared to 2015, thanks to the use of, among others, LED shields and the construction of the energy ring

The photovoltaic farm of the CCC Logistic Center in Polkowice consists of

459

photovoltaic panels and 13 inverters mounted on an independent steel structure

We have reduced energy consumption by

55 %

compared to alternative lighting, thanks to the installation of modernized lighting systems in our warehouses and factory in 2015



Expectation from the dialogue session:
Description of the company's activities in the field of environmental protection.

The CCC Group has an impact on the natural environment due to three dimensions of its activity: its own factory in Polkowice, Logistics Centers in Polkowice and Zielona Góra as well as offices and stores. We strive to efficiently manage resources and minimize the use of energy, water, but also cardboard packaging. As a responsible and innovative company, in the Logistics Center in Polkowice, a part of the electricity is obtained from a solar farm. We also focused on the modernization of lighting systems in warehouses and in the factory. We use installations, devices and technical equipment of buildings that do not emit noise, vibrations or other disadvantages that are unfavourable to employees and local residents.

Large-scale manufacturing of footwear has a significant impact on the natural environment. This applies to both raw materials used, including production materials and chemical substances, as well as used water and energy as well as generated waste and CO₂ emissions. Environmental pollution also occurs

when transporting products to stores. Due to the fact that we use outsourcing in this area⁶, we try to ensure that our deliveries to stores are organized in a well-thought-out manner, both in terms of cost and the environment. In offices and shops, we try to minimize energy and waste.

At every stage of our activity we strive for the most effective management of cardboard packaging. In all dimensions of the impact of the CCC Group on the natural environment, we comply with standards and norms and we take decisive steps to limit our impact on the environment.

GRI 307-1

In 2017, no penalties related to the protection of the natural environment were imposed on the companies of the CCC Group.

⁶ CCC S.A. only has three delivery vans - the others are outsourcing.

INVESTMENTS IN THE AREA OF MINIMIZING THE IMPACT ON THE NATURAL ENVIRONMENT

GRI 103-1, GRI 103-2, GRI 103-3
Use of resources, Accounting Act: Natural environment

Recently, we have made a number of investments in our warehouses and factory, thanks to which we have become not only more competitive, but also more friendly to the environment. In this way, we have created the basis for further, more sustainable development, proving that we want to responsibly create values for our stakeholders.

One of our priorities for sustainable development is the improvement of energy efficiency and the greater use of energy from renewable sources. Innovative and pro-ecological solutions that we have applied so far bring tangible results to our company, employees and the environment.

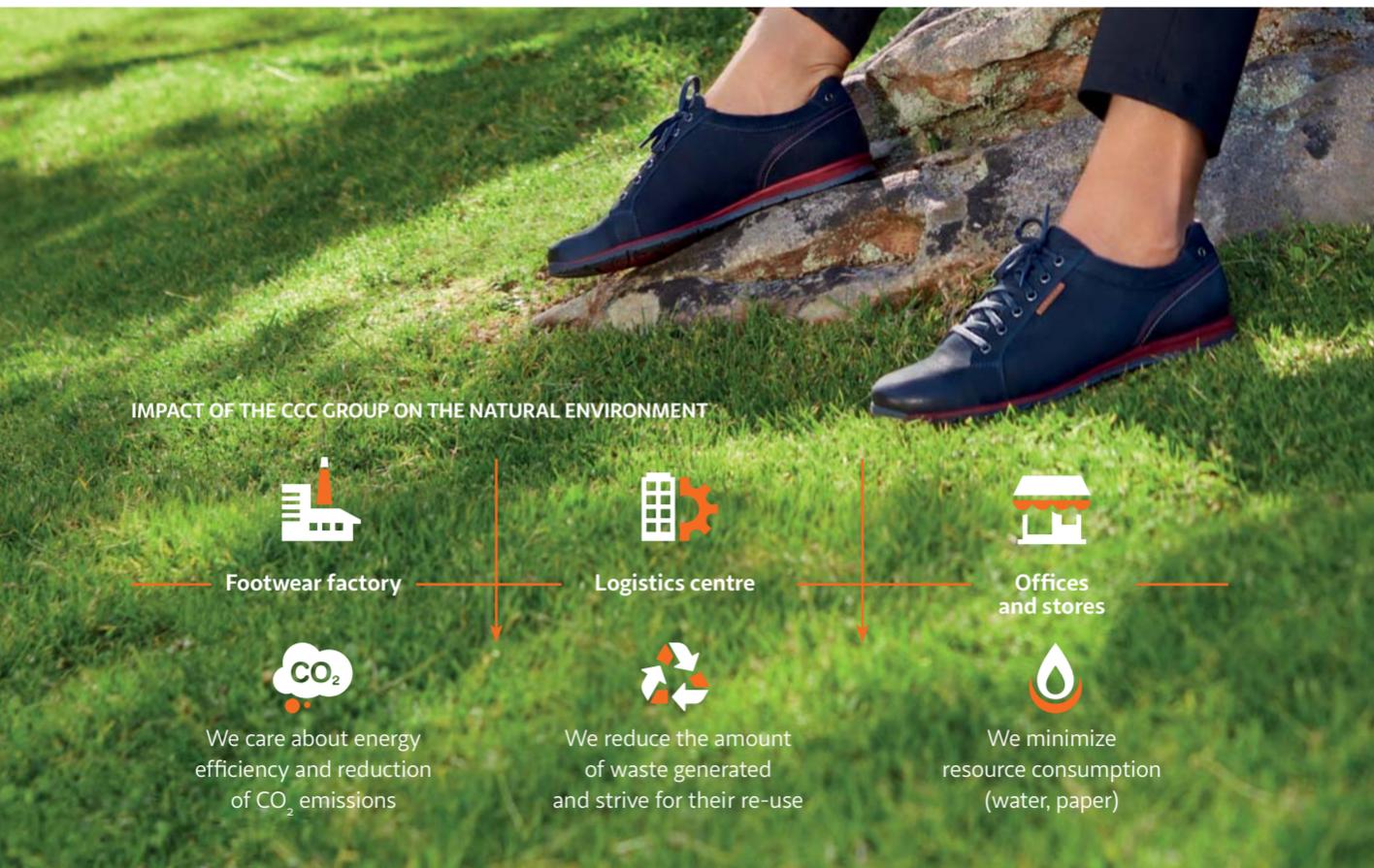
IMPLEMENTATION OF LEAN CULTURE IN A FACTORY

In order to improve work organization, reduce costs and change the management philosophy at our factory in Polkowice, we are implementing the **Lean Manufacturing** concept. Therefore, we conducted a series of trainings for the management and machine operators.

Lean Manufacturing it is a management concept that allows streamlining processes, implementing standards, reducing inventory, combating waste, improving work safety, as well as raising employee awareness and morale and their commitment to continuous improvement.

As part of its environmental protection efforts, the factory in Polkowice has also been equipped with:

- an athermic film, thanks to which we have reduced the effect of sunlight and thus reduced the temperature in the production hall by 4-6 degrees (southern part);
- aluminum Hds cover on the roof skylight to limit heat transfer to the interior of the building;
- a new electrical installation in the sewing room;
- supply-exhaust and Ex-explosion-proof system, as well as general air-conditioning.



LED LUMINAIRES IN WAREHOUSES AND PRODUCTION HALLS IN POLKOWICE

GRI 302-4

The largest energy savings in 2016 - at the level of 548 MWh, were supported by the use of LED luminaires in warehouses and factories (savings of 60% in electricity consumption) and the use of motion detector controls (saving 30% in electricity consumption).

The LED Dali luminaire system used by us, combined with light sensors and movement of employees, works independently and does not require any crew intervention. In practice, this means that once the lighting in the warehouse is turned on, it is turned off after leaving the facility.

During the day, the sensor-controlled lighting switches off or adjusts to daylight to ensure trouble-free operation. In addition, windows and skylights located in the roof of the warehouse allow the use of daylight.

Thanks to modern lighting sources, the quality of lighting at workstations, in particular those requiring precision, i.e. on production lines, in the sewing room or the packaging of individual orders on shelves, has also significantly improved.

We also installed LED emergency lighting in the Polkowice factory.

„ENERGY PROJECTS HAVE BEEN SUCCESSFULLY IMPLEMENTED AND BROUGHT SAVINGS IN THIS AREA, WE HOPE THAT THEY WILL BE PROCEEDED.“

PLN 1.2 MILLION

refers to the purchase of LED luminaires with the DALI system for warehouse no. 3 and the administrative and social part.

754 MWH

About that is up to 3 thousand MWh decreased our total energy consumption in Polkowice in 2016 thanks to investments in warehouses, production halls and office buildings.

We exchanged

1,600

LED luminaires in our warehouses and factory in Polkowice.

PLN 911

thousand was the value of investment in the energy ring in Polkowice.

PLN 296,000

this is the amount we managed to save in the first year of operation of the Polkowice energy ring.

CONSTRUCTION OF THE ENERGY RING IN POLKOWICE

GRI 302-4

The main objective of the construction of the energy ring in Polkowice, combined with the construction of a new warehouse and office building, was to reduce the average net electricity price and the service associated with its distribution. Full changeover of all objects to the ring took place in January 2016. Since then, CCC has received only 2 invoices for the purchase of electricity and the provision of distribution services, and the measurement of purchased electricity takes place on the medium voltage side (cheaper tariff B).

Using the work of all objects in the energy ring, we are also strategically secured. In the event of failure of one of the energy supply sources supplied to the Special Economic Zone, the system will automatically switch to an alternative connection. This ensures both continuity of manufacturing and distribution in the key activity for us.

In addition, we use the synergy effect of all sources of electricity consumption, minimizing the volume of its orders.



PHOTOVOLTAIC MODULES IN THE LOGISTICS CENTER IN POLKOWICE

To increase our energy efficiency, our Logistics Center in Polkowice, the largest facility of this type in Central Europe, has been equipped with an efficient and modern photovoltaic system. It consists of 459 photovoltaic panels and 13 inverters mounted on an independent steel structure along the south axis of the main facade. Thanks to this, we use a renewable energy source, which is sunlight, turning them into energy necessary for our efficient operation.

Our system has been configured to work as efficiently as possible. Energy produced from photovoltaic panels in its entirety is used for own needs, and its production takes place only when it is collected.

In addition, in 2015, we modernized the Polkowice facilities in the scope of electricity supply and launched automatic self-operating switching of the reserve (SZR). In addition to the benefit of securing our company with an additional connection from the power grid and a more beneficial purchase of energy, it allows full use of the photovoltaic cell system. In the past, the system operated only on business days because it was conditioned by the work of the shoe storage and distribution system. Currently it operates also at the weekends. We have also launched

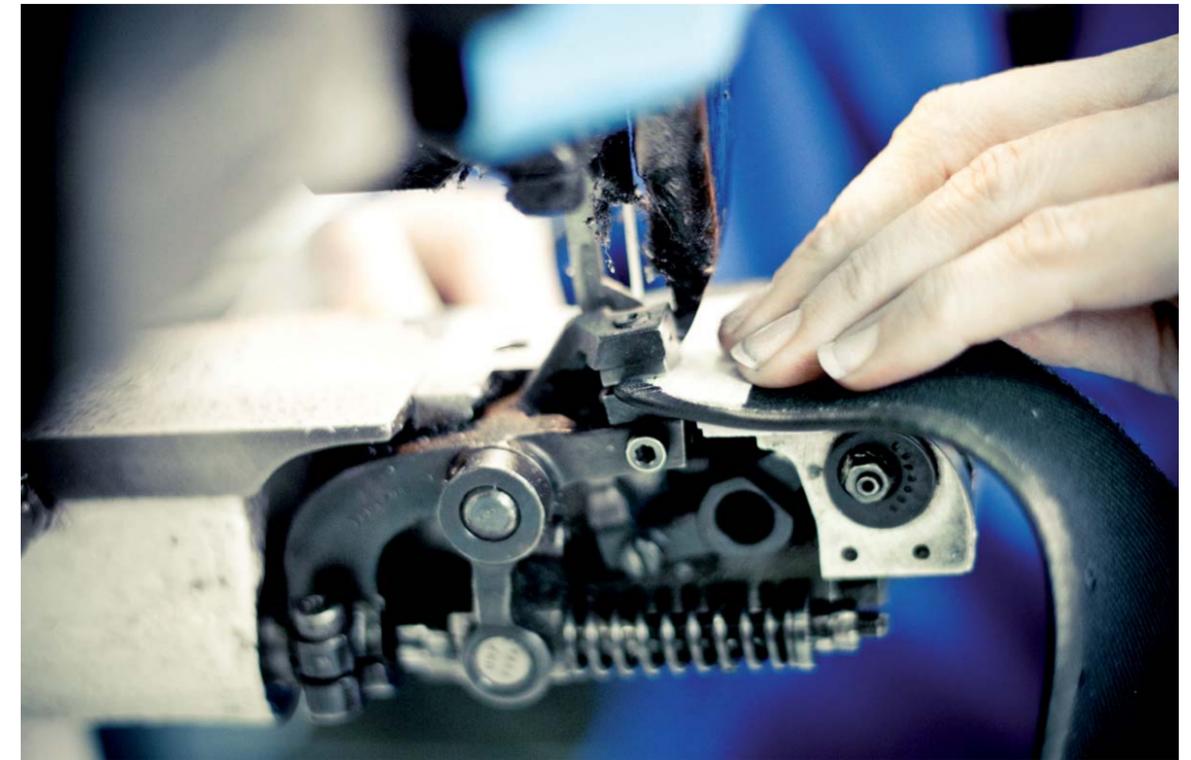
a precise system of current view of power consumption, electricity consumption and data recording. The application allows us to supervise the work of facility devices, lighting, and informs us about the switching on and off.

ENERGY PRODUCTION FROM PHOTOVOLTAIC PANELS IN THE CCC GROUP IN 2017

GRI 302-1



| MONTH | QUANTITY MWh |
|---------------|---------------|
| January | 3.408 |
| February | 3.973 |
| March | 7.764 |
| April | 5.900 |
| May | 10.807 |
| June | 11.217 |
| July | 9.954 |
| August | 11.494 |
| September | 7.746 |
| October | 6.575 |
| November | 2.170 |
| December | 1.253 |
| Total: | 82.261 |



ENERGY CONSUMPTION

GRI 302-1

ENERGY CONSUMPTION IN SIGNIFICANT COMPANIES OF THE GROUP (HAVING THE LARGEST IMPACT ON ENERGY CONSUMPTION)*



| | CCC S.A. | CCC Factory Sp. z o.o. | eobuwie.pl SA eobuwie.pl Logistics Sp. z o.o. |
|---|------------------|------------------------|---|
| Total energy consumption from non-renewable raw materials (own or purchased), broken down by type of raw material | Quantity (MWh) | | |
| natural gas | 889.738 | 1 538.211 | 1 197.484 |
| Total energy consumption from renewable raw materials (own or purchased), broken down by type of raw material | Quantity (MWh) | | |
| Solar energy | 82.261 | - | - |
| The total energy consumption of own or purchased production broken down into: electric, thermal | Quantity (MWh) | | |
| Electricity | 4 671.848 | 1 701.545 | 784.544 |
| Total energy consumption | 5 643.847 | 3 239.756 | 1 982.028 |

* Dane nie zawierają informacji o zużyciu energii w zagranicznych spółkach zależnych oraz placówkach sprzedażowych, ze względu na ujęcie mediów w cenie wynajmu m² powierzchni.



NEW MACHINERY PARK AND ECO FLEET

GRI 305-5, Reduction of greenhouse gas emissions

Modernizing our machine park, we were also guided by the idea of an ecological action. We put into effect transport trolleys and lift trucks equipped with lithium-ion batteries. We are one of the first companies in Poland that decided on this environmentally friendly technology, contributing to the reduction of CO₂ emissions (no need to build a battery room). In addition, trolleys are economically efficient, charging them to 60% takes only 15 minutes, and you only need a plug to the 230V socket.

The next step to minimize our negative impact on the environment is to modernize our current car fleet. In 2017, we started with the purchase of the first 20 cars with hybrid drive, which is about 10% of the fleet. In the following years, we want to consistently further develop our fleet of hybrid cars with a view to reducing operating costs as well as reducing greenhouse gases. In subsequent years, we are also planning to purchase electric cars for moving around the company premises in Polkowice and its immediate vicinity.

GRI 305-1

GREENHOUSE GAS EMISSIONS

| | CCC S.A. | CCC.eu Sp. z o.o. | CCC Factory Sp. z o.o. | eobuwie.pl S.A |
|---|---|---|--|---|
| | Greenhouse gas emissions [tCO ₂ e] | Greenhouse gas emissions [tCO ₂ e] | Greenhouse gas emissions [Mg CO ₂] | Greenhouse gas emissions [tCO ₂ e] |
| 2017 | | | | |
| Emissions related to the combustion of natural gas | 200.69 | - | 364.61 | 263.18 |
| Emissions related to the transport of materials, products and waste | 461 | 589 | - | 98.65 |
| Total direct emissions | 550 | 589 | 364.61 | 361.83 |

USED RAW MATERIALS AND WASTE MANAGEMENT IN THE CCC GROUP

WATER CONSUMPTION

GRI 303-1

We are fully aware that water is a valuable resource whose resources are limited. That is why we care for its effective use during manufacturing and we strive to manage it in an increasingly economical way, reducing its consumption.

TOTAL WATER INTAKE IN CCC S.A. AND THE CCC GROUP BY SOURCE*

| | CCC S.A. | CCC Factory Sp. z o.o. | eobuwie.pl S.A. eobuwie.pl Logistics Sp. z o.o. | Total |
|---|--------------------------------|------------------------|---|--------|
| The total volume of water collected by the Company by source (in m ³) | Total volume [m ³] | | | |
| water supply from the municipal network | 7 418 | 8 857 | 6 286 | 22 561 |



* The data does not contain information about water consumption in foreign companies and sales units, due to including media in the price of renting of the space m², and due to the fact that water collected by foreign companies is negligible, data is not reported.

OTHER RAW MATERIALS AND MATERIALS USED IN CCC S.A. AND THE CCC GROUP

GRI 301-1

RAW MATERIALS AND MATERIALS USED IN CCC S.A.

| Used raw materials / materials by weight | Total consumption (weight / volume) |
|--|-------------------------------------|
| 2017 | |
| natural gas (m³) | 100 345 |
| diesel oil (l) | 77 519 |
| gasoline (l) | 111 394 |
| paper (t) | 116 |

RAW MATERIALS AND MATERIALS USED IN CCC FACTORY SP. Z O.O.

| Used raw materials / materials by weight* | Total consumption (weight / volume) |
|---|-------------------------------------|
| 2017 | |
| Leather (m²) | 863 984 |
| Paper, including cardboard (kg) | 157 176 |
| plastics (kg) | 37 000 |

RAW MATERIALS AND MATERIALS USED IN CCC.EU SP. Z O.O.

| Used raw materials / materials by weight | Total consumption (weight / volume) |
|--|-------------------------------------|
| 2017 | |
| diesel oil (l) | 136 932 |
| gasoline (l) | 98 342 |

RAW MATERIALS AND MATERIALS USED IN EOBUIE.PL S.A. AND EOBUIE.PL LOGISTICS SP. Z O.O.

| Used raw materials / materials by weight | Total consumption (weight / volume) |
|--|-------------------------------------|
| 2017 | |
| diesel oil(l) | 37 302 |
| lubricant for machinery (l) | 10 |
| paper (t) | 39 |
| Wood (t) | 470 |



* Amount of used leather given in square meters (approximately 1m² = 0.7kg), other values in kg.

WASTE MANAGEMENT

GRI 306-2

We are working on generating as little waste as possible in manufacturing and logistics processes. Therefore, we use modern technologies and efficient manufacturing processes. We are also working to increase the level of recycling. At the same time, some of the raw materials / materials are reused by us. An example is eobuie.pl S.A., in which the pallets on which the goods were delivered are used in subsequent logistic processes.

We conduct separate waste collection in all companies of the CCC Group. Containers with waste type designations are placed in designated places. We also cooperate with a company specializing in the recycling of confidential documents and recycling for paper and cardboard, which collects waste paper at designated times.

In the manufacturing process, the cutting of materials for the production of footwear is made in a way that takes into account the generation of the least amount of waste, and all material waste (cutting waste, left-overs) are used for finishing shoes elements. We also reduced the amount of paper and cardboard used by repacking only this post-season footwear, whose unit packages were destroyed.

WASTE BY TYPE OF WASTE AND METHODS OF WASTE TREATMENT

| | CCC S.A. | | CCC Factory Sp. z o.o. | | eobuie.pl, eobuie.pl Logistics Sp. z o.o. | |
|--|---------------------|-----------------|------------------------|-----------------|---|-----------------|
| | non-hazardous waste | hazardous waste | non-hazardous waste | hazardous waste | non-hazardous waste | hazardous waste |
| Total weight of hazardous and non-hazardous waste according to the method of treatment | | | | | | |
| Recycling [Mg] | 2509 | - | 53 | - | 604 | - |
| Storage at landfill sites [m³] | 364* | - | 364** | - | 496 | - |
| Others - Utilization [Mg] | | - | 346 | 130 | | - |
| Re-use [Mg] | | - | | - | 350 | - |
| Storage at the facility [Mg] | | - | | - | 0,88 | - |
| TOTAL | 2873 | - | 763 | 130 | 1 451 | - |

* The maximum number of wastes specified based on the number and capacity of containers collected by the municipal company in 2017 at CCC S.A.

** The maximum number of wastes specified on the basis of the number and capacity of containers collected by a municipal company in 2017 at CCC Factory Sp. z o.o.

Expectation from a dialogue session:
 Discuss packaging issues and their impact on the environment. Indication of alternatives to classic shoe packaging: "Can the company propose an alternative to carton packaging?" "Can I use reusable packaging?"

A collective packaging it is the material that is recovered in CCC S.A. in the logistic process. The packagings are re-used during the storage and distribution of footwear.

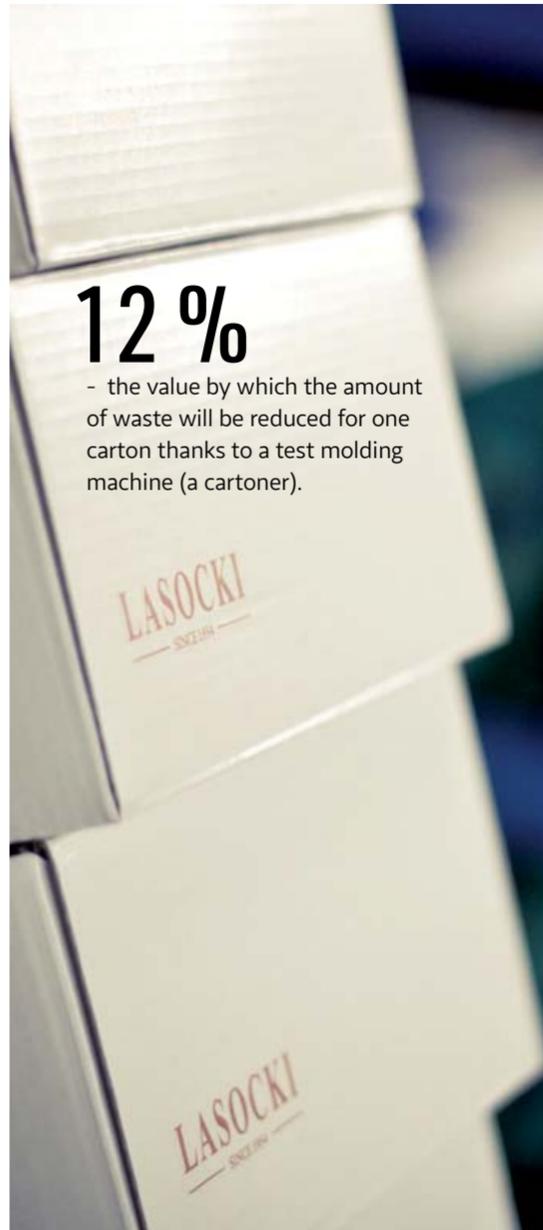
We despatch footwear to stores in full collective boxes, as well as in the form of replenishment, with individual models in unit packaging for one of over 900 locations. These goods are packed in a new collective carton box, while other carton boxes can be re-used in the packaging process or intended for waste paper. Collective carton boxes are baled for reuse. The Research and Development Center in Polkowice will develop the innovative packaging concept for products. The first projects will start as early as in 2018.

CRD objectives in the area of distribution reducing our negative impact on the natural environment:

- development of footwear distribution technology;
- implementation of a new concept of packaging goods
- minimization of waste generation.
- minimization of packaging costs.

The subject of CRD analysis will be:

- a prototype of a device gluing the packaging for shoes, developing an optimal scheme of action to limit the consumption of cardboard;
- durability tests of packaging according to ECT, BCT standards or aging of packaging materials;
- work on the new coding of goods - RFID (radio-frequency identification), which uses radio waves to identify people and objects remotely



GRI 301-3

RECOVERED MATERIALS FROM THE SALE OF PRODUCTS

| | CCC S.A. 2017 |
|--|------------------|
| The number of products and packaging materials recovered during the reporting period | 57 000 |
| The number of products sold in the reporting period | 60 485 643 |
| Percentage of recovered materials from sold products and their packaging | 0.09% |

ENVIRONMENTAL EDUCATION OF EMPLOYEES

In addition to economic and trade aspects, the ecological meaning is also extremely important to us. Environmental protection in a company is both a legal and economic issue. We comply with applicable national and European regulations. By following the standards, the company acts legally without incurring the risk of paying fines or suspending operations as a result of violations. More efficient resource management leads to a reduction in the costs of our operations. It often also contributes to improving the profitability of operations. Environmental protection has been an important market element for many years as it is a very important factor affecting the competitiveness of brands on foreign markets. Building the image of a modern and pro-ecological company thus becomes a challenge and at the same time our goal.

Environment-friendly activities were already taken into account at the design stage of our facilities. Large glazed offices and skylights in the roof provide maximum daylight and contact with greenery. An eco-friendly office is not only the building that meets the latest standards, but also the appropriate behaviour of employees, who we educate in the field of ecological aspects of activities. The employees have developed a habit of segregating waste by placing containers for segregation in social rooms. In addition, waste paper is collected separately, which is collected by a specialized company for re-use. In addition, it is equally important to manage paper wisely through two-sided printing and only those documents that require a paper form. Employees, according to the guidelines, read the information from e-mail correspondence. We also strive to not only issue electronic invoices ourselves, but also that our contractors send us invoices in this form (e-invoice). Since 2017, the electronic flow of documents has been gradually implemented, which will significantly reduce the costs associated with the circulation of documents, in accordance with the principle that the sheets of paper do not matter but the information that is contained on them.

With regard to office supplies, the employees have access to selected products indicated in the system, whereas special orders for items that do not exist in it require the approval of the direct superior. This principle limits too large expenditures on office supplies.

Also, high energy and water consumption generates a threat to the natural environment and contributes to high financial costs. Therefore, the equipment used by us has the energy class A or A+. Such devices already have a built-in function for switching on the energy-saving mode, which consequently means that unused ones go into a "sleep" state. Energy-saving bulbs have been used in offices.

Ecological aspects also play an important role in the CCC office in Warsaw. During the construction works, segregation of waste and utilization of dismantling elements were carried out. The bathrooms have, for example, faucet aerator that reduce water consumption, as well as sensors that automatically dim the light.

Our activities and implemented projects in the field of environmental policy are an expression of social responsibility and the readiness of the enterprise to create a conscious society.



6.



SPORT
IS OUR PASSION



„WE APPRECIATE THE COMPANY'S COMMITMENT TO SUPPORTING SPORTS ACTIVITIES. IT IS VERY VALUABLE FROM THE POINT OF VIEW OF ATHLETES, BUT ALSO FROM THE POINT OF VIEW OF THE RESIDENTS OF THE LOCAL COMMUNITY, THROUGH THE EDUCATIONAL ROLE ENCOURAGING YOUNG PEOPLE TO PHYSICAL ACTIVITIES.“

GRI 103-1, GRI 103-2, GRI 103-3, Social influence, GRI 203-2, Accounting Act Social Issues

By achieving market success, we have the opportunity to support others. We pursue our need to share profits we generate by supporting professional athletes and amateurs, promoting healthy and active leisure time well as engaging in social projects. We sponsor the men's cycling team CCC Sprandi Polkowice and women's basketball team CCC Polkowice.

The athletes who promote orange CCC colours belong to one of the best, not only in Poland but also in Europe. We have a lot of respect for them because, like us, they always go for more and do it with respect for fair play rules.

The athletes we support are people with great charisma and empathy who, through their attitude combined with our sponsoring activities, achieve sport success while creating a positive image of CCC.

Commitment to sport is one of the elements of building the company's value for our stakeholders. Our sports groups not only promote an active lifestyle, but also act for the benefit of local communities. In 2017, they participated in all-Poland charity campaigns, such as Szlachetna Paczka, WOŚP, as well as they organized actions on their own in the Polkowice poviát in the following forms, among others:

- contests, sport competitions for young people,
- athlete's meetings as part of the "Lesson with the Master" project in local schools,
- meetings with children from the Children's home in Polkowice.

DO YOU KNOW THAT ...

2 women basketball players from the CCC Polkowice team play in the Polish national team. The female players of the Polkowice team also play in the colors of Israel, Greece, Great Britain, Latvia and Croatia

12 medals were won by CCC Sprandi Polkowice cyclists in 2017. They stood on the podium 66 times, winning the competition 34 times

The CCC Sprandi Polkowice contestants took part

185 in cycling racing days in 2017



The team of CCC Polkowice in 2017 won **23** of 34 meetings in the Basket Women's League - the highest class games in Poland



ALL Polish companies from the CCC Group, two subsidiaries - in the Czech Republic and Slovakia, as well as our sports teams carried out voluntary activities in 2017



WE PROMOTE SPORT AND ACTIVE LEISURE

GRI 203-1

Cycling

Cycling is particularly close to us, in the development and promotion of which we have been involved since 2000. In 2017, we sponsored a professional cycling team, a national team as well as local cycling schools for children and youth.

We are proud of the professional cycling group CCC Sprandi Polkowice, which has been operating since 2000. It is the most titled Polish cycling group, which is classified in the UCI division and is invited to the most important international cycling races. The team currently has 22 riders. The riders of the team sponsored by us are among the best in their class and successfully compete in the biggest cycling events. Among their many achievements in 2017 is the participation in the Polish Championships of the Twos and Teams, from which they brought a total of eight sets of medals. In turn, in the Team World Cup, CCC Sprandi Polkowice riders took the 8th place.

 Current information about our cycling team can be followed on the website: <https://ccsport.eu/>



WE PROMOTE SPORT AMONG CHILDREN AND YOUTH

CCC supports the Town Sport Club Polkowice / MKS Polkowice/, which is the largest club in Poland specializing in the training of children and youth in road and mountain cycling. In 2015, in the club classification, MKS Polkowice took first place in the MTB Polish Mountain Biking Championships. In the season of 2017, the MKS Polkowice athletes stood 73 times on the podium during the national competition, including 31 times in the first place.

MKS Polkowice sport classes are run by qualified coaching staff, six days a week, in six age groups. In 2017, 72 participants took part in the age from 8 to 19 years old (55 boys and 17 girls).

"THANKS TO THE FINANCIAL SUPPORT OF THE STRATEGIC SPONSOR - THE CCC COMPANY, THE CLUB'S ATHLETES HAVE THE OPPORTUNITY TO DO SPORT AND DEVELOP SPORT IN THE DISCIPLINE OF CYCLING AND COMPETE WITH THE BEST PLAYERS IN THE COUNTRY. CHILDREN AND YOUTH FROM OUR REGION TAKING PART IN ORGANIZED SPORT TRAINING AND COMPETITION IMPROVE THEIR PHYSICAL CONDITION AS WELL AS THEIR MENTAL CONDITION AND PERFORMANCE - CONFIRMED BY THE RESULTS OF EXERCISE TESTS AND THE RESULTS IN SPORT COMPETITION."

Janusz Pytlak,
the coach of youth groups of MKS Polkowice

WE ENCOURAGE EMPLOYEES TO BE PHYSICALLY ACTIVE

Cycling is the passion of many CCC employees. Some of them, including the President of the Management Board Dariusz Miłek, were former professional riders who were successful in this field of sport. Thanks to the Dariusz Miłek's initiative, for some years now about 50 people, including former athletes, amateurs and enthusiasts of cycling sports train road cycling. In the group that covers almost 7,000 km on bicycles annually, several CCC employees also participate in this. Common trainings provide a lot of satisfaction, strengthen teamwork and give energy to act.

"THE WHOLE TEAM IS POWERED BY THE PRESIDENT, I COMMUNICATE THE MEETING AND I ALWAYS TAKE PART IN IT. I RIDE ABOVE ALL FOR MY HEALTH AND WELL-BEING..."

Wiesław Makuchowski,
Head of the Replenishment Department

In addition to road cycling, our employees train mountain biking. Common trips to mountain bike paths were initiated by our IT employees. During them, IT specialists get themselves ready to take part in cycling marathons.

The bicycle accompanies many employees every day, constituting a means of transport to work. Therefore, we have provided bicycle parking facilities on the premises of the company in Polkowice.

In addition to cycling disciplines, our employees also engage in other sports activities such as water sports, climbing, triathlon and many more.



Basketball

CCC involvement and a joint basketball adventure began in 2000. In the same season, the women basketball players were promoted to the top league. In 2016, after a two-year break, we returned to financing the women's basketball team CCC Polkowice. Since 2014, the Club has represented Polish basketball in the international arena, fighting with the best teams of women basketball in Europe. In Women Euroleague, that is in the most prestigious competitions in Europe, CCC women players played 16 games last year. CCC Polkowice is also a team of bronze medalists of the Polish championship season 2016/2017. In 2017, the team won 23 of 34 meetings in the Basket Women's League - the highest class in Poland. There are five national representatives in the CCC Polkowice team. Weronika Gajda and Angelika Stankiewicz play in the Polish national team, while Alysha Clark (Israel), Artemis Spanou (Greece), Temi Fagbenle (Great Britain), Elina Babkina (Latvia) and Antonija Sandrić (Croatia) they are basketball players who have a permanent place in the first top five of their teams. In addition, Temi Fagbenle is a player of Minnesota Lynx, with whom they reached the WNBA championship - the best professional league in the world.

Triathlon

One of the best athletes in this field - Krzysztof Augustyniak⁷ - starts in orange colours. He is a three-time representative of Poland at the Triathlon European Championships and in 2016 he won the title of a Polish Champion in Triathlon on the iron-man distance.

The Group's sponsorship policy is in line with our strategic and marketing objectives. We are committed to these ventures that help us achieve our goals on the local, national and international level. When selecting sponsoring activities, we pay attention to, among others, whether the nature of the venture is consistent with the area of our interest, as well as the experience and good reputation of the organizer.

⁷ <http://krzysztofaugustyniak.pl/>

WE SUPPORT THE NEEDY

Expectations from the dialogue session:
Presentation of the company's activities in the field of social involvement and discussion of the forms of implemented employee volunteering:

"PRESENTATION OF CCC GOOD PRACTICES AND PARTNERSHIPS IN THE FIELD OF SOCIAL ACTIVITIES."

"DOES THE WORKPLACE ALLOW TAKING VOLUNTARY INITIATIVES THROUGH EMPLOYEES."

We believe in the power of human kindness and coming with disinterested help. We try to follow the current situation in our environment to support the most needy and contribute to the development of local communities.

In 2017, financial donations of CCC Group companies to local social partners included, among others, Municipal Guard, Care and Education Facilities and Cultural Center. As a company from the footwear industry, we also regularly provide material donations in the form of footwear. CCC also allows organizations that help buy shoes at a lower price for those in need.



Fundraiser CYBER-EYE for Kamil

In 2017, the company eobuwie.pl S.A. became involved in the launch of the Butterfly Academy of the Hospice Foundation "Let's Give Hope" in Słubice. It is an initiative that: supports children who have lost their legal guardians, teaches them how to manage their lives and develops their talents and abilities. The name of the Academy was proposed by children who compared orphaned colleagues to the caterpillar, which in order to become a beautiful butterfly must go through the closing stage in the cocoon.

The Charity Ball money collection was used to launch the Butterfly Academy, which was held in November 2017. Eobuwie.pl S.A. bought four tickets and donated six shopping vouchers for a charity auction worth PLN 500 each to be used for shopping through the eobuwie.pl platform.

The company eobuwie.pl S.A. became a partner of the 13th edition of the "It's worth helping" campaign, organized by the Association of It's Worth Helping from Zielona Góra. Its chargers are both children and adults, who found themselves in a difficult health situation. Financial resources are collected, inter alia, to cover the costs of their treatment and rehabilitation.

In December 2017, a charity concert was held, during which famous actors, athletes and musicians sang Christmas carols together. During the event, the "Angels of the Year" statuettes were also awarded. The income from the sale was fully dedicated for the help of the beneficiaries of the "It's Worth Helping" foundation.



"Noble Package, Szlachetna Paczka"

EMPLOYEE VOLUNTEERING

The employees of CCC Group companies realise the need to help others through their personal and financial involvement in organized voluntary activities. We want to support them in these activities, therefore one of the goals of the CCC for 2018, included in our CSR Strategy for 2017-2019, is to support employee initiatives as part of volunteering and community involvement.

Our employees actively participate in voluntary initiatives, and very often they their initiators.

GOOD PRACTICE Help for Kamil

In September 2017, we organized a fundraiser for purchasing the rehabilitation equipment, called CYBER - EYE, for Kamil who is a brother of one of our colleagues. The fundraiser was carried out internally - among employees and externally - at the Cuprum Arena Shopping Mall in Lubin, during which volunteers distributed to donors about 600 hand-made muffins and cupcakes.

GOOD PRACTICE Cheerful Christmas

For many years, the employees of CCC S.A., CCC Factory Sp. z o.o. and eobuwie.pl S.A. they have been involved in the nationwide project called - Noble Package, Szlachetna Paczka. In 2017, we helped seven families, giving them a total of 161 packages containing basic food and hygiene items, footwear, beds and household appliances. There were also presents in the form of: tablets, bicycles and sports accessories.

GOOD PRACTICE The Gift of the Good Heart

The Gift of the Good Heart is an action organized by our employees in the pre-Christmas period. In 2017, thanks to the collected money, we managed to buy, among others, household appliances and match attire of the Polish national football team for the children of the Children's House in Mroczków Gościnnny.

WE HELP NOT ONLY IN POLAND

CCC Slovakia s.r.o. cooperates with the Single Mother's House in Bratislava. Twice a year - for Mother's Day and St. Nicholas Day (Mikolajki) - the company provides its chargers with footwear. In addition, the Company provides discounts on CCC products to Honorary Blood Donors and participants of charity runs. They also constitute prizes in charitable lottery raffles.

CCC Czech s.r.o. systematically supports the Kangaroo Children's House (FOD Klokánek) in Prague, which is run by the Endangered Children Fund. This help is given to children taken away from their parents who threaten their mental or physical health. In 2017, thanks to the financial and personal involvement of the employees of our subsidiary, we managed to purchase basic hygienic and food items as well as Christmas gifts. In addition, thanks to the collected 15,85 thousand Czech crowns, the children were financed two days on the toboggan run, a ski simulator and in a park jump. In September, 20 people took part in a charity run. For running a one lap of 1.5 km, 100 Czech crowns was sent to Kangaroo's account. In total, CCC Czech s.r.o. thus collected 16.9 thousand Czech crowns.

"I AM EXTREMELY GRATEFUL TO ALL WHO HAVE CONTRIBUTED TO THE FACT THAT SUCH A MIRACLE HAPPENED IN MY DIFFICULT LIFE. I CANNOT CHOOSE WORDS TO DESCRIBE MY GRATITUDE. WITH ALL MY HEART I WOULD LIKE TO THANK EVERYONE AGAIN FOR THE GOODNESS THAT I AND MY BOYS RECEIVED."

A person gifted by our volunteers

7.



ABOUT THE REPORT



GRI 101, GRI 102-53, GRI 102-50, GRI 102-54, GRI 102-56, GRI 102-52, GRI 102-45

The CSC report of the CCC Group for 2017 is the first publication on non-financial data of our Group. We are proud that we could present our stakeholders a summary of sustainable development and responsible business activities that we have been pursuing for years, as well as strategic plans for the future. We remain open to your questions or opinions. Please send them to Anna Natanek (Head of the Office of Organizations and Investor Relations) and Magdalena Kaźmierczak (CSR Coordinator) to the following e-mail address: csr.eu@ccc.eu

The report covers the data for the period from 1 January to 31 December 2017, as the Opening Report it also refers to good practices implemented in previous years in the CCC Group. In accordance with good international practice and the Polish mar-

ket, the publication was prepared in accordance with the latest Standard Global Reporting Initiative (GRI) in the Core option. We also meet the requirements of the EU Directive 2014/95 and the resulting amendments to the Accounting Act regarding the disclosure of non-financial data. The non-financial report covers the CCC Capital Group. In accordance with the regulatory requirement, key data is presented separately in consolidated format and for CCC. The report was not subject to external verification, but during its preparation we used expert consultations of the Team Sustainability Consulting Central Europe Deloitte. In subsequent years, in response to the requirements of the Accounting Act (UoR), we will report it on an annual basis

We maintain the consistency of economic entities included in the consolidated financial statements and in the non-financial report.

| ENTITY | BUSINESS TYPE | Scope of the Non-financial Report of the CCC Group |
|---|----------------|--|
| CCC SA spółka dominująca | managerial | yes |
| CCC Factory Sp. z o.o. | manufacturing | yes |
| eobuwie.pl S.A | e-commerce | yes |
| CCC.eu Sp. z o.o | distribution | yes |
| eobuwie.pl Logistics Sp. z o.o. | distribution | yes |
| CCC Germany GmbH | distribution | yes |
| CCC Czech s.r.o | distribution | yes |
| CCC Austria Ges.M.b.H. | distribution | yes |
| CCC Hrvatska d o.o. | distribution | yes |
| CCC Russia Sp z o.o. | distribution | yes |
| CCC Shoes Bulgaria EOOD | distribution | yes |
| CCC Obutev d o.o. | distribution | yes |
| CCC Slovakia s.r.o. | distribution | yes |
| CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi | distribution | yes |
| CCC Hungary Shoes Kft. | distribution | yes |
| CCC Shoes & Bags d.o.o. Beograd – Stari Grad | distribution | yes |
| CCC Isle of Man Ltd. | other activity | no |
| CCC Shoes and Bags Sp. z o.o | other activity | no |
| NG2 Suisse S.a.r.l. | other activity | no |

GRI 102-46

The process of reporting non-financial data was carried out in accordance with the principles defined in the GRI Standard, thus:

- We went through the stages of - identification, prioritization and validation. In order to best define the issues important to our organization in the field of sustainable development and responsible business, we conducted an internal analysis and analysis of the business environment. We also checked the expectations of our stakeholders. Therefore, we conducted a survey among 295 employees and clients' representatives as well as a dialogue session based on the international standard AA1000SES dialogue. The session was attended by 17 external experts - representatives of public administration, consumer organizations, financing institutions, non-governmental organizations, business partners, universities and neighbours - with the participation of a member of the CCC Group Management Board. The assumptions of the Report, relevant topics and indicators have been accepted by the management.
- We maintain consistency with the 10 GRI principles regarding defining the content (Materiality, Context of sustainable development, Taking into account stakeholders, Completeness) and the quality of the data presented (Balance, Reliability, Comparability, Accuracy, Punctuality, Transparency).
- Pursuant to the requirements of GRI in the Core option, we reported profile indicators and selected detailed indicators within the relevant topics. The indicators have been marked in the Report, and the summary is presented in the GRI Index.

„IT IS WORTH APPRECIATING THE OPENNESS OF CCC TO DIALOGUE.”

GRI 102-44, GRI 102-47, GRI 103-1

The list of key topics for the CCC Capital Group from the perspective of sustainable development and responsible business - topics indicated as important by the organization and its stakeholders:

Market responsibility

Topics particularly relevant to customers, suppliers and subcontractors

- Safety and quality of the product
- Customer relationship (including service standards)
- Responsible sales in CCC stores
- Transparency in the product development cycle and accountability standards in the supply chain (including counteracting violation of human rights)
- Process and manufacturing innovation

Responsibility at work

Topics particularly relevant to existing and potential employees of the factory, stores, and office and administration

- Conditions of employment and relations with employees
- Occupational Health and Safety
- Staff development
- Equal opportunities (diversity)
- Ethics (including counteracting corruption and bribery, discrimination)

Responsibility for the social environment

Topics particularly relevant to the local community, beneficiaries of activities and employees

- Sponsoring and philanthropic activities
- Employee social commitment

Responsibility towards environment

Topics particularly relevant to customers, employees and the local community

- Implementation of environmentally friendly technologies in the manufacturing process and logistics
- Reducing the negative impact of the company in the office and stores

INDEKS GRI

GRI 102-55

| Number of GRI Standard | Indicator number | Indicator title | Required at the CORE level | Was it marked in the report? | Page |
|--|------------------|---|----------------------------|------------------------------|------|
| Assumptions and basics of reporting | | | | | |
| GRI 101 | | Assumptions and basics of reporting | CORE | yes | 122 |
| PROFILE INDICATORS | | | | | |
| Profile of organization | | | | | |
| GRI 102 | 102-1 | The name of the organization | CORE | yes | 12 |
| GRI 102 | 102-2 | Description of the organization's activities, main brands, products and / or services | CORE | yes | 13 |
| GRI 102 | 102-3 | Location of the organization's headquarters | CORE | yes | 12 |
| GRI 102 | 102-4 | Location of operating activity | CORE | yes | 12 |
| GRI 102 | 102-5 | Form of ownership and legal structure of the organization | CORE | yes | 22 |
| GRI 102 | 102-6 | Served markets | CORE | yes | 16 |
| GRI 102 | 102-7 | Scale of activity | CORE | yes | 16 |
| GRI 102 | 102-8 | Data regarding employees and other persons providing work for the organization | CORE | yes | 66 |
| GRI 102 | 102-9 | Description of the supply chain | CORE | yes | 40 |
| GRI 102 | 102-10 | Significant changes in the reporting period regarding the size, structure, ownership form or value chain | CORE | yes | 13 |
| GRI 102 | 102-11 | Explanation of whether and how the organization applies the precautionary principle | CORE | yes | 30 |
| GRI 102 | 102-12 | External, adopted or supported by an economic, environmental organization and social declarations, rules and other initiatives | CORE | yes | 44 |
| GRI 102 | 102-13 | Membership of associations | CORE | yes | 9 |
| Strategy | | | | | |
| GRI 102 | 102-14 | Statement by the top management | CORE | yes | 3 |
| GRI 102 | 102-15 | Description of key influences, opportunities and risks | | yes | 29 |
| Ethics and integrity | | | | | |
| GRI 102 | 102-16 | Organization values, Code of ethics, rules and norms of behaviour | CORE | yes | 24 |
| GRI 102 | 102-17 | Internal and external mechanisms to obtain advice on behaviour on ethical and legal issues and matters related to the integrity of the organization | | yes | 26 |

Corporate governance

| | | | | | |
|---------|--------|---|------|-----|----|
| GRI 102 | 102-18 | The supervisory structure of the organization together with the committees subordinated to the highest supervisory body | CORE | yes | 19 |
| GRI 102 | 102-22 | Number and gender of members of the highest supervisory/management body and its members | | yes | 19 |

Stakeholder commitment

| | | | | | |
|---------|--------|--|------|-----|-----|
| GRI 102 | 102-40 | List of stakeholder groups engaged by the reporting organization | CORE | yes | 23 |
| GRI 102 | 102-41 | Employees covered by collective agreements | CORE | yes | 72 |
| GRI 102 | 102-42 | Basis for identifying and selecting stakeholders engaged by the organization | CORE | yes | 23 |
| GRI 102 | 102-43 | An approach to engaging stakeholders including the frequency of involvement by type and group of stakeholders | CORE | yes | 23 |
| GRI 102 | 102-44 | Key topics and problems raised by stakeholders and the response from the organization, including by reporting them | CORE | yes | 123 |

Reporting practice

| | | | | | |
|---------|--------|--|------|------|-----|
| GRI 102 | 102-45 | Recognition in the report of economic entities recognized in the consolidated financial statements | CORE | yes | 122 |
| GRI 102 | 102-46 | The process of defining report content and the boundaries of aspects | CORE | yes | 123 |
| GRI 102 | 102-47 | Significant topics identified | CORE | yes | 123 |
| GRI 102 | 102-48 | Explanations regarding the effects of any adjustments to information contained in previous reports, giving reasons for their introduction and their impact (e.g. mergers, acquisitions, change in the year / base period, nature of operations, measurement methods) | CORE | n.a. | |
| GRI 102 | 102-49 | Changes in reporting | CORE | n.a. | |
| GRI 102 | 102-50 | Reporting period | CORE | yes | 122 |
| GRI 102 | 102-51 | Date of publication of the last report (if published) | CORE | n.a. | |
| GRI 102 | 102-52 | Reporting cycle | CORE | yes | 122 |
| GRI 102 | 102-53 | Contact details | CORE | yes | 122 |
| GRI 102 | 102-54 | Indication whether the report was prepared in accordance with the GRI Standard in the Core or Comprehensive option | CORE | yes | 122 |
| GRI 102 | 102-55 | GRI index | CORE | yes | 124 |
| GRI 102 | 102-56 | Policy and current practice in the field of external verification of the report | CORE | yes | 122 |

| Management approach | | | | | |
|---------------------|---------------------------|--|------|-----|-----|
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Compliance with laws and regulations Evaluation of management approach in a given area | CORE | yes | 64 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Employment Evaluation of management approach in a given area | CORE | yes | 64 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Education and training Evaluation of management approach in a given area | CORE | yes | 86 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Occupational health and safety Evaluation of management approach in a given area | CORE | yes | 85 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Diversity and equal opportunities Evaluation of management approach in a given area | CORE | yes | 28 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Anti-corruption Evaluation of management approach in a given area | CORE | yes | 26 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Health and consumer safety Evaluation of management approach in a given area | CORE | yes | 45 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Marketing and labeling of products and services Evaluation of management approach in a given area | CORE | yes | 56 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of Respect for Human Rights Evaluation of management approach in a given area | CORE | yes | 44 |
| GRI 103 | 103-1; 103-2; 103-3 | Approach to management and its elements in the area of social Assessment of suppliers Evaluation of management approach in a given area | CORE | yes | 44 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of environmental impact (including energy management, emissions, water, resource use, waste) Evaluation of management approach in a given area | CORE | yes | 44 |
| GRI 103 | 103-1; 103-2; 103-3 | Management approach and its elements in the area of social impact Evaluation of management approach in a given area | CORE | yes | 112 |

THEMATIC INDICATORS

Economic topics

Economic results

| | | | | |
|---------|-------|--|-----|----|
| GRI 201 | 201-1 | Direct economic value generated and divided (including revenues, operating costs, employee remuneration, subsidies and other investments for the benefit of the community, undivided profits and payments to owners of capital and state institutions) | yes | 18 |
|---------|-------|--|-----|----|

Market presence

| | | | | |
|---------|-------|---|-----|----|
| GRI 202 | 202-1 | The remuneration of employees at the lowest level by gender in relation to the minimum wage on a given market in the main locations of the organization | yes | 74 |
| GRI 202 | 202-2 | The percentage of top management gained from the local market in major locations | yes | 72 |

Indirect economic impact

| | | | | |
|---------|-------|--|-----|-----|
| GRI 203 | 203-1 | Contribution to infrastructure development and provision of services to the public through commercial activities, transfer of goods and pro bono activities. The impact of these activities on society | yes | 90 |
| GRI 203 | 203-2 | Identification and description of significant indirect economic impact along with distinguishing the scale and scope of impact | yes | 112 |

Procurement practices

| | | | | |
|---------|-------|--|-----|----|
| GRI 204 | 204-1 | The share of expenditure on services / products of local suppliers in the main | yes | 41 |
|---------|-------|--|-----|----|

Counteracting corruption

| | | | | |
|---------|-------|--|-----|----|
| GRI 205 | 205-1 | Percentage and total number of business units analyzed for risk related to corruption and identified risks | yes | 27 |
| GRI 205 | 205-2 | Communication and training in the organization's anti-corruption policies and procedures | yes | 27 |
| GRI 205 | 205-3 | Confirmed cases of corruption and actions taken in response to them | yes | 27 |

Violation of the rules of free competition

| | | | | |
|---------|-------|--|-----|----|
| GRI 206 | 206-1 | Total number of legal actions taken against the organization regarding cases of violations of free competition rules, monopolistic practices and their effects | yes | 56 |
|---------|-------|--|-----|----|

Environmental issues

Materials

| | | | | |
|---------|-------|---|-----|-----|
| GRI 301 | 301-1 | Used raw materials / materials by weight and volume | yes | 106 |
|---------|-------|---|-----|-----|

| | | | | | |
|--|-------|--|--|-----|-----|
| GRI 301 | 301-3 | Percentage of recovered materials from sold products and their packaging, by material category | | yes | 108 |
| Energy | | | | | |
| GRI 302 | 302-1 | Energy consumption by the organization, taking into account the type of raw materials | | yes | 103 |
| GRI 302 | 302-4 | Reduction of energy consumption | | yes | 100 |
| Water | | | | | |
| GRI 303 | 303-1 | Total water collection by source | | yes | 105 |
| Emissions | | | | | |
| GRI 305 | 305-1 | Total direct greenhouse gas emissions | | yes | 104 |
| GRI 305 | 305-5 | Reduction of greenhouse gas emissions | | yes | 104 |
| Sewage and waste | | | | | |
| GRI 306 | 306-2 | Total weight of waste by type and disposal method | | yes | 107 |
| Compliance with environmental regulations | | | | | |
| GRI 307 | 307-1 | Monetary value of fines and total number of non-monetary sanctions for non-compliance with laws and / or regulations regarding environmental protection | | yes | 98 |
| Social issues: | | | | | |
| Employment | | | | | |
| GRI 401 | 401-1 | Newly employed employees and leavings | | yes | 78 |
| GRI 401 | 401-2 | Additional benefits provided to full-time employees that are not available to temporary or part-time employees | | yes | 76 |
| Occupational Health and Safety | | | | | |
| GRI 403 | 403-1 | Percentage of the total number of employees represented in formal committees (which include management and employees) for occupational health and safety, which advise on health and safety programs at work and monitor such programs | | yes | 83 |
| GRI 403 | 403-2 | The rate of injuries, occupational diseases, lost days and absences from work and the number of work-related fatalities | | yes | 81 |
| GRI 403 | 403-3 | Employees particularly exposed to diseases related to the workplace | | yes | 83 |
| Education and training | | | | | |
| GRI 404 | 404-2 | Management and managerial education development programs that support continuity of employment and facilitate the process of retirement | | yes | 88 |
| GRI 404 | 404-3 | Percentage of employees subject to regular assessment of job quality and career development reviews by gender and employment category | | yes | 89 |

| | | | | | |
|---|-------|---|--|-----|----|
| Diversity and equal opportunities | | | | | |
| GRI 405 | 405-1 | Composition of supervisory bodies and staff, broken down by categories of employees by sex, age and other diversity indicators | | yes | 68 |
| Counteracting discrimination | | | | | |
| GRI 406 | 406-1 | Total number of incidents of discrimination and corrective actions taken in this matter | | yes | 73 |
| Assessment of respect for human rights | | | | | |
| GRI 412 | 412-3 | Percentage and total number of important investment contracts and contracts | | yes | 45 |
| Customer health and safety | | | | | |
| GRI 416 | 416-1 | Assessment of the impact of relevant categories of products and services on health and safety | | yes | 46 |
| GRI 416 | 416-2 | Cases of non-compliance with regulations and voluntary codes regarding the impact of products and services on health and safety | | yes | 46 |
| Marketing and labelling of products and services | | | | | |
| GRI 417 | 417-3 | Cases of non-compliance with regulations and voluntary codes in marketing communications | | yes | 56 |
| Compliance with socio-economic regulations | | | | | |
| GRI 419 | 419-1 | Non-compliance with legal regulations and socio-economic regulations | | yes | 47 |

OUR RESPONSE TO THE REQUIREMENTS OF THE ACCOUNTING ACT REGARDING THE PUBLICATION OF NON-FINANCIAL DATA

| Regulatory requirement | The chapter in which we present the required content | GRI Indicators |
|---|--|--|
| Description of the business model of the entity and key performance indicators | Chapter 1 | GRI 102-2, 102-6, 102-7, 201-1, 102-15 |
| Description of the risks identified as significant and their management | Chapter 1, Chapter 4, Chapter 5 | GRI 103-1, GRI 103-2, GRI 103-3 Management approach and its elements in the area of Compliance with laws and regulations. GRI 102-11, 102-15, 419-1, 307-1 |
| Description of policies, due diligence procedures and results related to the entity's activities in relation to counteracting corruption and bribery | Chapter 1 | GRI 103-1, GRI 103-2, GRI 103-3 Management approach and its elements in the area of Anti-corruption GRI 102-16, 102-17, 205-1, 205-2, 205-3 |
| Description of policies, due diligence procedures and results related to the entity's activities with respect to respect for human rights. We define human rights as: the right to protect private life, freedom from humiliating treatment, the right to non-discrimination | Chapter 2 | GRI 103-1, GRI 103-2, GRI 103-3 The approach to management and its elements in the area of Respect for human rights, including social assessment of suppliers. GRI 412-3, 406-1 ; Own indicators including own data on the supply chain of the CCC Group |
| Description of policies, due diligence procedures and results related to topics relevant for the CCC sector in terms of customer relationship, service quality, responsible sales | Chapter 2, Chapter 4 | GRI 103-1, GRI 103-2, GRI 103-3 Management Approach and its elements in the area of Health and consumer safety, Marketing and labelling of products and services GRI 416-1, 416-2 |
| Description of policies, due diligence procedures and results related to the entity's activities in relation to employee issues | Chapter 1, Chapter 4 | GRI 103-1, GRI 103-2, GRI 103-3 Management approach and its elements in the area of employees, including (Employment, Education and training, Diversity and equal opportunities, Health and safety at work). GRI 405-1, 102-41, 202-1, 401-2, 401-1, 403-2, 403-1, 403-3, 404-2, 404-3 |
| Description of policies, due diligence procedures and results related to the entity's activities in relation to the natural environment | Chapter 5 | GRI 103-1, GRI 103-2, GRI 103-3 Management approach and its elements in the area of Environmental impact (including energy management, emissions, water, resource use, waste) GRI 301-1, 301-3, 302-4, 302-1, 303-1, 305-1, 305-5, 306-2 |
| Description of policies, due diligence procedures and results related to the entity's activities in relation to social issues | Chapter 4, Chapter 6 | GRI 103-1, GRI 103-2, GRI 103-3 Management approach and its elements in the area of Social impact GRI 203-1, 202-2 |