

# EXPERIEN CCC E

SUSTAINABILITY REPORT OF THE CCC CAPITAL GROUP

FOR THE FISCAL YEAR FROM FEBRUARY 1ST 2021 TO JANUARY 31ST 2022





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## CCC GROUP IN THE FISCAL YEAR 2021

**The year at CCC Group is:**

- 132 523,3 MWh** of energy consumed
- 51 920,6 m<sup>3</sup>** water used
- 56 962,5 Mg CO<sub>2</sub>** (Scope 1+2, market-based)
- 8 154,1 Mg** of waste generated

<b>45%</b>	Change in <b>Group revenue</b>		
<b>52%</b>	<b>Digital</b> revenue growth	<b>53%</b>	Share of <b>digital</b> revenues
<b>41%</b>	Increase in revenue of <b>eobuwie.pl</b> (without MODIVO)	<b>125%</b>	<b>MODIVO</b> revenue growth
<b>37%</b>	<b>CCC</b> revenue growth	<b>55%</b>	Revenue growth <b>DeeZee</b>
<b>48%</b>	Share of revenue from <b>abroad</b>	<b>29 markets</b>	(22 offline) (20 online)

Data refer to the change in the period from February 1, 2021 to January 31, 2021 compared to the corresponding period of the previous year. Data calculated on the basis of the table representing sales revenue by operating segment in the period February 1, 2021 – January 31, 2022.

## AWARDS AND HONORS IN 2021

### CCC AWARDS

IAB MIXX AWARDS 2021	The golden statuette in the Performance Marketing category and an honourable mention in the Commerce category
RANKING OF THE POLISH INSTITUTE FOR QUALITY RESEARCH	CCC and eobuwie.pl on the first place of the ranking in the category "Best Shoes Shops"
SUSTAINABILITY REPORTS 2021	Non-Financial Report of CCC Group awarded in Sustainable Development Reports competition organized by Responsible Business Forum and Deloitte Polska
MARKETING DIRECTOR OF THE YEAR 2021	Honour for Katarzyna Krawczyk, CCC Marketing Director and Aleksandra Szol, Modivo Marketing Director
BEST GLOBAL BRANDS 2021	1st place in the Fashion Retail Poland 2021 industry ranking, published by YouGov
PERFORMANCE MARKETING DIAMONDS CEE 2021	The winner in categories: „The Most Effective Sem Campaign”, „The Most Effective Video Campaign”, „Special Award For Creative Mobile Performance”
CLIMATE STRATEGIES BENCHMARK	CCC Group number 1 in reporting on climate issues in "Climate Strategies Benchmark" study
DIGITAL EXCELLENCE AWARDS 2021	Award for the best leaders of digital transformation in Poland in the category Digital Strategic Perspective
200 BEST POLISH BRANDS 2021	Two first places in the footwear category of the "Top 200 Best Polish Brands" ranking for CCC and eobuwie.pl
GOZPODARZ 2021	Second place in the category "Popularization of CE practices", honourable mention in the category "Implementation of CE (circular economy) practices"
E-COMMERCE POLAND AWARDS 2021	A total of 11 awards won by the CCC Group
THE BEST ANNUAL REPORT 2020	Two awards in The Best Annual Report 2020 competition organized by the Accounting and Tax Institute
CLIMATE AWARE COMPANY 2021	1st place in the "Corporate Climate Crisis Awareness study" of WSE companies
WORLD FINANCE SUSTAINABILITY AWARDS 2021	The title of the most sustainable company in the footwear industry in the world, which is awarded annually by World Finance Magazine
DIVERSITY IN CHECK 2021	CCC on the list of the most advanced employers in diversity management and inclusion in Poland
POLITYKA'S CSR SILVER LEAF 2021	The Silver CSR Leaf of POLITYKA in the 10th edition of the list of Golden, Silver and White CSR Leaves of POLITYKA
ETHICAL COMPANY 2020	Qualification to the prestigious group of Ethical Companies in the category of Large Companies

### MODIVO AWARDS

ECOMMERCE POLAND AWARDS	Awards in "Best In," "Best Inn Cross-Border," "Cross-Border ecommerce" categories
OPINEO RANKING	First place in the "Best Online Shops 2021" list
FORBES DIAMONDS	eobuwie.pl is the leader of the best developing companies ranking in Lubuskie Voivodeship
SUPERBRANDS	Title awarded to the strongest and best perceived by consumers brands on the Polish market
CEE RETAIL AWARDS	MODIVO offline store concept received the Retail Innovation award
RANKING OF THE LARGEST ECOMMERCE COMPANIES	Second place in the ranking prepared by "Forbes".
A SUMMARY OF "RZECZPOSPOLITA"	Third place among the most valuable brands in clothing and footwear sector

## LETTER FROM THE PRESIDENT [GRI 2-22]

Dear Sirs,

*It is an honor and pleasure for us to provide you with the 5th CCC Capital Group Sustainability Report. This is a document, which we create with the utmost care, and the actions described in it are many months of hard work of almost all our teams.*

The year 2021 was challenging and intense for us – successive waves of pandemics made business realities irrevocably changed. At the same time, as the CCC Group, we have increased our operational flexibility and learned to work remotely and hybrid. The past year has meant new experiences, projects and initiatives for us – we share them in this report.

As a consequence of market changes and the postcovid reality, in 2021 we announced our revised business strategy, which we called "GO.25. Everything fashion. Omnichannel platform." In it, we redefined the Group's mission and vision, the key values that underpin our operations, as well as our ambitions and goals for further growth. The development of the strategy was preceded by several months of diagnosis of the situation and analysis of the Group's environment and operations. We conducted the so-called "materiality assessment" among all stakeholders, thanks to which we established the priorities in our actions. Sustainable Development is one of the most important ones. As an integral part of the GO.25 Strategy, it now forms the basis of our business practice, and the objectives in this area are among the seven main strategic objectives of GO.25. This positioning of ESG stems from our awareness of our environmental impact and responsibility for our surroundings. We want to continue to set the standard for sustainable operations by comprehensively managing our entire value chain.

Today, we can say that we have met the targets enshrined in the CCC Group's first-ever GO.22 Sustainability Strategy. One of the most important is the reduction of Scope 1 and 2 greenhouse gas emissions (direct and indirect emissions related to purchased energy) by 16.2% compared to the 2019 base year, although the initial plan was to reduce this figure by 5%. We have also significantly increased the share of leather from certified LWG tanneries in our production processes – at the end of 2021 it was 21% (planned increase to 19%). It is with all the more enthusiasm that we approach the new, second Strategy, in which we set specific goals that we want to achieve by 2025 and long-term ambitions for 2030. In the latest strategy, we define CCC Group's responsibility in four areas: product, environment, employees and society.

Circularity is essential in the production of our products. In 2021, we developed Circular Economy Roadmap, an

operational action plan with 10 projects and 50 tasks. In line with the circular economy model, we focus on increasingly efficient use of raw materials. Last year, we expanded the programme of collecting used shoes, and we have undertaken that in 2022 containers for such shoes will be placed in all CCC stores in Poland. We will also start a pilot of the program abroad. We assume that by 2030 over 50% of revenues of the entire Group will be sales of sustainable products.

The environmental area is also full of challenges. Customers and investors, among others, view us through its prism. As the CCC Group, we monitor greenhouse gas emissions in scopes 1 and 2, and have recently expanded our emissions calculation to include scope 3 (all indirect emissions). The efforts we undertake include analysis of the entire value chain, analysis of climate-related risks, threats and opportunities, scenario analysis of the resilience of the Group's business model and strategy, and collecting and monitoring GHG emissions on a quarterly basis. These efforts give us the knowledge and tools necessary to make informed decisions on development activities.

For us, 2021 was a continuation of the Green CCChallenge, which helps us achieve, among other things, better energy efficiency and supports environmentally responsible investment planning. We are currently working on a strategy to move towards zero-carbon, which will aggregate our emissions reduction initiatives across all scopes. In 2021, we will reduce our total emissions by 16.2 percent and our emissions per unit of product sold by as much as 35.1 percent, thanks to our efficiency measures and 100 percent renewable energy certificates. In this year's report we publish for the first time the percentage of our turnover and capital expenditure eligible for the EU's Environmental Sustainability Taxonomy.

However, we have a broader view of the industry and the international environment – we are also active on these forums. We are the first Polish signatory to the United Nations' Climate Charter, through which we support the industry's goals to combat climate change. Last year we joined six major pro-environmental and pro-worker initiatives, the most important of which is the UN Global Compact, an international initiative bringing together sustainable business.

At CCC Group, we focus on promoting the highest ethical standards throughout the supply chain. Long-standing relationships with partners enable us to develop common standards of work, which translate into meeting high requirements concerning safety and quality, timeliness of production and delivery, as well as respect for human rights and compliance with social and environmental criteria. A requirement of cooperation with the CCC Group is the commitment to comply with the Code of Conduct for Suppliers – 100% of our production partners have signed this document. In addition, in 2021, we began work on updating the Code so that it even more accurately defines our expectations from entities with which we undertake cooperation. 65% of our suppliers have also been independently audited.

In the past year, we updated our Code of Ethics, improved our whistleblower system, and established an Ethics Officer, supported by a Compliance Officer. We promote our values by our own example and by behaving in accordance with the principles set out in the Code. The CCC Group also has a whistleblower reporting and handling system in place that complies with the requirements of the Whistleblower Protection Directive. We also actively conduct communication in this area, as well as training for employees and business partners.

Responsibility towards the people who work at CCC Group is one of our priorities. We want everyone, regardless of their position, to be aware of where we are heading as an organization and what goals we are setting ourselves. We want everyone to have equal opportunities for development and promotion, which is why we have set reduction targets for the Gender Pay Gap Ratio and the Glass Ceiling Ratio. Diversity of teams is also important to us. It is one of the sources of competitive advantage, and the confrontation of different views, opinions, working styles, skills and experiences unleashes creativity, new quality, and enables to achieve even better business results. In order to create a friendly workplace and build a strong organizational culture based on diverse teams, we adhere to the principles contained in our Diversity Policy. We believe that in this way, every person employed in our organization will be able to develop their full potential.

The effectiveness of our ESG efforts is confirmed by the high ratings of independent international rating agencies such as MSCI, where we received an A rating, which puts us in line with global sustainability leaders. Other achievements include promotion to the 2nd place in the footwear industry in the prestigious international Sustainalytics rating, as well as the 11th place in the Refinitiv Diversity & Inclusion index, which evaluates more than 11,000 companies in terms of care for team diversity and equal treatment of employees.



We entered 2021 with some uncertainty related to the ongoing pandemic and its potential consequences. At the end of the year, we are proud to say that despite the difficult times, we have achieved more than we expected. We believe that dialogue with our stakeholders played a key role in this. Customers, who are at the center of our attention and who inspire us to find ever more environmentally friendly solutions in sales and product areas. Employees, whose above-average commitment and expert knowledge result in improved efficiency at every level. Investors, who challenge us to continuously develop and stimulate business growth. We believe that thanks to cooperation and mutual understanding we will manage to work out even more beneficial solutions that will strengthen CCC's position as a leader in this dynamically changing market.

In this report, we are pleased to present the results of our actions and indicate the goals to which we will devote the next few years of work. Our plans are ambitious and require the involvement of many parties, but we are confident that together we will reach for more. We would like to thank everyone who each day makes their contribution, so that the CCC Group develops in accordance with the principles adopted in the GO.25 strategy.

Sincerely,

  
**Marcin Czyczerski**  
CEO & President  
of the Management Board

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INFORMATION MATERIALITY  
AND RISK MANAGEMENT

# CCC GROUP



## 1. CCC GROUP

### 1.1. BUSINESS MODEL

#### 1.1.1. CCC Group in a nutshell [GRI 2-1]

The CCC Group is one of the largest and most recognisable players in the clothing and footwear market in Europe and the leader in the footwear market in Central and Eastern Europe. The Group currently operates in 29 markets in Europe and the Middle East, offering retail customers primarily footwear and other complementary products (handbags, accessories, clothing).

CCC Group headquarters is located in the Legnica Special Economic Zone in Polkowice, where the office facilities are accompanied by a modern logistics center. In Warsaw, there is a Regional Office and an innovative space called "Showroom Creative City Concept", which is dedicated to promote CCC Group brands among people of the fashion world. MODIVO headquarters is located in Zielona Góra, where a logistics center equipped with state-of-the-art technology has been operating since the beginning of 2020. This facility will be expanded following the dynamic growth of CCC Group's online segment. [GRI 2-1]



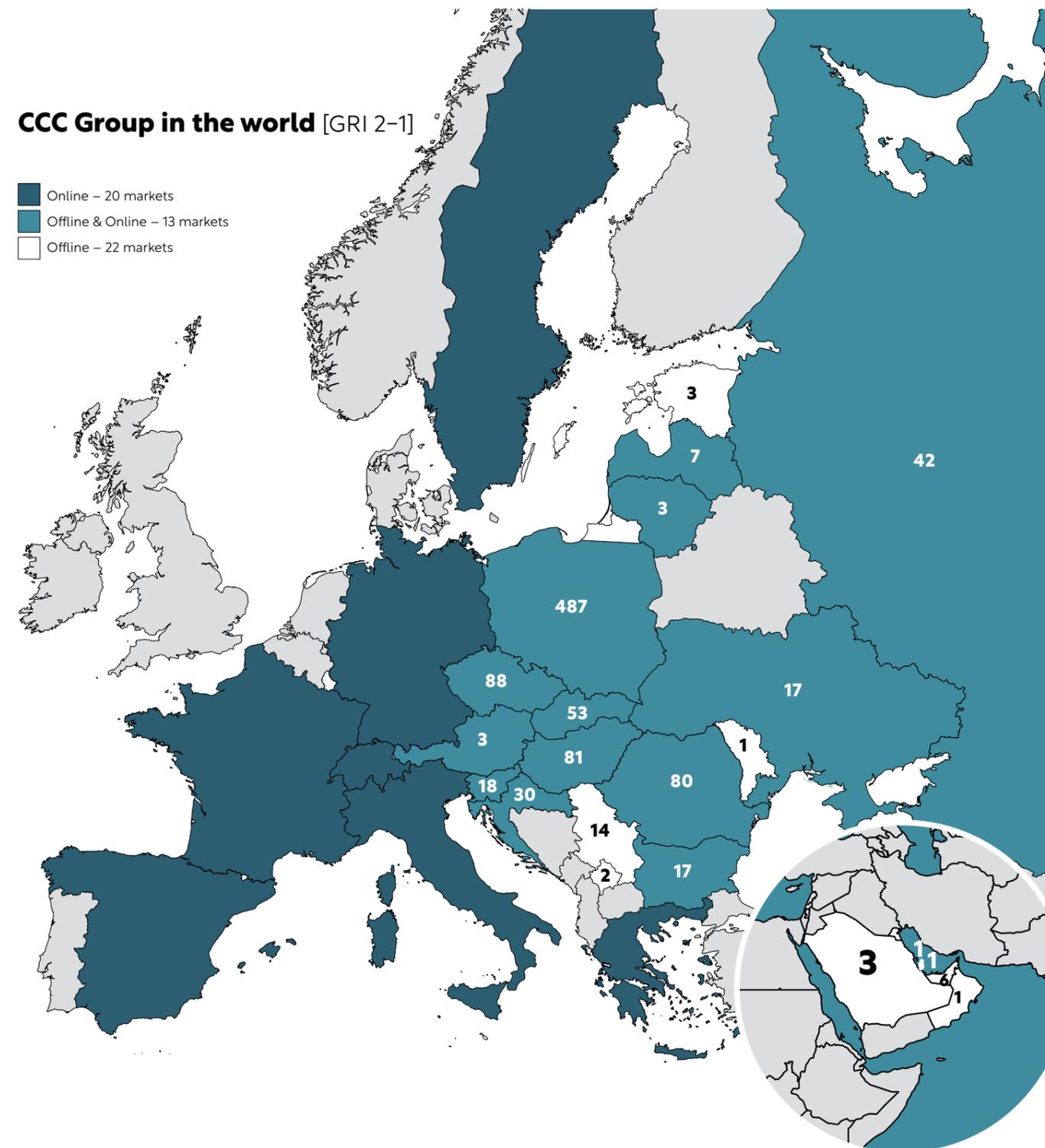
The CCC group is a total of:

- **936 stores** located in modern shopping centers, malls and retail parks or along major traffic routes in prestigious urban locations in 22 countries. The Group's offline sales network consists of: 847 CCC stores, 28 eobuwie.pl stores and 61 HalfPrice stores,
- **13 863 employees** under employment contracts,
- **approximately 60 million pairs of shoes** sold during the fiscal year,
- **nearly 170 million visitors** to CCC stores annually,
- **~90 online sales platforms** (27 apps and 45 websites).

THE GROUP'S BUSINESS MODEL IS CENTERED AROUND A UNIQUE **OMNI-CHANNEL FOOTWEAR** AND APPAREL RETAIL SYSTEM COMPRISING **936 OFFLINE STORES, 90 ONLINE PLATFORMS, 28 HYBRID STORES, ESIZE.ME FOOT SCANNERS, SOCIAL MEDIA AND OTHER CUSTOMER TOUCH POINTS.**

### CCC Group in the world [GRI 2-1]

- Online – 20 markets
- Offline & Online – 13 markets
- Offline – 22 markets



#### STORE SPACE /YOY

Retail space	31.01.2021	31.01.2022	YOY [thousand m <sup>2</sup> ]	YOY [%]
Own including:	647.3	660.8	13.5	2.1
CCC	630.2	555.3	-74.7	-11.9
MODIVO	17.1	20.7	-3.6	-21.0
HalfPrice	0	84.8	84.8	-
Franchise	34.5	34.6	0.1	0.3
<b>Total [thousand m<sup>2</sup>]</b>	<b>681.8</b>	<b>695.4</b>	<b>13.6</b>	<b>2.0</b>

#### NUMBER OF STORES /YOY

Number of retail stores	31.01.2021	31.01.2022	YOY
Own including:	965	936	-29
CCC	940	847	-93
MODIVO	25	28	+3
HalfPrice	0	61	+61
Franchise	46	45	-1
<b>Total [number]</b>	<b>1 011</b>	<b>981</b>	<b>-30</b>

## Omnichannel (multi-channel) model of trading in CCC Group

**Our business model is an omnichannel platform**, helping customers fulfil their shopping needs in the way they choose.



**CLIENTS**



**WE SERVE CUSTOMERS  
WHERE THEY WANT,  
HOW THEY WANT,  
WHEN THEY WANT ...**



## 1.1.2. Market Position [GRI 2-6]

The share of the CCC Group in the highly fragmented footwear retail market in Poland is estimated at approximately 30%, which makes the CCC Group the category leader. In terms of the number of retail outlets in Poland, the CCC Group almost doubles the range of the largest competitors. In addition, on the key markets for the CCC Group in Central and Eastern Europe (Poland, the Czech Republic, Hungary, Romania, Slovakia, Croatia, Slovenia, Bulgaria and Serbia), which account for about 80% of its revenue, the CCC Group is among the three largest footwear players. CCC's share in the footwear market in Central and Eastern Europe is about 20%.

The main market for the CCC Group is the middle customer segment, which is the widest segment in the domestic clothing and footwear market. CCC offers fashionable, high-quality products at attractive prices. Thanks to eobuwie.pl and MODIVO platforms, the CCC Group offers products also in the higher price segment, reaching the most demanding customers. A wide range of products, strong own brands and a multitude of complementary sales channels allows the CCC Group to be the first choice for customers when choosing footwear, clothing and accessories.

The assortment available in the Group's sales channels is constantly expanded. The diversity of the offered products enables the customers to find a product meeting their expectations, thus the continuous expansion of the assortment drives the Group's development, increases sales revenues and helps to strengthen its market position.

\* while keeping eobuwie.pl and Modivo separate. IPO of eobuwie.pl Group planned for 2022/2023

Footwear Apparel Other (of which: accessories, home decoration, beauty and other)

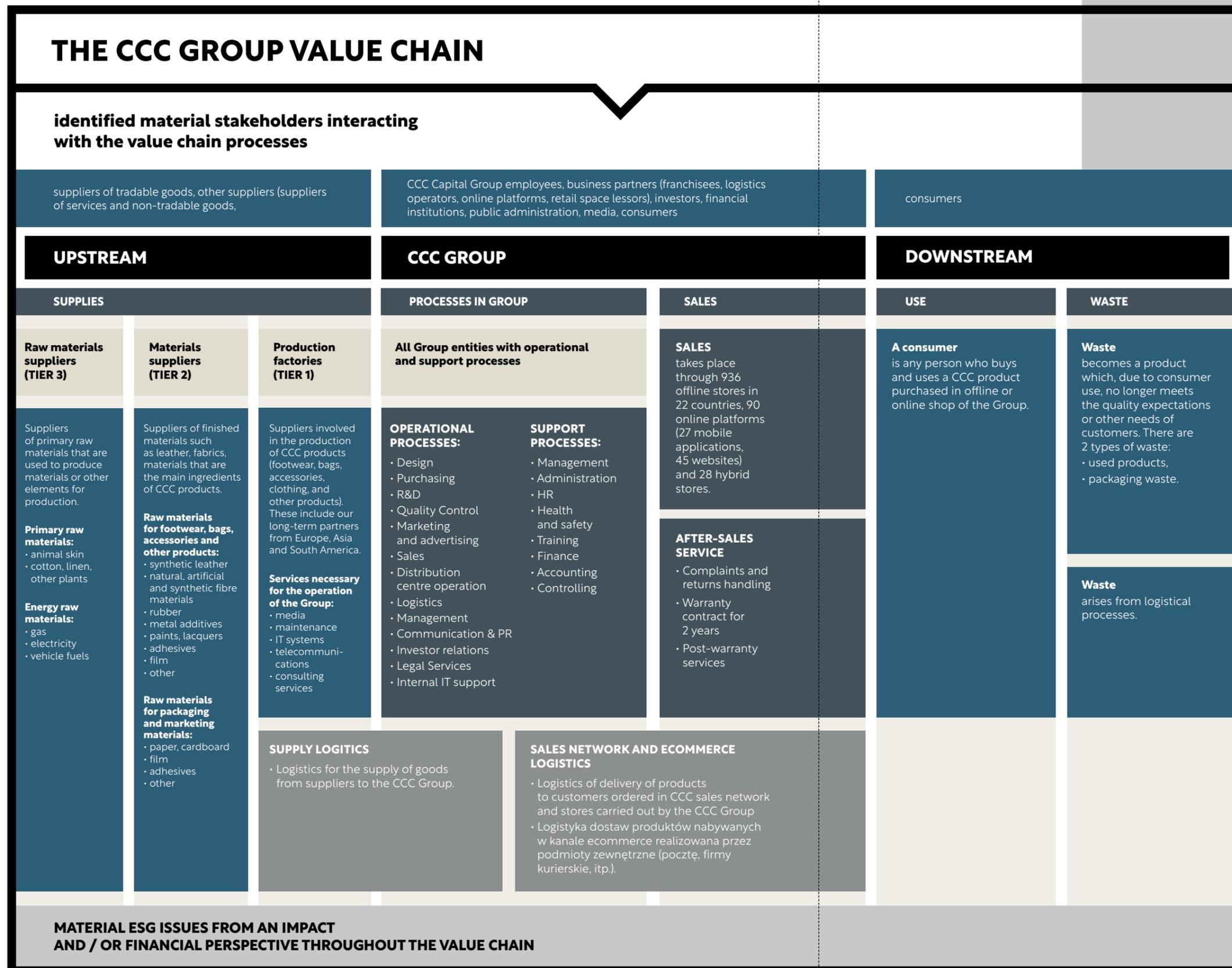
### 1.1.3. CCC Group Brands [GRI 2-6]

The Group has an extensive product offer that addresses the needs of a wide range of customers. Within the sales channels under the CCC brand, the Group focuses on sales of own brands products (Lasocki, Gino Rossi, Jenny Fairy, DeeZee, Sprandi, Nelli Blu and others), supplementing them with, among others, selected foreign sports brands (Adidas, Puma, Rieker, Skechers, Reebok, New Balance, Converse and others).

Within the sales channels under the eobuwie brand, which is the leader of the e-commerce market in the footwear segment in Central and Eastern Europe, the Group offers primarily third-party brands, supplementing them with the products of CCC own brands and eobuwie (Eva Minge, QUAZI, Togoshi, Sergio Bardi, Creole, Rage Age).



### 1.1.4. Value chain



The CCC Group's value chain model is based on material flow analysis. The primary part of the value chain is the operational processes in the CCC Group, i.e. everything that happens in the Group from the purchase of raw materials to the delivery of products and services to customers. The second part is the earlier stages of the value chain, the so-called upstream. It consists of all the previous operations carried out by other entities, starting from the acquisition of raw materials, production of materials, components, products and their packaging, transporting them to the CCC Group, but also such activities as generating electricity purchased by the Group or supplying water necessary for production. The third part of the value chain, called downstream, includes everything that happens to the product once it leaves the CCC Group. These stages of the value chain include the transportation of products to customers, distribution, sales, the use phase and the end of the product life cycle. This model is used in the processes of calculating greenhouse gas emissions, analyzing the mutual influences of the CCC Group and the environment, analyzing processes in the circular economy model, and analyzing the resilience of the CCC Group's business model to climate change. Compared to the previous year, a significant change in CCC Group's value chain was the closure of its own production in 2021. [GRI 2-6]



### 1.1.5. Product lifecycle

Our task is to respond to the customer's needs in the best possible way, both in the area of the product, as well as the service itself. In CCC we care about each phase of the product life cycle, because we realize that our initial choices will have a bearing on the purchasing decisions of our customers, as well as the environment. The competitive advantage of CCC Group is having strong pre-production and production teams, as well as Research and Development Center in Polkowice.

#### 1. Design

CCC Group has its own Design Department, where the designs of shoes produced in our suppliers' factories around the world are created. The life of every pair of shoes begins with a design that takes into account the needs of the millions of people who visit CCC stores. A design, pattern, material, colour is chosen, and a number of business factors, such as price, market factors, such as trends and fashion, and environmental factors, such as the certificate, are taken into account, until the final approval of the model, which is commissioned for production. All purchasing decisions and collection selection are made in the Product Division, located in Polkowice.

#### 2. Shopping

Due to the increasing volatility of weather conditions in recent years, as well as the blurring of distinct seasons, the CCC Group remains flexible and reacts accordingly when planning its collections. Therefore, changes take place not only in the supply structure, but also in the selection of the nature and composition of the material of products (e.g. winter shoes are less insulated, the thickness of the soles changes), and the weather impulse is replaced more and more by the fashion parameter and compliance with trends.

To realize its ideas and deliver nearly 60 million pairs of shoes per year to the market, the CCC Group orders goods from long-term business partners in Europe, Asia and South America, who are characterized by high reliability. The goods supplied by the suppliers must meet high quality standards, and they are obliged to conduct their business in accordance with human rights and social standards. Thanks to regular inspections, the Group can be sure that the suppliers meet all requirements.

#### 3. Logistics

The dynamic development of the CCC Group is possible thanks to the innovative approach to logistics. Logistics Centers belonging to the CCC Group in Polkowice and Zielona Góra are the key elements of the whole logistic chain. It is there that new collections arrive, which are then sent to individual stores.



### 1.1.6. Calendar 2021

Amendment to the Terms and Conditions of the Bonds – extending the redemption for 5 years to June 29, 2026.

Appointment of three new members of the Management Board of CCC Group – Adam Holewa, Igor Matus, Krystin Derejczyk

Conclusion of preliminary conditional agreements for the sale of shares in eobuwie.pl S.A. with Cyfrowy Polsat S.A. and A&R Investments Limited

CCC in Łukasiewicz INNOVATOR Index



Development of the HalfPrice concept – opening of the first foreign stores

Issue of bonds to PFR in the amount of PLN 360.0 million for the purpose of repurchasing shares in eobuwie.pl S.A.

Purchase of 10% of shares in eobuwie.pl S.A. from MKK3 Sp. z o.o. and their sale to A&R Investment Limited

Issue of bonds convertible into shares by eobuwie.pl SA to Softbank, with a value of PLN 500.0m

Appointment of a new member of the Management Board of CCC Group – Adam Marciniak

Appointment of Damian Zapłata as the new President of the Management Board of eobuwie.pl S.A.

CCC Group as the first company from Poland included in Circulytics ranking – a ranking concerning the closed-circle economy



#### Q1

#### Q2

#### Q3

#### Q4



Signing of a new financing agreement and debt restructuring providing long-term sources of financing for the Group's strategic objectives

HalfPrice debuts new sales concept

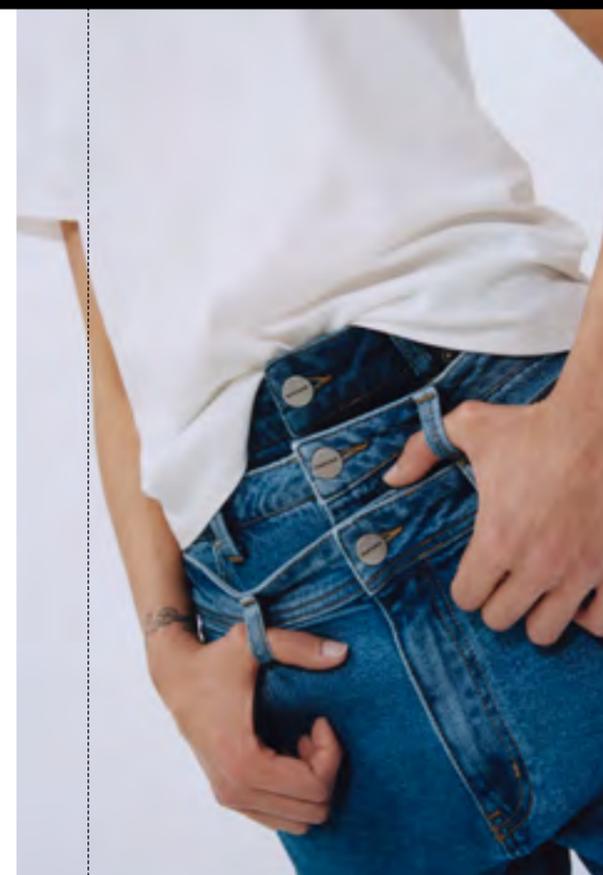
Acquisition of 10% of shares in eobuwie.pl from MKK3 Sp. z o.o. and their sale to Cyfrowy Polsat S.A.

Sale of NG2 and KVAG

Restructuring of CCC presence in Austria – assignment of most leases and decision to close most stores

Agreement with a Softbank Group member concerning an investment of PLN 500.0m in bonds of eobuwie.pl

CCC the first Polish signatory to the Fashion Industry Climate Action Charter



Adoption of the new GO.25 Everything fashion Business Strategy. Omnichannel Platform for 2021-2025

HalfPrice concept development – launch of e-commerce channel

MODIVO Group expands with the opening of a new logistics center in Bucharest

Resignation of Mr. Mariusz Gnych from the function of Vice President of the Management Board

Launch of OMS (Order Management System) – integration of CCC store stock with the online store ccc.eu

CCC Group promotion to the 2nd place in the prestigious ESG rating – Sustainalytics (footwear industry)

HalfPrice wins "Retailer of the year" award at CEE Retail Awards

Extension of the action "Give your shoes a second life"

CCC joining the UN Global Compact, the world's largest initiative for sustainable business

### 1.1.7. Membership in organizations and associations [GRI 2-28]

#### RESPONSIBLE BUSINESS FORUM

<http://odpowiedzialnybiznes.pl/>

#### DIVERSITY CHARTER

<https://odpowiedzialnybiznes.pl/karta-roznorodnosci/>

#### PARTNERSHIP

##### FOR IMPLEMENTING THE SDGs

<https://www.gov.pl/web/rozwoj-technologie/partnerstwo-na-rzecz-realizacji-celow-zrownowaznego-rozwoju-w-polsce>

#### ASSOCIATION OF LISTED ISSUERS

<http://seg.org.pl>

#### ASSOCIATION OF POLISH EMPLOYERS OF TRADE AND SERVICES

<https://zpphiu.pl/czlonkowie/>

#### CHAMBER OF ELECTRONIC COMMERCE

<https://eizba.pl/>

#### UN FASHION INDUSTRY CLIMATE ACTION CHARTER

<https://unfccc.int/climate-action/sectoral-engagement/global-climate-action-in-fashion/about-the-fashion-industry-charter-for-climate-action>

In the first quarter of 2021, the CCC Group, as the first company from Poland, joined the initiative of the UN Climate Change Fashion Industry Charter for Climate Action and was among the 100 largest fashion brands in the world, which jointly want to engage in environmental protection and climate action. Joining the signatories of the Charter is a continuation of the processes and actions that the CCC Group carries out for the environment and against climate change.

#### UN GLOBAL COMPACT

<https://www.unglobalcompact.org>

In January 2022, CCC SA became a signatory to the UN Global Compact, the world's largest initiative bringing together sustainable business. The UN Global Compact currently has over 15,000 members from around the world. Through cooperation with governments, international organizations, companies and institutions, it conducts a number of ambitious activities, becoming a catalyst for global change.



#### WE MEAN BUSINESS COALITION

<https://www.wemeanbusinesscoalition.org>

In 2021, CCC Group became a partner of the We Mean Business Coalition, which was present at the United Nations Climate Conference in Glasgow (COP26). This is a global non-profit coalition working with the world's most influential businesses to take action on climate change.



#### BUSINESS FOR NATURE

<https://www.businessfornature.org>

Business For Nature is a global coalition of conservation business organizations and forward-thinking companies. It promotes credible business leadership on nature and amplifies the powerful voice of business leadership calling on relevant institutions to adopt policies and regulations to reverse the loss of nature this decade.

#### FUR FREE STORES

<https://www.otwarteklatki.pl/sklepy-wolne-od-futer>

Gino Rossi, DeeZee and CCC are the brands that joined the "Fur Free Shops" program (Fur Free Retailer). CCC Group commits not to use, order, sell or promote any clothes, accessories or other products containing natural fur.

#### JAN WYŻYKOWSKI UNIVERSITY CONVENTION IN POLKOWICE

<http://ujw.pl/index.php/wspolpraca/konwent-uczelnii/>

#### LOWER SILESIA EDUCATION CLUSTER LSSE

<http://lsse.eu/dolnoslaski-klaster-edukacyjny/>

#### UNICEF POLSKA

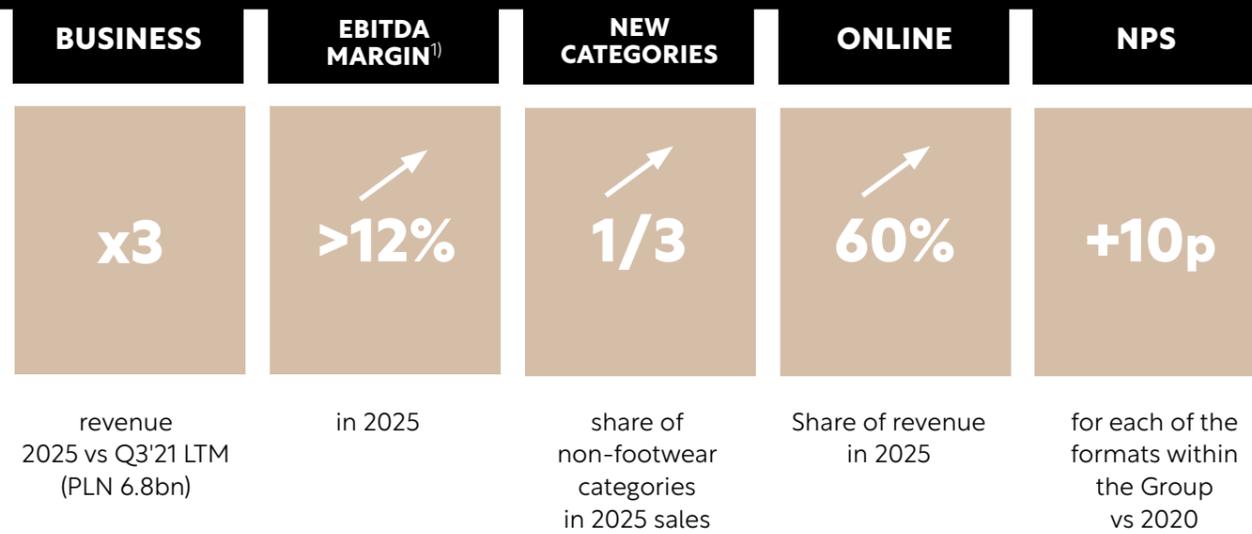
<https://unicef.pl>

## 1.2. STRATEGY CCC GROUP

### 1.2.1. Business Strategy GO.25

In 2021, CCC Group developed a new comprehensive business strategy, which was adopted in November 2021 under the name GO.25 Everything Fashion: Omnichannel Platform. It sets out the key values underpinning CCC's operations, ambitions and objectives for further growth, and defines the Group's new mission and vision.

Working out the strategy was preceded by a several-month process of diagnosing the situation of the Group, the environment, with the active and leading participation of the Management Board of CCC S.A., the Management Boards of the subsidiaries and the key managerial staff of the Group. The Group's strategy is focused on multiplying the value of the Group by meeting the needs of current and future customers. The adopted strategy sets seven main strategic objectives, based on sustainable development:



## SUSTAINABLE DEVELOPMENT

Circularity | Low-emission | Diversity | Transparency

MSCI ESG A+ | Employees engagement +10pp above industry average





## 1.2.2. Sustainable Development Strategy

The CCC Group is aware of its impact on the environment and its surroundings, and therefore wants to set standards and responsibly manage its entire value chain. Sustainability underpins business practice and is an integral part of the GO.25 Business Strategy. The CCC Group first published a comprehensive Sustainability Strategy in 2020, but with the launch of the new business strategy in 2021, the strategic ESG objectives were revised.

Adopted in 2022, the new GO.25 Sustainability Strategy is based on three pillars that support the core objective of CCC products.

Sustainability Strategy GO.25 it is:

- specific and long-term goals,
- designated in 4 areas of responsibility,
- meeting the expectations of our stakeholders,
- being an integral part of all our business activities.

## Context and key assumptions of the Strategy

The CCC Group's activities in the area of sustainable development are shaped by international and EU directions, strategies and emerging laws and regulations. The GO.25 strategy is based on both the Paris Agreement, the EU's European Green Deal development strategy, the recommendations of the Task Force on Climate-Related Financial Disclosures, and the new EU action plan for the implementation of a circular economy.

The CCC Group directs its activities in the area of sustainable development and non-financial data reporting on the basis of legal regulations and international regulations such as:

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

THE CCC GROUP ACTIVELY PARTICIPATES IN THE IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT GOALS (SDGS), WHICH HAVE BEEN ADOPTED BY THE MEMBER STATES OF THE UNITED NATIONS. THESE GOALS FOCUS ON THE REALIZATION OF SUSTAINABLE DEVELOPMENT THROUGH THREE DIMENSIONS: ECONOMIC GROWTH, SOCIAL INCLUSIVENESS AND ENVIRONMENTAL PROTECTION. OUR ACTIVITIES, ESPECIALLY THE IMPLEMENTATION OF THE GO.25 SUSTAINABLE DEVELOPMENT STRATEGY, CONTRIBUTE TO THE ACHIEVEMENT OF THE SDGS.

## Main goals and objectives of the Sustainable Development Strategy GO.25

PRODUCT		
SUBJECT	GOAL 2025	AMBITION 2030
Sustainable Raw Materials	100% of products with information on materials used and method of production	Maintain the level of providing transparent information on the composition of all products and how they are produced
	100% of product categories containing sustainable collections	Information on the carbon and water footprint of sustainable products
	Introduction of a transformable product line for sale	More than 50% of sales revenue comes from sustainable products  Expanding the collection with transformable products
Sustainable packaging	100% recycled and recoverable packaging  Introduction of single carton packaging in the e-commerce channel	All products sold by the CCC Group are delivered in packaging with a zero environmental footprint
Recycling of used shoes	Collection of used shoes – expanding the program to 100% of stores in Poland and abroad	Processing of collected shoes into raw material for production reuse in various industries
ENVIRONMENT		
SUBJECT	GOAL 2025	AMBITION 2030
Reduction of greenhouse gas emissions	Reduction of Scope 1+2 GHG emissions to – 40% against baseline year	Reduce Scope 1+2 GHG emissions to – 80% from baseline and engage key tier 1 suppliers in the supply chain in reducing emissions
	Scope 3 GHG emissions reduction to – 10% against baseline year	Achieve Scope 3 GHG emissions of – 40%
Circular economy	Reduction of waste in the CCC Group by 30% against baseline year  Setting waste reduction targets in the supply chain with major suppliers (tier1)	Increase the percentage of manufacturing waste in the supply chain going to recycling to a minimum of 40%
Protection of water resources	Identify the impact of the CCC Group and its value chain on water resources and develop a water efficiency management approach for the CCC Group	The water efficiency management system in the Group and its value chain (tier 1+2 suppliers) and the established reduction targets in this area
Protection of biodiversity	Determining the impact of the CCC Group and its value chain on biodiversity	Definition of biodiversity conservation targets  Conducting activities to prevent the loss of biodiversity





<b>EMPLOYEES</b>		
<b>SUBJECT</b>	<b>GOAL 2025</b>	<b>AMBITION 2030</b>
Protection of workers' lives and health	0 accidents among CCC Group employees (reduction of the percentage of the accident frequency rate to 0)	Maintain an accident frequency rate of 0
Workforce diversity	Reduction of Glass Ceiling Ratio (GCR) to 5%	Reduction of GCR indicator to 0
	100% of CCC Group employees trained on diversity	100% of CCC Group employees trained on diversity
Equal pay for equal work	Reduction of the Gender Pay Gap Ratio (GPGR) to 5%	Reduction of GPGR indicator to 0

<b>SOCIETY</b>		
<b>SUBJECT</b>	<b>GOAL 2025</b>	<b>AMBITION 2030</b>
Responsibility in the supply chain	100% of suppliers covered by the updated Supplier Code of Conduct	100% of our suppliers respect human rights and provide their employees with safe working conditions and decent wages
	Engaging Tier 1 providers in providing non-financial data	A system for collecting non-financial data from tier 1 suppliers;
	100% of high risk suppliers audited	Include tier 2 providers in the breach notification system
Ethics	100% of breach reports analyzed	Involve suppliers (tier 1) in providing data for Scope 3 calculations
		Continuously improve ethical standards and only work with suppliers who agree with them

Details of how GO.22's strategic goals will be met in 2021 are provided in individual chapters of this Report.



## 1.3. PERFORMANCE INDICATORS AND EU TAXONOMY

### 1.3.1. Key non-financial performance indicators

#### KEY NON-FINANCIAL PERFORMANCE INDICATORS FOR THE CCC GROUP

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	CHANGE Y/Y
<b>EMPLOYEE AREA</b>					
Accident frequency rate (accidents at work per 1000 employees)		5.28	2.92	4.69	+60.7%
<b>SOCIAL AREA</b>					
Gender Pay Gap Ratio	%	39.9	44.1	41.1	-3.0 pp
Glass Ceiling Ratio	%	0.7	0.2	1.3	+1.1 pp
Claims ratio <sup>1</sup>	%	1.06	0.78	0.66	-0.12 pp
Percentage of CCC suppliers who have signed the Supplier Code of Conduct	%	93.29	100	100	-
<b>ENVIRONMENTAL AREA</b>					
Energy consumption rate from all sources (from fuels and purchased electricity and heat) per pair of shoes sold	kWh/pc.	2.4	1.5	1.8	+25.3%
Scope 1+2 greenhouse gas emission rate per pair of footwear sold	kg CO <sub>2</sub> e/pc.	1.21	0.66	0.79	+19.6%
Percentage of waste sent for recycling	%	83.8	90.6	93.4	+2.8 pp
Share of leather from certified tanneries in the products	%	15	17	21	+4.0 pp

Non-financial key performance indicators are monitored only at the consolidated level, i.e. for the entire CCC Group, except for the claims ratio, which applies to the following companies: CCC S.A, CCC Czech Republic, CCC Slovakia, CCC Austria, CCC Hungary, CCC Slovenia, CCC Croatia, CCC Bulgaria, CCC Romania, CCC Serbia.



<sup>1</sup>Customer complaint rate in the stationary channel in the companies: CCC S.A, CCC Czech Republic, CCC Slovakia, CCC Austria, CCC Hungary, CCC Slovenia, CCC Croatia, CCC Bulgaria, CCC Romania, CCC Serbia.



### **1.3.2. EU Taxonomy of environmentally sustainable activities**

The CCC Group discloses for the first time in this report information on the EU Taxonomy of Environmentally Sustainable Activities. The related obligations were introduced by Regulation (EU) 2020/852 of the Parliament and of the Council of 18 June 2020. In the first year of application, as set out in Commission Delegated Regulation (EU) 2021/2178, the CCC Group discloses the proportion of turnover, capital expenditures and operating expenditure eligible for Taxonomy, without having to verify the Technical Screening Criteria, i.e. to determine what percentage of these three values is related to environmentally sustainable activities.

#### **Accounting principles applied**

The following principles were used to calculate the proportion of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) eligible for taxonomy.

#### **Turnover**

Regarding turnover, the basis was the total consolidated revenues of the CCC Group in 2021, as disclosed in the consolidated financial statements in the 'Sales revenues' line in the note to the Consolidated statement of comprehensive income and described in Note 3.1. Sales revenue. Revenue from Taxonomy-eligible activities was assigned to the numerator.

#### **Capital expenditure (CapEx)**

Regarding capital expenditures (CapEx), the basis was capital expenditures for store fit-out, for work on applications and other software and data processing, and for the expansion and upgrade of the vehicle fleet. All the CapEx is included in the 'Purchase of intangible assets and tangible fixed as-

sets' line in the note to the Consolidated cash flow statement in the consolidated financial statements and is described in Note 4.4. Additional information to selected items of the cash flow statement. The numerator has been assigned the portion of CapEx that relates to Taxonomy-eligible activities.

#### **Operating Expenditures (OpEx)**

Regarding operating expenditures (OpEx), the basis consisted of all costs serving the ongoing operation of the company's assets and keeping them in working condition. Included were costs such as those related to maintaining the proper functioning of applications and data centers, costs of work related to repairs and renovations in showrooms, and costs related to maintaining the fleet of vehicles used by the CCC Group in working condition. The part of OpEx that relates to taxonomy-aligned activities was assigned to the numerator.

In order to calculate the proportion of turnover, capital expenditure and operating expenses eligible for the Taxonomy systematics, the same accounting principles were used that apply to the preparation of the consolidated annual financial statements of the CCC Group. When calculating the ratios for the Group, the relevant consolidation exclusions used in the preparation of financial statements were taken into account. The presentation of key indicators excludes intra-group sales and turnover resulting from own consumption. No portion of revenues, CapEx and OpEx has been double-counted. The list of activities qualifying for the Taxonomy classification was determined as a result of a comprehensive review of the activities of the CCC Group.

The Group discloses in this report for the first time the share of activities that qualify for taxonomy in terms of the reported period, i.e. 01.02.2021.-31.01.2022 so the disclosure does not include formation about changes in data for previous periods.

Because only the proportion of turnover, capital expenditures, and operating expenditures are eligible for Taxonomy (rather than Taxonomy-aligned and not-aligned) are disclosed in the first year of reporting, activities that contribute to more than one environmental objective were not identified. Consequently, there was no need for special procedures to avoid double counting.

Furthermore, the key performance indicators were not disaggregated among the Group's individual operating units. At the same time, the Group identifies the need for such disaggregation in the next year, when the fulfilment of the Technical Screening Criteria will be verified.



## CCC Group's turnover from Taxonomy-eligible activities in fiscal year 2021

### PERCENTAGE OF TAXONOMY-ELIGIBLE TURNOVER

BUSINESS	CODE OR CODES	TURNOVER (ABSOLUTE VALUE) PLN MILLION	PART OF TURNOVER %
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>			
Collection and transport of non-hazardous waste in source segregated fractions	5.5.	0.98408	0.01%
Renovation of existing buildings	7.2.	5.34397	0.07%
Installation, maintenance and repair of renewable energy technologies	7.6.	0.02909	0.00%
<b>Total (A)</b>		<b>6.35713</b>	<b>0.08%</b>
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>			
Turnover of Taxonomy-non-eligible activities (B)		7,585.14287	99.9%
<b>Total (A+B)</b>		<b>7,591.50000</b>	

The Group derives its revenue primarily from the sale of footwear, clothing and accessories. These activities do not qualify for taxonomy in terms of Annexes I and II to the delegated act on climate (Commission Delegated Regulation (EU) 2021/2139). The only types of taxonomy eligible activities in the aforementioned scope were revenues of PLN 5.3 million from fit-outs from property managers where the Group operates its showrooms, revenues from the sale of waste of nearly PLN 1.0 million and revenues from the sale of surplus electricity not used for own purposes generated in the photovoltaic installation at the company's headquarters.

The share of taxonomy eligible turnover in total turnover was 0.08% in 2021.

## CCC Group's Taxonomy-eligible capital expenditures (CapEx) eligible for the EU Taxonomy in fiscal year 2021

### PERCENTAGE OF CAPEX ELIGIBLE FOR THE EU TAXONOMY

BUSINESS	CODE OR CODES	CAPITAL EXPENDITURE (CAPEX) (ABSOLUTE VALUE) PLN MILLION	PART OF CAPITAL EXPENDITURES %
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>			
Collection and transport of non-hazardous waste in source segregated fractions	5.5.	0.03046	0.01%
Urban and suburban transport, road passenger transport	6.3.	0.07182	0.02%
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	6.31606	2.02%
Freight transport services by road	6.6.	0.50556	0.16%
Construction of new buildings	7.1.	1.41605	0.45%
Renovation of existing buildings	7.2.	176.16882	56.30%
Installation, maintenance and repair of energy efficiency equipment	7.3.	29.91459	9.56%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	0.33461	0.11%
Data processing, hosting and related activities	8.1.	16.16469	5.17%
Computer programming, consultancy and related activities	8.2.	23.25565	7.43%
<b>Total (A)</b>		<b>254.17831</b>	<b>81.23%</b>
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>			
CapEx Taxonomy-non eligible activities (B)		58.72169	18.77%
<b>Total (A+B)</b>		<b>312.90000</b>	

Taxonomy-eligible capital expenditures (CapEx) are related to the implementation of capital plans adopted by the Board. Capital expenditures in 2021 were primarily incurred for three purposes:

- fitting out, refurbishing and equipping showrooms and installing equipment to improve energy efficiency (in total PLN 206.4 million)
- expenditures for the creation and development of applications and development of data processing capabilities in data centers (in total PLN 39.4 million)

- expenditures related to the expansion and modernization of the vehicle fleet (total PLN 6.9 million)

Other Taxonomy-eligible capital expenditures were incurred for the construction of a new building and equipment to handle packaging waste sent for recycling.

The share of taxonomy eligible capital expenditures in total capital expenditures in 2021 was 81.23%.

## Operating expenses (OpEx) eligible for the EU Taxonomy in fiscal year 2021

### PERCENTAGE OF TAXONOMY-ELIGIBLE OPERATING EXPENDITURES (OPEX)

BUSINESS	CODE OR CODES	OPERATING EXPENDITURES (OPEX) (ABSOLUTE VALUE) PLN MILLION	PART OF OPERATING EXPENDITURES %
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	3.56556	0.98%
Construction of new buildings	71.	0.19813	0.05%
Renovation of existing buildings	72.	6.61256	1.83%
Installation, maintenance and repair of energy efficiency equipment	73.	1.35455	0.37%
Data processing, hosting and related activities	81.	11.70646	3.23%
Computer programming, consultancy and related activities	82.	15.50377	4.28%
<b>Total (A)</b>		<b>38.94102</b>	<b>10.75%</b>
<b>B. TAXONOMY NON- ELIGIBLE ACTIVITIES</b>			
OpEx Taxonomy non-eligible activities (B)		323.27898	89.25%
<b>Total (A+B)</b>		<b>362.22000</b>	

As far as operating expenses (OpEx) are concerned, the largest amounts (PLN 27.2 million in total) were related to expenditures required to upgrade and modernize applications and maintain data centers. Operating expenses were also incurred for works related to minor repairs at showrooms (in total PLN 8.0 million) and maintenance of the vehicle fleet (PLN 3.6 million).

The share of taxonomy eligible operating expenditures in total operating expenditures was 2021 10.75%.



## 1.4. CORPORATE GOVERNANCE

### 1.4.1. CCC Group Structure [GRI 2-2]



The CCC Group operates franchises in countries such as Qatar, Oman, United Arab Emirates, Saudi Arabia, Bahrain, Ukraine, Kosovo, Moldova, Lithuania, Latvia and Estonia.

### Group structure

As at 31 January 2022 and as at the date of approval for publication of this report, the CCC Capital Group consisted of the parent company CCC S.A. and the following subsidiaries:

CCC CAPITAL GROUP			
<b>PRODUCTION</b>	<b>CCC Factory Sp. z o.o.</b> 100% Poland	<b>Gino Rossi S.A.</b> 100% Poland	
<b>DISTRIBUTION</b>	<b>CCC Czech SRO.</b> 100% Czech Republic	<b>HalfPrice Sp. z o.o.</b> 100% Poland	<b>OFP Austria GmbH</b> 100% Austria
	<b>CCC Austria Ges.m.b.H</b> 100% Austria	<b>CCC Shoes Bulgaria</b> 100% Bulgaria	<b>CCC Russia Sp. z o.o.</b> 100% Russia
	<b>CCC Shoes &amp; Bags d.o.o. Beograd-Novi Beograd</b> 100% Serbia	<b>CCC Obutev d o.o.</b> 100% Slovenia	<b>MODIVO S.A.</b> 74.99% Poland
	<b>CCC.eu Sp. z o.o.</b> 100% Poland	<b>CCC Slovakia s.r.o.</b> 100% Slovakia	<b>Eobuv.cz SRO</b> 74.99% Czech Republic
	<b>CCC Hrvatska d o.o.</b> 100% Croatia	<b>CCC Shoes Ayakkabicilik</b> Ticaret Limited Sirketi 100% Turkey	<b>EPANTOFI MODIVO s.r.l.</b> 74.99% Romania
	<b>Shoe Express S.A.</b> 100% Romania	<b>eobuwie.pl Logistics Sp. z o.o.</b> 74.99% Poland	<b>DeeZee Sp. z o.o.</b> 75% Poland
	<b>CCC Hungary Shoes Kft</b> 100% Hungary	<b>Eschuhe.ch GmbH</b> 74.99% Switzerland	<b>Eschuhe.de GmbH</b> 74.99% Germany
<b>OTHER</b>	<b>Branded Shoes &amp; Bags Sp. z o.o.</b> 74.99% Poland	<b>MODIVO S.R.L.</b> 75% Italy	
		<b>CCC Shoes and Bags sp. z o.o.</b> 100% Poland	<b>C-AirOp Limited</b> 50% Isle of Man

## Changes in the structure of the CCC Capital Group in the reporting period

- In 2020, CCC Group began the process of recapitalizing the company MODIVO S.A. (formerly: eobuwie.pl S.A.) by acquiring an external investor. On 31 March 2021, the CCC Group signed agreements governing changes in the shareholding of MODIVO S.A. concerning the acquisition of 10% of shares each by minority investors – Cyfrowy Polsat S.A. and A&R Investments Limited. The above agreements were executed on 22 June 2021 in favour of Cyfrowy Polsat S.A. and on 23 September 2021 in favour of A&R Investments Limited. In order to implement the above, the Group entered into an agreement with MKK3, providing for the sale within the first two quarters of 2021 to CCC of a 20% block of shares in MODIVO S.A., and for MKK3 to retain a 5% block of shares and to continue its long-term cooperation in the development of the platform.
- As of January 21, 2022, the name of the company previously operating under the name eobuwie.pl S.A. was changed to MODIVO S.A.
- On 18 May 2021, CCC.eu Sp. z o.o. acquired from NG2 Suisse S.a.r.l. 5% of shares in Shoe Express S.A., so that CCC S.A. became indirectly 100% shareholder of Shoe Express S.A.
- On May 28, 2021, NG2 Suisse S.a.r.l. acquired the remaining shares becoming the 100% owner of KVAG. On June 3, 2021, CCC S.A. sold 100% of the shares held in NG2 Suisse S.a.r.l. and indirectly 100% of the shares in KVAG to an external investor. The economic cooperation involving the sale of commercial goods by the CCC Group to KVAG continues.
- On 31st May 2021 the contract of sale of 100% shares in OFP Sp. z o.o. (formerly: Garda Sp. z o.o.) between Gino Rossi S.A. and CCC S.A. On August 4th 2021, the share capital of OFP Sp. z o.o.

was increased by the amount of PLN 0.3 million through the creation of 6,000 new shares with a par value of PLN 50.00 each.

- On 19 August 2021, the CCC Group established OFP Austria GmbH, which was registered with the local court on 13 October 2021. The company is a subsidiary of OFP Sp. z o.o.
- On 24 August 2021, CCC S.A. acquired 10% of shares in the company Xpress Delivery Sp. z o.o.

On March 2, 2022, the company operating under the name OFP Sp. z o.o. changed the name to HalfPrice Sp. z o.o. The change of the company's name was not registered with the National Court Register by the date of publication. After the balance sheet date until the preparation of this report, there have been no other changes in the structure of the CCC Capital Group.

## Shares of CCC S.A.

The share capital of the Company is divided into 54,868,000 shares, including:

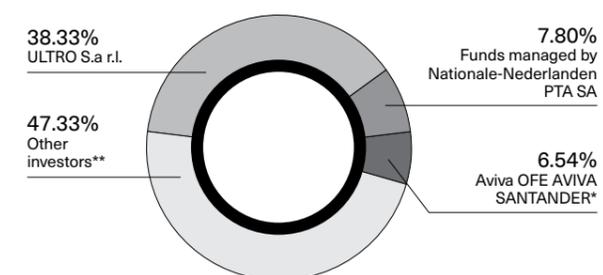
- 48,218,000 ordinary bearer shares, with one vote per share at the General Meeting of the Company,
- 6,650,000 registered shares preferred as to voting in such a way that each share carries two votes at the General Meeting of the Company.



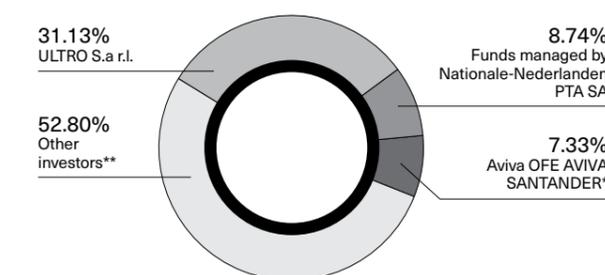
## Shareholders' structure of CCC S.A.

The list of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of CCC S.A. as at 31 January 2021\* was as follows:

**% SHARE OF VOTERS AT THE GENERAL MEETING OF SHAREHOLDERS**



**% SHARE OF SHAREHOLDERS IN THE SHARE CAPITAL**



\* according to the list of those entitled to participate in the EGM of the Company on 06.09.2021  
\*\* other investors holding less than 5% of votes at the EGM



## 1.4.2. Management Structure of CCC S.A.

### The Management Board of CCC S.A.

[GRI 2-9, 405-1]

On 31st January 2022, the Management Board of CCC S.A. acted in the following seven-member composition:

- **Marcin Czyczerski**  
– President of the Management Board,
- **Mariusz Gnych**  
– Vice-President of the Management Board,
- **Karol Póttorak**  
– Vice-President of the Management Board,
- **Adam Holewa**  
– Vice-President of the Management Board,
- **Igor Matus**  
– Vice-President of the Management Board,
- **Kryspin Derejczyk**  
– Vice-President of the Management Board,
- **Adam Marciniak**  
– Vice-President of the Management Board.

During the entire reporting period, i.e. from February 1, 2021 to January 31, 2022, 100% of the members of the Management Board were male, of which six members of the Management Board qualified in the age group of 30-50 years and 1 member of the Management Board qualified in the age group of over 50 years. During the reporting period, the Management Board adopted 26 resolutions.

On March 29, 2021, the Supervisory Board adopted resolutions to increase the number of members of the Management Board to 6 persons and to appoint as Vice President of the Management Board Mr. Adam Holewa as of April 1, 2021, Mr. Igor Matus as of June 7, 2021, Mr. Kryspin Derejczyk as of July 1, 2021.

On 16 September 2021, the Supervisory Board adopted a resolution to increase the number of members of the Management Board to 7 people and to appoint, as of 16 September 2021, Mr. Adam Marciniak to the position of Vice President of the Management Board.

On 11 January 2022 year, Mr. Mariusz Gnych resigned from his position of Vice President of the Management Board of the Company, with effect from 31 January 2022 year. The reason for the resignation was his intention to stand for election to the Supervisory Board of the Company CCC S.A. and to engage in the Company's affairs from the supervisory authority level.

In connection with the aforementioned changes, as at the date of approval for publication of this report, the Management Board operated in the following composition:

- **Marcin Czyczerski**  
– President of the Management Board,
- **Karol Póttorak**  
– Vice-President of the Management Board,
- **Adam Holewa**  
– Vice-President of the Management Board,
- **Igor Matus**  
– Vice-President of the Management Board,
- **Kryspin Derejczyk**  
– Vice-President of the Management Board,
- **Adam Marciniak**  
– Vice-President of the Management Board.

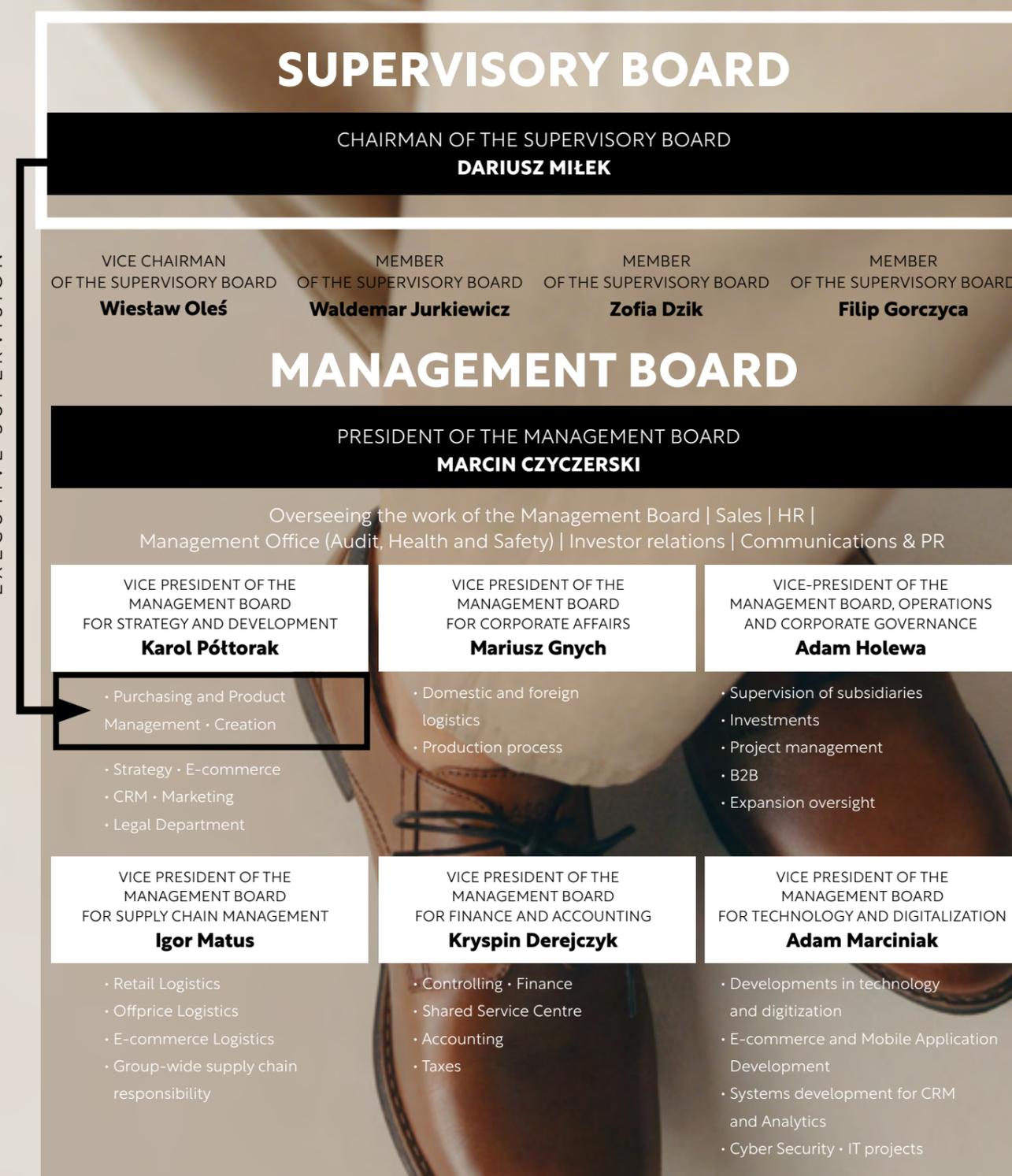
The powers and rules of the Management Board are defined in:

- Commercial Companies Code,
- Company's Articles of Association, which are available on its website (<https://corporate.ccc.eu/en/corporate-governance>),
- Management Board Regulations, which are available on the website (<https://corporate.ccc.eu/en/corporate-governance>),
- Scheme of distribution of responsibility for particular areas of the Company's operations among the members of the Management Board (<https://corporate.ccc.eu/en/ccc-management>).

Members of the Company's Management Board are appointed and dismissed by the Supervisory Board.

The chairman of the supervisor is not a member of the management team. [2-11]

## Division of responsibilities of Management Board members [GRI 2-9]



Detailed information presenting the experience and competences of the managing and supervising persons

can be found on the Company's website <https://corporate.ccc.eu/en/ccc-management>.



## Supervisory Board

[GRI 2-9, 405-1]

As at 31 January 2022 and as at the date of approval for publication of this report, the Supervisory Board was composed as follows:

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### Dariusz Mitek

– Chairman of the Supervisory Board,

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### Wiesław Oleś

– Vice Chairman of the Supervisory Board,

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### Waldemar Jurkiewicz

– Member of the Supervisory Board,

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### Zofia Dzik

– Member of the Supervisory Board,

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### Filip Gorczyca

– Member of the Supervisory Board.

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The Supervisory Board consists of five to seven members appointed by the General Meeting for a joint term of three years. During the reported period from February 1, 2021 to July 12, 2021, 17% of the Supervisory Board members were women and 83% of the Supervisory Board members were men. On July 12, 2021, Mr. Henry McGovern resigned as a member of the Supervisory Board of CCC with immediate effect. Accordingly, from July 12, 2021 to January 31, 2022, 20% of the Supervisory Board members were women and 80% were men. 20% of the members of the Supervisory Board qualified for the age group in the range of 30-50 years, and the remaining 80% qualified for the age group above 50 years. Supervisory Board members do not belong to underrepresented social groups.

In the reporting period, the Supervisory Board held 6 meetings and adopted 46 resolutions.

Detailed information presenting the experience and competences of the managing and supervising persons can be found on the Company's website <https://corporate.ccc.eu/en/ccc-management>.

## Procedure for electing the Company's authorities [GRI 2-10]:

- The procedures for electing the Supervisory Board and the Management Board are set out in the Company's Articles of Association and the Rules of Procedure of the General Meeting of Shareholders and of the Supervisory Board,
- The General Meeting appoints the Chairman and members of the Supervisory Board for a joint three-year term of office – the election is made from among the candidates put forward by the shareholders participating in the General Meeting. Candidates for members of the Supervisory Board should be proposed and justified in detail in a way that makes it possible to make a conscious choice. The Chairman of the General Meeting shall prepare a list of such candidates. Election of the members of the Supervisory Board shall be carried out by voting for each candidate separately, it is also permissible to elect in a joint voting and at the request of shareholders by voting in separate groups,
- The Supervisory Board appoints and dismisses members of the Company's Management Board for a joint three-year term of office.

Decisions regarding the selection of the members of the Management Board and the Supervisory Board are made on the basis of objective criteria. In accordance with the adopted Diversity Policy in re-

lation to the Company's authorities and its key managers, CCC S.A. makes every effort to ensure the versatility and diversity of the Company's authorities, especially in the field of gender, education, age and professional experience, where the main criteria for selection are high qualifications, professionalism and competence of the candidate to perform a particular function. While choosing the members of the bodies, CCC S.A. is guided by equality and inclusiveness

A member of the Supervisory Board should also have appropriate education, professional and life experience, represent a high moral level and be able to devote the necessary amount of time to properly perform his or her functions on the Supervisory Board. Candidates for members of the Supervisory Board should be proposed and justified in detail so as to enable an informed choice. In accordance with the Company's Articles of Association and the Code of Best Practice of the WSE, at least two members of the Supervisory Board should meet the criteria of independence. A candidate for a Supervisory Board member is also obliged to submit to the Company a written declaration that he/she meets the criteria for independence specified in the applicable laws.



## **Audit Committee**

The Audit Committee has been functioning within the Supervisory Board since June 2, 2016. It performs permanent consulting and advisory functions for CCC S.A. and the Company's Supervisory Board. The current Audit Committee was appointed by the Supervisory Board in 2019 and consists of:

- **Mr. Filip Gorczyca** – Chairman of the Audit Committee,
- **Ms. Zofia Dzik** – Member of the Audit Committee,
- **Mr. Waldemar Jurkiewicz** – Member of the Audit Committee.

During the reported period 2021, the Audit Committee held 10 meetings.

CCC is subject to the principles of corporate governance set out in the document "Best Practices of Companies Listed on the WSE 2021". CCC makes every effort to comply with all the set of rules of conduct contained therein. A detailed report on compliance with the Best Practices for Listed Companies is part of CCC's annual report for the financial year 2021/2022 and is also published on the Company's website at: <https://corporate.ccc.eu/en/corporate-governance>.

## **Evaluation of the Management Board's activities** [GRI 2-18]

The Supervisory Board continuously supervises the Company's activities in all areas of its operations. No separate assessment is carried out for the management of the ESG area, but the assessment relates to the entire business, which is based on sustainable development. Twice a year, the Supervisory Board sets individual objectives for each member of the Company's Management Board,

which are aligned with the most important aspects of the Company's operations. The evaluation of the realization of the set goals is subject to the opinion of the Supervisory Board twice a year. In 2021 – in the field of ESG, the Management Board and operating units managing sustainable development issues adjusted their activities taking into account the assessments of the Supervisory Board, and the recommendations made during the assessment are implemented on an ongoing basis into the activities. [GRI 2-18]

The Supervisory Board operates under the Rules of Procedure of the Supervisory Board, which are approved by the General Meeting of Shareholders.

## **Evaluation of the Audit Committee**

The primary responsibility of the CCC Audit Committee is to advise the Management Board on the proper implementation and control of the Company's financial reporting processes, the effectiveness of internal controls and risk management systems, and the selection, oversight and cooperation with the auditors.

The tasks of the Audit Committee include in particular the constant monitoring of the financial reporting process and submitting to the Company's bodies recommendations aimed at ensuring the integrity of this process in the Company. The Audit Committee shall control and monitor the independence of the auditor. The tasks of the Audit Committee also include monitoring the effectiveness and periodic review of the Company's internal control and risk management systems and the Company's internal audit. The Audit Committee Regulations are approved by the Supervisory Board.

## **Evaluation of the General Meeting**

The General Meeting evaluates the Supervisory Board, approving the report on the activities of the Supervisory Board and granting or not granting discharge to individual members of the Supervisory Board at the Annual General Meeting once a year. It is also possible to exercise the right to dismiss a member of the Supervisory Board at the General Meeting. Meetings may be convened at the request of shareholders any number of times during the year in the form of an Extraordinary Meeting.



### 1.4.3. Remuneration of the Management Board and Supervisory Board

#### Remuneration Policy for the Management Board and Supervisory Board [GRI 2-19]

The Company pays remuneration to individual members of the Management Board and the Supervisory Board in accordance with the Remuneration Policy for members of the Management Board and members of the Supervisory Board of CCC S.A., which is in force from 24 June 2020, i.e. the date of adoption of the above mentioned resolution of the General Meeting and its entry into force.

The Remuneration Policy was introduced due to the key role that the members of the Management Board and the Supervisory Board play in the Company. It aims to contribute to the achievement of the Company's business strategy, its long-term interests and the stability of the Company, inter alia, by motivating the members of the aforementioned authorities to work effectively for the benefit of the Company, encouraging them to cooperate in the long term and linking the interests of the members of the Management Board with those of the Company.

The amount of remuneration of the members of the Management Board and the Supervisory Board should be sufficient to recruit, retain and motivate persons possessing the competences necessary for proper management and supervision of the Company. When determining the remuneration of the members of the Management Board and the Supervisory Board, the workload necessary for the proper performance of the functions of individual members of the aforementioned authorities is taken into account, as well as the scope of duties, responsibilities and competencies related to the performance of these functions. The amount

of remuneration corresponds to the size of the enterprise and remains in reasonable relation to the economic results of the Company. In order to improve the quality and efficiency of work of the Management Board members, their remuneration is determined taking into account the motivational nature and effective and smooth management of the Company, and therefore it is composed of fixed elements (basic remuneration), including additional cash and non-cash benefits, and variable elements (cash bonuses).

#### The members of the Management Board are granted variable remuneration components in the form of:

1) **Individual short-term bonus** – based on individual short-term goals, awarded for the period of the first and second half of the year, the basis for determination of which shall be four times the monthly remuneration to which a given member of the Management Board is entitled, payable for the second half of the year until 31.03 and for the first half of the year until 30.09, respectively.

2) **Short-term team bonus** – based on short-term goals, common for the entire Management Board, awarded for annual periods, the basis for determination of which will be four times the monthly remuneration due to a given Management Board member, payable by 31.03.

3) **Long-term bonus** – based on the increase in the value of CCC S.A. (understood as an increase in the share price), awarded to each member of the Board for:

– the first period from January 1, 2020 to July 31, 2021 and calculated as 100,000 x the difference between the average price of the Company's shares in the second quarter of CCC S.A. 2021 (from May 1, 2021 to July 31, 2021) and the issue price of series I and J shares (the base price of the first period);

– the second period from August 1, 2021 to July 31, 2024 and calculated as 100,000 x the difference between the average price of the Company's shares in the second fiscal year of CCC S.A. 2024

(i.e. from May 1 to July 31, 2024) and the average issue price of the Company's shares in the 2nd fiscal year of CCC S.A. 2021 (the base price of the second period).

#### Criteria for awarding variable compensation components:

##### 1) Financial results

A. Financial Performance Criteria. The amount of the variable compensation components is based on the extent to which the Company achieves its financial objectives, including, but not limited to, profitability and financial performance.

B. Methods used to determine the extent to which financial criteria have been met. The determination of the extent to which each financial criterion is met is based on financial data presented by the Company in its separate or consolidated financial statements for the relevant period to which the criterion applies or from its financial and management accounting systems.

##### 2) Non-financial results

A. Non-financial performance criteria. These criteria include the fulfilment of tasks assigned individually or collectively to all members of the Management Board by the Supervisory Board resulting from the business strategy adopted by the Company, not based directly on financial criteria, in particular strategic tasks corresponding to the current situation of the Company; taking into account corporate social responsibility.

B. Methods used to determine the extent to which the non-financial criteria have been met. The determination of the extent to which each non-financial criteria has been met is based on data published by the Company in its annual non-financial report or contained in other non-financial documents and reports of the CCC Group.

The Company permits one-time payments to members of the Management Board granted in extraordinary circumstances that do not constitute remuneration for performing their functions or

services for the Company. Such benefits may include, but are not limited to:

- severance payments related to the termination of cooperation, including retirement and disability severance payments,
- bonuses paid on a one-off basis at the start of the cooperation (sign-on fee) or in order to retain a given member in his/her position (retention bonus),
- compensation for relocation/movement due to assumption or change of position.

The Company has not introduced and does not plan to introduce any additional pension schemes or early retirement schemes for the members of the Management Board or the Supervisory Board. Detailed information on the Remuneration Policy can be found at <https://corporate.ccc.eu/en/corporate-governance>.

#### Remuneration Policy Design Process [GRI 2-20]

The draft Policy prepared by the Management Board was reviewed by the Supervisory Board and presented to shareholders at the Annual General Meeting on 24 June 2020. The shareholders responded positively to the content of the proposed Policy and adopted a resolution on its adoption. The resolution was adopted with 81.2% of votes "for". External advisors, independent of the members of the Management Board and Supervisory Board, were involved in the remuneration determination process. The existing policy does not take into account the voices of stakeholders.

The Ordinary General Meeting of the Company adopted, on June 22, 2021, a resolution updating the Policy of Remuneration of the Members of the Management Board and the Supervisory Board of CCC S.A. in force in the Company from June 24, 2020, with 96.8% of the votes "for", 3.2% of votes "against" and no votes "abstentions".

## Remuneration of the Management Board members in the financial year 2021 in PLN

REMUNERATION RECEIVED IN FISCAL YEAR 2021*	
Marcin Czyczerski	1,808,320
Mariusz Gnych	1,269,100
Karol Półtorak	1,265,200
Adam Holewa	770,000
Igor Matus	526,200
Kryspin Derejczyk	473,300
Adam Marciniak	245,000

\*the indicator does not include long-term bonuses. The bonus was omitted due to the fact that it is a long-term bonus and it was paid for the period 01/01/2020–31/07/2021, going beyond the reporting period.

## Average annual earnings of employees and the ratio of the highest salary in the CCC to the average annual salary in the company [GRI 2–21]

In the financial year 2021, the Company paid the members of the Management Board gross basic remuneration with bonuses (including long-term bonuses) in the amount of PLN 30 801 120.00. In 2021, the remuneration of the members of the Management Board, excluding the long-term bonus, amounted to PLN 6 357 120 and was 83.7% higher than in the previous year. The Supervisory Board members were paid a gross amount of PLN 723 857, which is by 43% higher than in 2020.

The ratio of the average remuneration of Management Board members (excluding long-term bonuses) to the average remuneration of other employees on employment contracts was 14.2x in the financial year 2021, i.e. 12.1x less than in 2020, when it was 26.3x.

The ratio of the highest salary (excluding long-term bonus) in the company to the average annual salary of other employees under an employment



contract in the financial year 2021 was 32.3x. The ratio of the percentage increase in the total annual salary for the highest paid person in the organization to the percentage increase in the average annual salary for all other employees (excluding the highest paid person) was 1.76.

Detailed data on wages in the CCC Group and CCC S.A. can be found in Appendix 1 to the report.

### 1.4.4. Sustainability management in the CCC Group

#### Activities of senior management structures in the ESG area

[GRI 2–9, 2–12, 2–13, 2–14]

ESG issues are an important element of the Company's strategy and are of interest to the Company's Management Board, Supervisory Board, as well as the managerial staff. Activities related to ESG in individual areas are carried out in cooperation with various units, including the Procurement Department, Product Department, Environmental Department, Occupational Health and Safety Department, HR Department and other employees of the Company. The area of Sustainable Development and issues related to climate change are supervised by the President of the Management Board. Responsibility for the ESG area and implementation of the Sustainable Development Strategy lies with the Corporate Communication and Sustainable Development Division.

Senior management structures systematically monitor ESG issues. The Management Board meets periodically with those responsible for specific areas, and the Supervisory Board receives the results of ESG reports at least twice a year and discusses planned activities related to this area. Both the Management Board and the Supervisory Board oversee ESG issues without separating separate committees. [2-9]

In addition, the Company's Management Board actively participates in the development of the non-financial report by approving the structure of the report and its main assumptions, including the materiality of the topics included in the report. It also engages in materiality testing, which is conducted every few years to determine materiality and enhance the Company's ESG engagement. The process of reviewing and approving reported information takes place on an ongoing basis.

The Management Board plays a key role in managing the goals set out in the CCC Group Sustainability Strategy – it approves the direction and scope of actions, as well as reviews and supervises the integration of actions in the area of sustainable development and responsible business with the business goals of the CCC Group. Due to the fact that sustainable development concerns all areas of activity of the CCC Group, the process also involves representatives of managerial staff from different departments and levels, who provide direct substantive and organizational support in the implementation of tasks related to sustainable development.

Management has set sustainability targets, which are periodically accounted for and reported to the Management Board and Supervisory Board. The goals are defined, among others, in Strategy GO.25 and are accounted for on a quarterly basis.

Both the work on the Business Strategy and the Sustainable Development Strategy of the CCC Group were preceded by a several-month process of diagnosis of the situation of the Group and the analysis of the environment and the functioning of the Group, with the active and leading participation of the Management Board of CCC S.A., the management boards of the subsidiaries and the key managers of the Group.

There was no ESG training for Board members in fiscal year 2021. [GRI 2-17]

## 1.5. ETHICS AND HUMAN RIGHTS IN THE CCC CAPITAL GROUP

The CCC Group is focused on maintaining and promoting the highest standards in the supply chain and strengthening the ethics management system. This is an extremely important area, which is why the CCC Group is committed to upholding its values and improving its approach to ethics by actively managing this area and building relationships internally and with partners based on mutual respect and trust. The high importance of this area is due to the fact that it relates to the entire value chain, and any violation of human rights is not only associated with major reputational and financial losses, but above all is unacceptable on moral grounds. The high importance of this issue for stakeholders was also confirmed in the 2021 materiality study.

Therefore, the CCC Group makes every effort to ensure that human rights are respected and the highest standards are met in its upstream and operational activities. The CCC Group is aware that there is a certain risk of human rights violations, which cannot be excluded due to the human factor, so CCC takes a number of measures to identify and prevent and reduce the impact of the risk of human rights violations in the supply chain.

CCC has policies in the area of ethics and human rights, applies due diligence procedures, conducts regular inspections and monitoring of factories in terms of production process and working conditions, conducts social audits of suppliers based on which it evaluates existing mechanisms and implements necessary changes. In addition, the Management Board, together with the Sustainability Department, periodically monitors the progress in achieving the goals set out in the Sustainability Strategy and adjusts its policies and actions based on them. Examples are the new Group ethical



values adopted in 2021, the updated CCC Group Code of Ethics, the work on updating the Supplier Code of Conduct, and the new strategic objectives under the GO.25 Sustainability Strategy relating to the ethical area (i.e. 100% of reports of violations analyzed) and the objectives under responsible supply chain, which are described in detail in chapter 2.1.1.

The CCC Group's impact on this issue, progress towards its objectives, policies, ways to manage positive and negative aspects, and risk management are described later in this chapter. However, the actions taken and their results will be communicated to stakeholders through the sustainability report, the corporate website, or through direct interactions between CCC Group units and individual stakeholders. [GRI 3-3, 2-23, 2-25]



### 1.5.1. Ethical values

The CCC Capital Group makes every effort to ensure that, in performing their work, employees are guided by the Group's ethical values and promote them through their own example and behaviour consistent with the principles contained in the Code of Ethics. In 2021, new CCC Capital Group values were developed and adopted by the Management Board.

#### The main values of the CCC Capital Group are:

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##### WE ARE DRIVEN BY CUSTOMERS

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- The customer is always the center of attention;
  - We take pride in our products;
  - We act quickly and consistently and are flexible.
- 

##### WE CREATE BUSINESS INNOVATIONS

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- Our actions bring value to customers and the company;
  - We think innovatively, improve and simplify processes;
  - We are always looking for effective and responsible solutions.
- 

##### WE WORK AS A TEAM

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- We respect each other and our surroundings by inspiring each other;
- Our teams are a place for the best;
- We expect the best of ourselves and give maximum commitment.

### Documents and Procedures

[GRI 2-23]

CCC Capital Group and its constituent companies operate in an open and transparent manner, and in accordance with generally applicable laws and internal regulations. The foundation for the creation of transparent, comfortable and equal working conditions for everyone is the CCC Capital Group Code of Ethics. An additional set of issues and regulations related to ethics, respect for human rights and anti-corruption in the CCC Group are documents such as:

- Anti-Corruption Code,
- Abuse Reporting Procedure,
- CCC Group Supplier Code of Conduct,
- Chemical Substance Management Policy,
- Restricted Substance List,
- Regulations of equal treatment, counteracting discrimination and mobbing in CCC S.A.



## **Code of Ethics** [GRI 2-23, 2-24]

The CCC Group Code of Ethics presents the desired attitude of all employees of CCC Group companies and describes the obligations concerning the standards of conduct, regardless of the area of activity and scope of responsibility in the Group. The Code of Ethics formulates the most important values that strengthen the process of shaping ethical conduct and mutual trust in the Group. The Code is an important complement to legal regulations, providing a framework and standards of behaviour to ensure that the organization operates in a way that builds the Group's reputation and value. Selected areas from the Code are an elementary component of the sustainable development strategy.

The CCC Group Code of Ethics has been in place since 2014. In 2020, a project to update the Code of Ethics was initiated, which was completed and adopted by the Management Board in May 2021. The updated CCC Group Code of Ethics reflects the findings of key widely recognized legal standards such as:

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

All the people working for the companies of the CCC Capital Group, regardless of the legal form of the employment relationship, are obliged to comply with the principles set out in the Code of Ethics. The CCC Group expects that the document will also be respected by persons and entities cooperating with the Group.

The person responsible for overseeing the content of the Code, implementing procedures, communicating about the Code, supervising the process of handling reports of violations and supporting the organization and supervising training on ethics and human rights is the Ombudsman of Ethics supported in this function by the Compliance Officer.

Any employee of the Group may contact the Ethics Officer if he or she has any doubts as to whether his or her conduct or that of his or her colleagues complies with the Code of Ethics or to make suggestions as to whether additional rules of ethical conduct not covered by the document should be considered. [GRI 2-26]

As part of the update to the Code of Ethics, the system for reporting violations and irregularities was enhanced and is described in detail later in this section.

In fiscal year 2021, every employee was required to read the Code of Ethics. This forms part of the mandatory training provided on the e-learning platform. As of January 31, 2022, 59.72% of employees required to complete the training were familiar with the Code of Ethics.

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

## **Conflict of Interest**

[GRI 2-15]

In order to prevent conflicts of interest, the CCC Group has implemented internal regulations that are designed to identify situations that constitute or may constitute conflicts of interest, to indicate the course of action for managing conflicts of interest, and to build awareness among employees

about how to deal with conflicts of interest. The regulations apply to all employees of CCC Group companies and individuals providing work on a basis other than a contract of employment for companies of the Group.

An employee who is in a conflict of interest situation, or believes that he or she may potentially be in such a situation, should immediately inform his or her line manager or the Compliance Officer. A dedicated questionnaire is used to report conflicts of interest. Submission of the questionnaire is mandatory for each employee within 14 days of employment. The conflict of interest statement must be submitted to the Compliance Officer who maintains the CCC Group's conflict register or to the Human Resources and Payroll Department. Group executives are required to submit a conflict of interest statement once a year. Conflicts of interest are not disclosed to stakeholders.

## **Anti-corruption procedures**

The CCC Group adopts a zero-tolerance policy on corruption in each of its business areas. The principles of counteracting corrupt behaviour by persons acting for or on behalf of the CCC Group and improving management processes to effectively protect the assets and reputation of the CCC Group are set out in the CCC Anti-Corruption Code, Fraud Reporting Procedure, CCC Group Code of Ethics. In addition, in CCC S.A and CCC. eu Sp. z o.o. there is the Compliance Policy.

By implementing the Anti-Corruption Code, the Company promotes ethical activities and complies with the Standards recommended for the compliance management system in the area of anti-corruption and whistle-blower protection system in companies listed on the markets organized by the Warsaw Stock Exchange. The Anti-Corruption Code is available on the website: <https://corporate.ccc.eu/en/ethics>.

As part of the system in place to manage risks, including fraud and embezzlement risks, the Company additionally conducts an annual process to identify and assess these risks, and the results are presented to the Management Board. Based on the results obtained, the Anti-Corruption Code is reviewed annually and updated as needed.

In fiscal year 2021, an assessment was conducted for corruption risks in key areas of the Company's operations (purchasing, investment and development). The main area of focus was how service providers were selected and vetted.

Information on anti-corruption policy and procedures is included in the General Terms and Conditions of Procurement (GTP), which are each time attached to requests for quotation. After submitting an offer, the Supplier automatically accepts the provisions in the GTP.



## Anti-discrimination policy

CCC Group does not accept discrimination based on gender, age, disability, sexual orientation, race, nationality, ethnicity, religion, creed or irreligion. Anti-discrimination issues in the CCC Group are regulated by the "Regulations on Equal Treatment, Anti-Discrimination and Anti-Harassment in the CCC Group", which was introduced in 2017 and updated in April 2021. The adopted regulations are aimed at implementing appropriate actions taken by the company and protecting people affected by manifestations of discrimination or mobbing. It regulates the actions of the employer, employees, as well as the activity of the appointed Conciliation Commission, which considers cases of discrimination and harassment.

Anti-discrimination measures also include principles contained in the Recruitment Policy. The recruitment policy is based on non-discriminatory criteria and the recruitment process ensures equal opportunities for the participants and objectivity of candidates' assessment through the use of appropriate selection tools, adjusted to the position. Communication and training on human rights and anti-corruption policies [GRI 410-1, 412-2, 2-23, 2-24]

## Communication and training on human rights and anti-corruption policies [GRI 410-1, 2-23, 2-24]

In order to remind employees of the Group's core values and principles regarding, among other things, ethics, respect for human rights, anti-discrimination policy and equal treatment, messages are sent regularly through all available internal channels.

The CCC Group did not conduct human rights training in fiscal year 2021.

## Respect for human rights in the supply chain – Supplier Code of Conduct [GRI 2-23, 2-24]

CCC Group is one of the fastest growing footwear companies in Europe, so ensuring sustainability and social responsibility in the company and its supply chain is one of its priorities. The document that governs all social issues in the supply chain is the Supplier Code of Conduct, which has been in place at CCC Group since 2018. It sets out the standards of conduct for CCC Group suppliers with regard to human rights, labour rights, environmental issues and business integrity. The Supplier Code of Conduct, together with a system for monitoring its compliance, has been prepared based on international standards and guidelines as set out, among others, by the International Labour Organization, ISO 26000, SA 8000, the Leather Working Group guidelines, the Fair Wear Foundation and the OECD guidelines for the clothing and footwear industry. [GRI 2-23]

The condition of the supplier's cooperation with CCC is complying with its provisions - this rule applies to both the supplier's employees and all its subcontractors or subsuppliers involved in carrying out orders for CCC.

In response to upcoming supply chain due diligence requirements, CCC Group 2021 launched a project to revise the Supplier Code of Conduct, which aims to expand the Group's existing ethics management system and establish common high standards and practices across all ESG areas in CCC Group's supply chain. Currently, the project is in the phase of developing the final content of the Code, which will then be submitted for consultation with suppliers. Completion of the project and implementation of the Code are scheduled for 2022. The final version of the document will be published on the corporate website. As part of the



updated Code, CCC Group provides an opportunity to report violations of the provisions of the Code of Conduct for Suppliers [GRI 2-25].

In fiscal year 2021, due to the Covid-19 coronavirus pandemic, we only took as a basis the social audits that were conducted by certification bodies and external companies based on standards such

as BSCI Amfori, Smeta Sedex, SA 8000, and others. In fiscal year 2021, we received 99 documents confirming the social audits conducted from 61 suppliers of commercial goods.

The Supplier Code of Conduct is available at: <https://corporate.ccc.eu/en/download/pobierz/kodeks-postepowania-dla-dostawcow-pdf>.



The CCC Group also has a document entitled "Principles and Good Practices of Cooperation with Suppliers of the CCC Group", which sets out standards of conduct for CCC suppliers with respect to issues related to, among others, human rights. This document is described in detail in chapter 2.1.1. and is available on the Company's website at: <https://corporate.ccc.eu/en/download/pobierz/guidelines-and-good-practices-for-cooperation-with-the-ccc-group-s-suppliers-1>.

### Prohibition of forced labour

[GRI 409-1]

Suppliers of CCC Group will not tolerate forced labour. Forced or compulsory labour refers to any work or service required of a person under the threat of any penalty and for which the person has not volunteered. Activity of suppliers producing commercial goods (supply chain) from countries such as India, Bangladesh and China is particularly exposed to this type of risk. The In order to eliminate all forms of forced or compulsory labour, the CCC Group requires its suppliers to accept the

entirety of the principles arising from the Supplier Code of Conduct. The prohibition of forced labor is one of the mandatory points in the audits carried out among the suppliers of the CCC Group.

### Freedom of association and collective bargaining

[GRI 407-1]

Suppliers' employees have the right to associate as they wish, to form trade unions and to bargain collectively. Employees of our suppliers shall not be intimidated, discriminated against, or harassed because of their union activities. Activities of suppliers producing commercial goods for the CCC Group in the supply chain (upstream) from countries such as India, Bangladesh and China are particularly exposed to this type of risk. The CCC Group requires suppliers to accept the entirety of the principles arising from the Supplier Code of Conduct which is a document absolutely required by the Group. Freedom of association and collective bargaining is one of the key issues monitored during external audits of Suppliers.



## Countering Child Labour

[GRI 408-1]

Suppliers are expected not to employ or tolerate child labour. In accordance with International Labour Organization Convention No. 138, the lowest age of a Supplier's employee shall not be less than the age at which compulsory schooling ceases, and in any case not less than fifteen years of age. The primary areas where the risk of child labour may occur is in the area of goods production. Suppliers from countries such as India, Bangladesh and China are particularly exposed to this type of risk. The CCC Group requires suppliers to accept the entire principles of the Supplier Code of Conduct, including the prohibition of the use of child labour.

## Clauses that norm the human rights aspect

As of 2019, clauses in the CCC Group's General Terms and Conditions of Procurement are in force, which obliges all suppliers and contractors supplying goods or providing services to the CCC Group to comply with the principles, laws and regulations contained in the CCC Group's Code of Ethics and to apply the provisions contained therein accordingly, and in particular to apply in their activities the principles of anti-corruption, respect for human dignity, mutual respect, tolerance and environmental protection. The signing of an order by a supplier/contractor is tantamount to acceptance of the General Terms and Conditions of Purchase; however, it occasionally happens that suppliers/contractors condition cooperation with their own General Terms and Conditions of Business. In fiscal year 2021, clauses were signed by 98% of suppliers. The remaining 2% follow their own identity procedures as required by CCC. The indicated % of suppliers refers to suppliers that have received

orders through tenders processed by the Central Procurement Office.

## 1.5.2. Misconduct reporting and handling system

### Whistleblowing procedure

[GRI 2-26]

The CCC Group strives to ensure that its dealings with employees and third parties are characterized by compliance with national laws and regulations, taking into account cultural considerations. At the same time, it makes every effort to create an environment that encourages open and honest communication. In the event of a suspected violation of the law or the principles contained in the Code of Ethics or the Anti-Corruption Code, any person (whether an employee or a bystander) can use the information tools available to report the violation / irregularity. As part of the 2021 update of the CCC Group Code of Ethics, the system for reporting violations and handling irregularities has been enhanced.

An external tool was introduced to provide security and confidentiality for whistle-blowers and to support effective whistle-blower management. Through technical solutions, the system protects the anonymity of whistle-blowers as long as no directly personally identifiable information is entered in the report.

Fraud reporting and anti-fraud policies are set out in the CCC Group Code of Ethics available at <https://corporate.ccc.eu/en/ethics> and the Whistle-blower Procedure available at: <https://corporate.ccc.eu/en/policies-and-presentations,1>.

## Breach Reporting Mechanism

[GRI 2-26]



**ANONYMOUS CONTACT FORM**  
available on the Company's website:  
<https://corporate.ccc.eu/en/ethics>



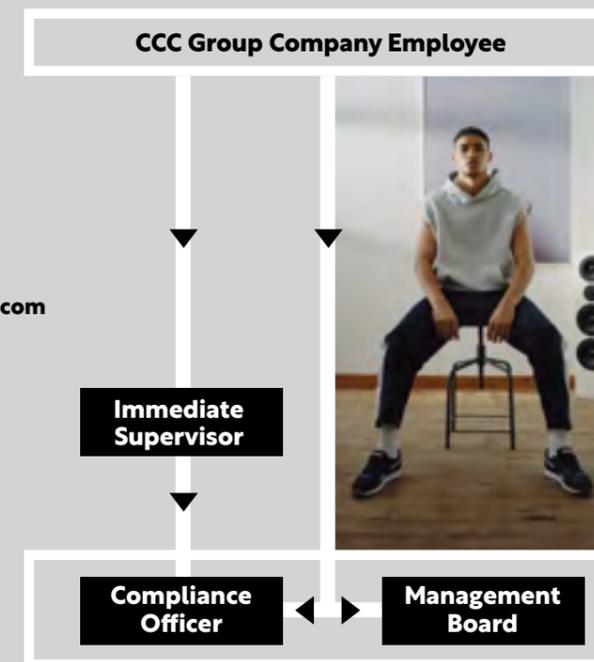
**ANONYMOUS REPORTING CHANNEL**  
CCC S.A. > [cccsa.whistlelink.com](https://cccsa.whistlelink.com)  
CCC.EU Sp. z o.o. > [ccceu.whistlelink.com](https://ccceu.whistlelink.com)  
OFP Sp. z o.o. > [hp.whistlelink.com](https://hp.whistlelink.com)  
CCC Factory Sp. z o.o. > [cccsfactory.whistlelink.com](https://cccsfactory.whistlelink.com)  
MODIVO > [eobuwie.whistlelink.com](https://eobuwie.whistlelink.com)  
eobuwie logistics > [eobuwielo.whistlelink.com](https://eobuwielo.whistlelink.com)



**MAIL** dedicated to the reporting of all abuses and violations:  
[etyka@ccc.eu](mailto:etyka@ccc.eu)



**PHONE** via a dedicated automatic hotline in Polish and English.



You can use the following channels to make a request:

- an external whistlelink whistle-blowing system introduced for the main companies of the Group in Polish, English and Ukrainian: <https://cccsa.whistlelink.com/report/>,
- contact form available on the Company's website: <https://corporate.ccc.eu/en/ethics>,
- email dedicated to reporting any abuse or violations: [etyka@ccc.eu](mailto:etyka@ccc.eu),
- by telephone through a dedicated automated hotline in Polish and English.

Fraud reporting and anti-fraud policies are set out in the CCC Group Code of Ethics available at <https://corporate.ccc.eu/en/ethics> and the Whistle-blower Procedure available at: <https://corporate.ccc.eu/en/policies-and-presentations,1>.

## Reports management and complaint treatment

[GRI 2-16, 2-26]

The CCC Group has aligned its whistleblowing and complaint handling process with the requirements of Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of whistle-blowers of Union law (the so-called Whistle-blower Protection Directive) and the draft national law on the protection of whistle-blowers' rights as of December 17, 2021.

A report is first processed by the Ethics Officer, which guarantees the protection of the whistle-blower's data. The Ethics Officer, assisted by the Compliance Officer, is responsible for conducting the investigation. In special cases, the Management Board is involved in the procedure if it concerns the Ombudsman or the Compliance Officer. In subsidiaries and affiliates belonging to the CCC Capital Group, a local Supervisor of Ethics Officer may be appointed as a reporting person. The duties and competencies of the Plenipotentiary include local monitoring of compliance with the Code of Ethics, handling reported violations of ethical values, supervising the course of ethics training, coordinating the implementation of regulations in the field of ethics at the individual level and submitting semi-annual reports on the activities carried out to the Ethics Officer.

The flow of information for the purposes of an investigation is carried out with respect for the principles of privacy protection, protection of whistle-blowers and respect for the whistle-blower's anonymity. All persons involved in the investigation are obliged to keep the information confidential.

In the case of reports of bullying and discrimination, due to the egregious nature of these viola-

tions, there is a separate process for reviewing the report. Following a report, a three-person Commission will be appointed. Persons included in the Commission must not have any connection with the reported matter. Also, the head of the organizational unit in which the person indicated in the complaint is employed cannot be a member of the Commission. The Commission is headed by the Director of the Human Resources Department. The Committee shall hold meetings. The proceedings before the Committee shall be confidential.

CCC Group shall ensure that the identity of the person who made the report is protected and not disclosed, without the express consent of that person, to any person who is not authorized to manage reports and take corrective action. This also applies to any other information from which the identity of the person making the report can be directly or indirectly identified. The Group prohibits retaliation, defined as a direct or indirect act or omission occurring in a work-related context that is caused by an internal or external report or public disclosure and that causes or is likely to cause unreasonable harm to the person making the report.

The Code review process took into account the voices of CCC employees regarding preferred whistleblowing mechanisms and the system for handling reports. In subsequent years, as part of the cyclical review of the Code, it is planned to analyze the evaluation, effectiveness of the Code and the mechanisms implemented, e.g., in the form of a survey among those covered by the document.



## Communication of critical concerns

There were 5 reports from whistle-blowers in 2021. All reports concerned violations of employee rights. During the internal process of examining reports, in the only case, allegations of improper treatment of employees were confirmed and official consequences were imposed on the offender (a reprimand). [GRI 406-1]

The bodies of the Companies are informed on an ongoing basis about all reports, the course of the proceedings and their results by the Compliance Officer in the form of periodic reports and ad hoc direct contact. [GRI 2-16]

## Compliance with laws and regulations [GRI 2-27]

In fiscal year 2021, no cases were identified in the CCC Group:

- corruption [GRI 205-3],
- non-compliance with product and service safety regulations,
- violation of free competition,
- lack of compliance with environmental standards and regulations,
- other proceedings in the area of economic and social issues,
- violations in the area of product and service safety, and there were no proceedings for violation of free competition or other proceedings in the area of economic and social issues. In July 2021, copyright infringement proceedings began. As at the date of publication of the report, the proceedings were still pending. [GRI 206-1]

During the mentioned period:

- no significant fines or non-financial sanctions have been imposed on the CCC Group for non-compliance with social, economic or environmental laws and regulations.

## Statistics and activities of the CCC Group in the area of Personal Data Protection

CCC S.A., as well as companies of the CCC Capital Group undertake ongoing activities aimed at ensuring compliance with personal data protection regulations and rules. The companies have personal data protection documentation and keep the registers envisaged by the law (register of processing activities, categories, accesses, personal data security violations and requests of the data subjects).

CCC Group companies, in particular, respond to the requests of data subjects, process personal data by informing data subjects of the principles of data processing referred to in Article 13 and 14 of the GDPR ensure that there is a legal basis for data processing referred to in Article 6 sec. 1 of the GDPR and Article 9 sec. 2 of the GDPR, apply the principle of data minimization both in the process of data collection and data access, implement the principle of privacy by design and privacy by default, ensure accountability of data processing.

The President of the Office for Personal Data Protection does not carry out inspection activities in relation to the indicated companies.

In fiscal year 2021, no personal data security breaches were reported to the President of the Office for Personal Data

Protection due to the lack of prerequisites for such reports. If a personal data protection incident occurs, the Company takes preventive measures for the future by changing the procedures in force or by other corrective measures. Audit and supervisory actions are taken over the application of personal data protection documentation in CCC Capital Group companies. [GRI 418-1]

The President of the Office for Personal Data Protection conducts in relation to 4 proceedings in respect of the customer's complaint against the actions of CCC S.A. related to inappropriate actions in the opinion of customers, in particular, in the implementation of the rights of data subjects. In the course of the correspondence with the President of the Office for Personal Data Protection, all responses to the requests of the supervisory authority are provided in a timely and reliable manner. In 2020, 2 proceedings were conducted regarding a client's complaint against the activities of the company CCC S.A. In 2019, there were no customer complaints in the area of personal data protection.



## 1.6. MATERIALITY AND RISK MANAGEMENT

### 1.6.1. Materiality assessment [GRI 3-1]

CCC Group is committed to aligning its operations strategy with stakeholder expectations, improving the quality of its operations, and disclosing sustainability information and data. In order to identify the key stakeholders, material ESG topics and risks for CCC, CCC Group conducted an ESG materiality assessment in 2021. The outcomes of the assessment were the basis for determining the content of this report and are used in undertaking the strategic directions of CCC Group's activities. The materiality assessment was also part of the social dialogue that CCC conducts with its stakeholders.

The materiality study was aligned with the requirements of the CSRD and took into account the principle of double materiality. This means that all ESG topics were analyzed from the impact materiality perspective, e.i. the impact of the CCC Group on sustainability issues, and from the financial materiality perspective, i.e. what impact sustainability issues have or may have in the future on the financial results of the CCC Group. The study was conducted in cooperation with an external consulting firm MATERIALITY, in accordance with the methodology MAX – MATERIALITY ASSESSMENT MATRIX in the basic version +.

The following sources of information, among others, were included in the study:

- source data from CCC Group,
- a comparative analysis of companies in the industry considering 19 entities,
- a comprehensive questionnaire survey of 35 representatives from all key management areas in the Group,

- feedback from 7 external sustainability experts,
- results of the questionnaire and structured interviews with 11 representatives of internal and external stakeholders from the Company's environment representing such stakeholder groups as: financial institutions, public administration, industry organizations, suppliers, companies cooperating with the CCC Group, consumers, higher education, beneficiaries of social programs, local community.

During the interviews, representatives of key stakeholders were given the opportunity to anonymously report and rate the materiality of topics and risks arising in their relationship with the CCC Group, which were used to develop post-study recommendations. [2-25]





The study resulted in a list of material stakeholders, material issues and a list of material ESG risks.

According to the methodology used, the following were identified:

9 MATERIAL STAKEHOLDER GROUPS	23 MATERIAL ESG ISSUES WITH DIFFERENT MANAGEMENT PRIORITIES:	15 MATERIAL ESG RISKS
<ul style="list-style-type: none"> <li>– consumers</li> <li>– employees</li> <li>– vendors of commercial goods</li> <li>– other suppliers</li> <li>– business partners</li> <li>– investors</li> <li>– financial institutions</li> <li>– public administration</li> <li>– media</li> </ul>	<p><b>Material ESG issues of highest management priority:</b></p> <ul style="list-style-type: none"> <li>– Climate change* (including greenhouse gas emissions*)</li> <li>– Closed loop economy** (including raw materials and supplies**, waste*)</li> <li>– Equality and diversity*</li> <li>– Supply chain monitoring and assessment** (including Supplier and subcontractor relations**, Animal welfare*)</li> <li>– Human and workers' rights**</li> <li>– Responsible marketing communications*</li> </ul> <p><b>Material ESG issues of medium management priority:</b></p> <ul style="list-style-type: none"> <li>– Biodiversity*</li> <li>– Quality and product safety**</li> <li>– Ethics*</li> <li>– Employee development and education**</li> <li>– Sustainability Management**</li> <li>– Technological progress and innovation*</li> </ul> <p><b>Material ESG issues with standard management priority:</b></p> <ul style="list-style-type: none"> <li>– Water and wastewater*</li> <li>– Chemicals*</li> <li>– Employment and wage levels**</li> <li>– Relations with the labour side and freedom of association*</li> <li>– Occupational health and safety**</li> <li>– Customer Relationship and Service Excellence*</li> <li>– Local communities and community engagement**</li> <li>– Use of public assistance*</li> <li>– Corruption and bribery*</li> <li>– Data protection and information security* (including privacy*)</li> <li>– Anti-competitive behaviour*</li> </ul>	<ul style="list-style-type: none"> <li>– Risk of loss or significant deterioration in the quality or availability of key raw materials</li> <li>– Risk related to prices of raw materials and consumables</li> <li>– Risk of reduced access to water</li> <li>– Risk of wage pressure</li> <li>– Customer experience risk</li> <li>– Risk of changes in consumer preferences and trends</li> <li>– Image risk of the fast fashion industry</li> <li>– Risk of changes in global economic conditions</li> <li>– Risks associated with economic effects as a result of the COVID-19 pandemic</li> <li>– Risk of regulator decisions or regulatory changes in the fashion and/or retail industry</li> <li>– Risks associated with the inflexibility of the business model</li> <li>– Risk related to inefficiency of IT infrastructure or occurrence of failure of the ICT system</li> <li>– Risk of limited supplier availability</li> <li>– Risks related to limitations of transport infrastructure (rail, port, storage, transportation) and random events on the land section</li> <li>– Risks associated with the conduct of the shipowner</li> </ul>

\*New material issue compared to last year's issues

\*\* Issue materiality unchanged from last year. According to the results of the current materiality study, an issue such as "Activities related to sports promotion and education" was found to be not material. [3-2]



**1.6.2. Material ESG issues** [GRI 3-1, 3-2]

For the purpose of non-financial reporting and updating the list of material ESG topics, a new comprehensive study was conducted in the CCC Group in Q4 2021 considering the principle of double materiality. Hence, the list of material reporting topics for 2021 differs from the topics that were reported in previous periods. The study was conducted in accordance with the GRI Standards 2021 guidelines and considering the internal, expert and external perspectives (structured interviews were conducted with representatives of key external stakeholders of CCC Group). Sustainability issues were analyzed in terms of four parameters under impact materiality: scale of impact, scope of impact, likelihood of impact and remediability of impact. For financial materiality, the impact of the issue on the CCC Group's growth, performance and business situation was examined.



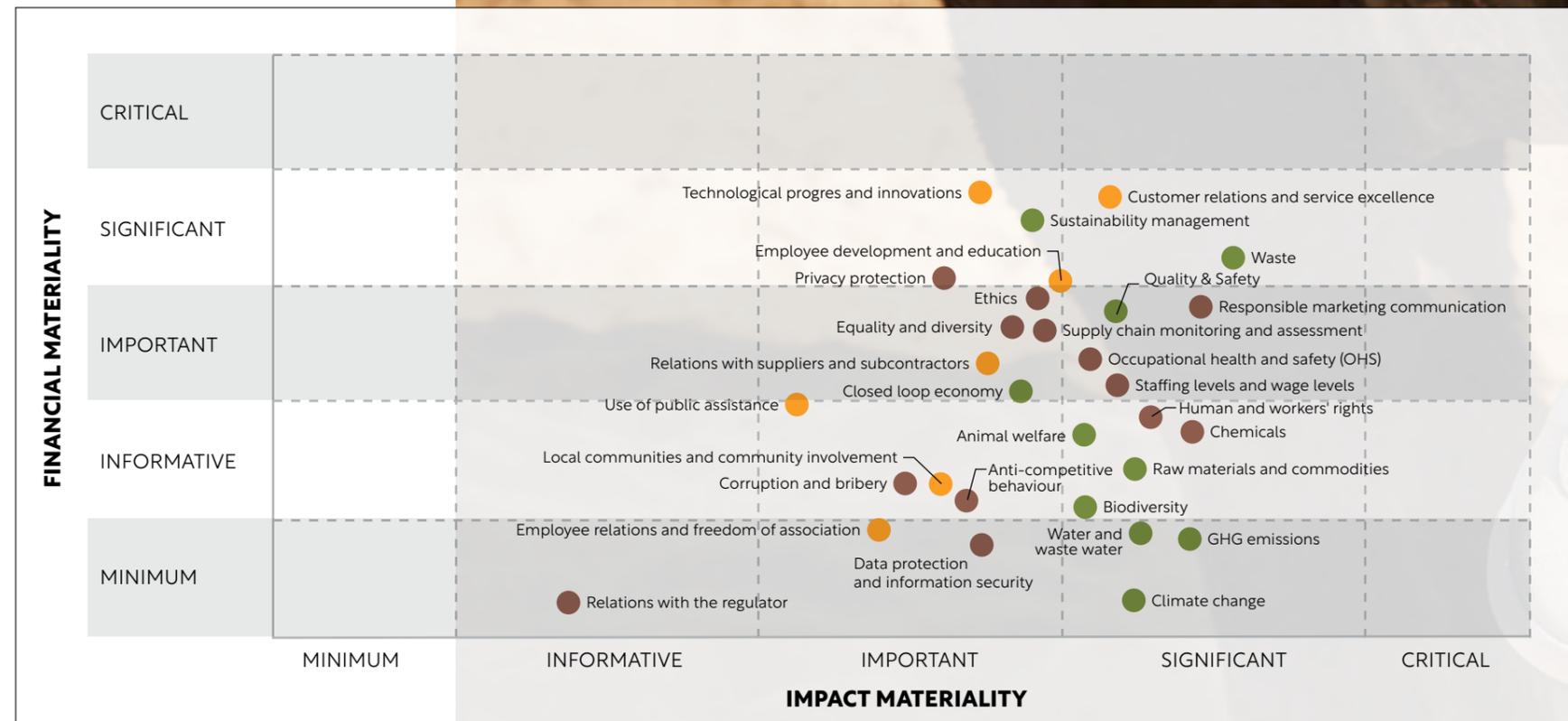
**ESG MATERIAL ISSUES**

(an internal and expert perspective)

The materiality study identified 23 areas in which the Company and the Group significantly affect the environment, or in which a given area significantly affects the Company and the Group. In order to determine the importance and intensity of activities and allocate appropriate resources, the identified material ESG issues were classified into 3 groups with different management priorities. The topics considered important for reporting are those with the highest management priority, for which a detailed approach to their management as well as corresponding indicators are presented in this report. Additionally, issues such as health and safety and economic efficiency, which are important aspects for organizations, are described.

The CCC Group adds a strategic dimension to the most material topics so that it can respond to and implement stakeholder needs quickly.

- E – environment
- S – society
- G – governance



### 1.6.3. Material stakeholders

[GRI 2-29]

Key stakeholders are all entities that exert a significant influence on the Group's and Company's operations and that are affected by the Group's and Company's operations in the business and social space. All stakeholder groups are important from the perspective of the Business Strategy, Sustainability Strategy, direct and indirect impacts of the Company.

The materiality study identified 9 material stakeholder groups of CCC Group. To determine the materiality of each stakeholder, the power of influence was examined in a two-way dimension, i.e. the power of influence exerted by CCC Group on the stakeholder and the power of influence of the stakeholder on CCC. In the process of determining the key stakeholder groups, the results of the comparative analysis of companies in the industry were taken into account.



#### LIST OF MATERIAL STAKEHOLDERS OF THE CCC GROUP:

RELEVANT STAKEHOLDERS	METHOD OF ENGAGEMENT	TOPICS COVERED AND PURPOSE OF STAKEHOLDER ENGAGEMENT
Consumers	Satisfaction surveys, Customer Service, social media, sustainability reports;	Access to information, maintaining active and transparent communication, excellent customer service, product safety;
Employees	Development interviews and satisfaction surveys, internal intranet, newsletter, informational mailings, training and workshops, sustainability reports;	Working conditions, education and professional development, safety standards;
Suppliers of commercial goods	Regular collaborative communication, meetings and other forms of direct communication with dedicated Employees	Favourable business conditions and timely payment, transparent and fair business relations;
Other suppliers	Regular collaborative communication, meetings and other forms of direct communication with dedicated Employees	Favourable business conditions and timely payment, transparent and fair business relations;
Business partners	Regular communications with business partners, face-to-face meetings, industry events, sustainability reports	Transparent and fair rules of cooperation;
Public administration	Face-to-face meetings, participation in local events, conferences, sustainability reports	Compliance with legal regulations, timeliness and quality of reported documents, CCC Group Strategy
Investors	Investor relations and communications on <a href="https://corporate.ccc.eu/en/investor-relations">https://corporate.ccc.eu/en/investor-relations</a> and via <a href="mailto:ir@ccc.eu">ir@ccc.eu</a> , results conferences, Annual General Meeting, current and periodic reports, sustainability reports	Financial performance, performance in ESG ratings, ongoing sustainability efforts;
Financial institutions	Communication on corporate website, face-to-face meetings and teleconferences, results conferences, current and periodic reports, sustainability reports;	Financial performance, regulatory compliance, CCC Group Strategy;
Media	Press office and ongoing communication, correspondence through a box on <a href="https://corporate.ccc.eu/en/for-the-media">https://corporate.ccc.eu/en/for-the-media</a> , press releases on the website, press conferences	CCC Group strategy, financial results



## 1.6.4. Material sustainability risks

### Risk management system in the CCC Group

Risk management is part of the Company's management system and is a key element of sustainable protection and value creation. It relates both to risks to the business, bringing negative consequences and a potential drop in its value (threats), and to risks associated with the implementation of strategies and processes and accompanying development opportunities (opportunities). Risk management takes place at every level of the organization's management and is a continuous process. The systematic approach to risk management is based on clearly defined rules resulting from the Risk Management Policy and Risk Management Procedure.

The purpose of the adopted risk management system is:

- increase the possibility of achieving the Company's objectives, the effectiveness and efficiency of its processes, and ensure safety,
- Reduce the frequency of adverse events, as well as provide better preparedness for those events and reduce losses when such events occur,
- Support better use of the organization's resources and promote continuous improvement.

The risk management system implemented at CCC S.A. was designed using the guidelines of the international standard ISO 31000:2012 "Risk Management - Principles and Guidelines". This standard establishes the principles that are necessary for risk management to be effective and recommends that organizations continuously improve the risk management framework. The basic idea is to integrate the risk management process in different

areas of the organization and the overall organizational governance.

The context assessment of the organization's risk assessment and environment considers both the internal and external environment. The context assessment includes elements such as social and cultural conditions, the political and legal environment, regulations applicable to the organization, technological conditions, the economic situation, the natural environment, other actors and the activities they undertake. It also considers key trends and factors that may affect the organization's objectives, as well as relationships with stakeholders. The organisation's internal environment is assessed, considering primarily the governance, structure and culture (e.g. roles and responsibilities, accountability), the policies, objectives and strategies established to achieve them, the resources and knowledge (e.g. capital, time, people, processes, systems and technology), information systems, information flows, formal and informal decision-making processes), relationships with internal stakeholders, their perceptions and values, the norms, guidelines and models adopted by the organisation, and the form and extent of contractual relationships. The organization's environment also provides the basis for defining the entity's adopted and approved objectives and for determining the level of risk acceptability and tolerance for particular risk categories. Defining these elements enables the strategic framework for the organization-wide risk management process to be outlined.



The risk management system is based on:

- organizational structure, which includes the division of powers and tasks carried out by the statutory bodies of companies, units and organizational units and projects,
- the risk management process, including methods for identifying, measuring and assessing risks, mitigating actions, monitoring and controlling and reporting risks.

### The role of the Management Board and Supervisory Board in the system of identifying and managing ESG risks

#### SUPERVISORY BOARD

Exercises continuous supervision over the risk management process and evaluates the adequacy and effectiveness of this process within the framework of the tasks set out in the Articles of Association of the Company and the Regulations of the Supervisory Board and through the Audit Committee, while the Supervisory Board of the Company is responsible for the supervision of the risk management process in the entire CCC Capital Group.

#### MANAGEMENT

It organizes and ensures the operation of the risk management system by adopting risk identification and assessment principles, with the Company's Management Board responsible for overseeing the risk management process across the CCC Group, while the Management Board of the individual Group companies are responsible for the risk management process in the companies they oversee.

As part of the risk management process described above, the Company's Management Board makes final approval of the risk acceptability threshold, approval of the Risk Register and the Corporate Risk Map, and approval of the plan to deal with

unacceptable risks. The strategy and risk management tactics adopted were also used in the COVID-19 pandemic risk assessment, which necessitated a number of changes in the way risks were managed to provide greater organizational flexibility, with pandemic risk response plans focused on minimizing potential financial losses.

Risk reviews are conducted by the Management Board depending on the level of risks: at least once a month or at least once a quarter. The Internal Audit Manager is responsible for periodically reporting the Group's risks to the Management Board at least once every six months and to the Supervisory Board on a quarterly basis or whenever these bodies request it. In addition, reviews of the Group's economic, environmental, social and opportunity impact are conducted by the Management Board and Supervisory Board at least once a year.

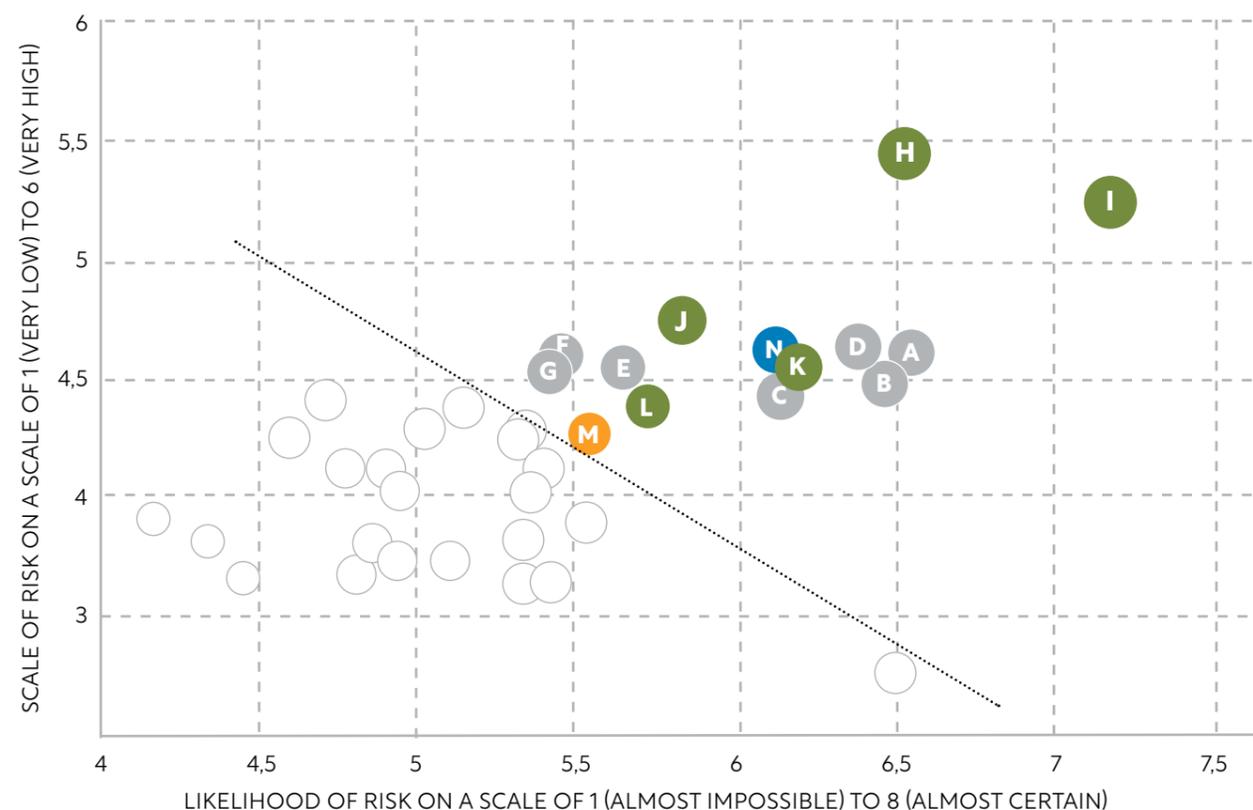
As part of the risk management system in place for 2021, the Manager of the Internal Audit Department did not identify the need to update the regulations and risk management methodology. The completed review enabled the process of risk identification to be carried out with key stakeholders, who in the process of self-assessment evaluated them, including the effectiveness of control mechanisms. The list of the most significant risks was presented to the Management Board and the Audit Committee. Response plans were prepared for all unacceptable risks, which are monitored on an ongoing basis and updated as needed to most effectively adjust the strategy for their mitigation.

### Material ESG risks

The materiality study conducted in 2021 examined 38 sustainability risks, of which 15 were rated as material.

### MATERIAL ESG RISKS

Risks whose product of severity and probability exceeded an average of 23,15 were considered material.



**LIST OF IDENTIFIED MATERIAL ESG RISKS [GRI 102-15]**

AREA	RISKS	DETAILS
Management area	A. Risk of changes in consumer preferences and trends B. Risks associated with the image of the fast fashion industry C. Risk of changes in global economic conditions D. Risks associated with economic effects as a result of the COVID-19 pandemic E. Risks related to regulator decisions or regulatory changes in the fashion and/or retail industry F. Cyber security and data protection risks G. Risk related to inefficiency of IT infrastructure or occurrence of failure of information and communication system	Description in chapter 1.6.5
Supply chain area	H. Risk of loss or significant deterioration in the quality or availability of key raw materials I. Risk related to prices of raw materials and consumables J. Risk of Limited Supplier Availability K. Risks related to limitations of transport infrastructure (rail, port, storage, transportation) and random events on the land section L. Risks relating to the conduct of the shipowner	Description in chapter 2.5
Product area and customer service	M. Customer experience risk	Description in chapter 2.5
Environmental issues area	N. Risk of reduced access to water	Description in chapter 3.5
Employee issues area	O. Risk of wage pressures	Description in chapter 4.3
The area of social issues	-	Description in chapter 4.3



## 1.6.5. Material management risks

### MATERIAL MANAGEMENT RISKS

RISKS	HOW RISK IS MANAGED
Risk of changes in consumer preferences and trends	Entry into the off-price segment with the HalfPrice brand. Strong development of key brands (Lasocki, Gino Rossi, Sprandi, DeeZee, Jenny Fairy) and purchase of new brands: Badura, Americanos, Simple. Entry into the clothing category in three signboards.
Image risk of the fast fashion industry	Go For Nature eco-friendly product line (15% share of SS22 offerings). Began the process of implementing circular business models.
Risk of changes in global economic conditions	The Group takes measures to mitigate the effects of general economic risks: <ul style="list-style-type: none"> <li>– diversification of operations by countries in which the Group operates (reduced dependence of the economic situation between countries),</li> <li>– monitoring the economic situation in the world and in countries important to the Group, and adjusting the Group's strategy accordingly,</li> <li>– Monitoring of important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).</li> </ul>
Risks associated with economic effects as a result of the COVID-19 pandemic	Implementation of crisis management procedures and business continuity plan for the Group. Leverage experience from the 2020 COVID-19 pandemic period. Develop e-commerce operations.
Risks associated with regulator decisions or regulatory changes in the fashion and/or retail industry	Establishment of a Compliance function in the CCC Group, which keeps abreast of legal changes in all areas of the Group, linked to advance monitoring of legal changes and adaptation to new requirements.
Cyber security and data protection risks	The Group maintains compliance with personal data protection regulations and principles, i.e. it applies the principles of GDPR, has a Personal Data Protection Policy in the CCC Group, an Information Security Policy and maintains records. It undertakes audit and supervisory activities. It develops safeguards and introduces comprehensive technological solutions.
Risk related to inefficiency of IT infrastructure or occurrence of failure of the ICT system	In order to ensure efficient operation of IT systems and minimize the risk of their failure, the Group takes care of appropriate technological backup of IT processes and provides emergency power supply for key components of the structure.



# RESPONSIBLE PRODUCT



**86**

RESPONSIBLE  
PRODUCT

**100**

SAFE PRODUCT  
AND SALES

**108**

RESPECT FOR  
CUSTOMER RIGHTS

**110**

RESPONSIBLE  
MARKETING  
COMMUNICATIONS

**112**

MATERIAL SUPPLY  
CHAIN, PRODUCT  
AND CUSTOMER  
SERVICE RISKS

## 2. RESPONSIBLE PRODUCT

### 2.1.1. Supply Chain and Supplier Relationships

The process of continuous improvement and the aspiration to be the most responsible and sustainable retail company in the Central European region are among the most important aspects determining the improvement of the CCC Group's supply chain processes. Through its presence in dozens of foreign markets and cooperation with many suppliers, CCC is aware of the interdependence and broad spectrum of environmental and social impacts. For this reason, effective supply chain management and identified impacts are important elements of the Group's overall operations. CCC's supply chain management includes audits, monitoring and a system of supply chain assessments for ethical business practices, respect and management of human rights, employee health and safety, proper environmental management including management of areas such as water and wastewater, animal welfare, chemicals, health and safety, and building fair and partnership relationships with suppliers and subcontractors. The priorities set, the strategic directions of activities and the materiality of the issue were confirmed in the materiality survey conducted in 2021, which identified the area of value chain management as the area of highest priority.

Effective and responsible supply chain management is one of the key areas addressed in the GO Sustainability Strategy.<sup>25</sup> The 2025 strategic objectives set for this area are:

- Covering 100% of tier 1 suppliers with the Supplier Code of Conduct;
- Engage tier 1 suppliers in providing non-financial data;
- 100% of high-risk providers audited;

The CCC Group's impact on this issue, progress against targets, policies, how positive and negative impacts are managed, and risk management are described later in this chapter. A detailed description of the objectives of the supply chain responsibility strategy is presented in chapter 1.2.2.

The actions taken and their results are communicated to stakeholders through the corporate website, sustainability report or social media, as well as through direct contacts between CCC Group units and individual suppliers. [GRI 3-3, 2-25]

SUSTAINABLE DEVELOPMENT STRATEGY GO.22	IMPLEMENTATION		
Increase the proportion of leather from certified LWG tanneries in production processes	START 2019 15%	GOAL 2021 19%	CURRENTLY 21%
Ensuring accountability in the supply chain: increase the percentage of suppliers audited for compliance with the Supplier Code of Conduct (SCC)	START 2019 45%	GOAL 2021 55%	CURRENTLY 65%
Recycling of used shoes: increasing the percentage of stores participating in shoe collection (pilot project)	Collection in 21 stores and 10 tons of pairs of shoes collected		



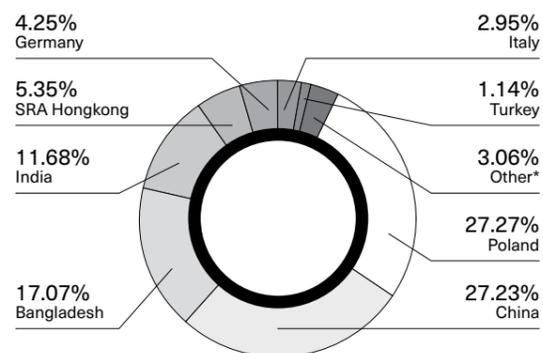
## Supplier Characteristics

[GRI 2-6]

The total number of suppliers supplying trade goods directly to the company in fiscal year 2021 was:

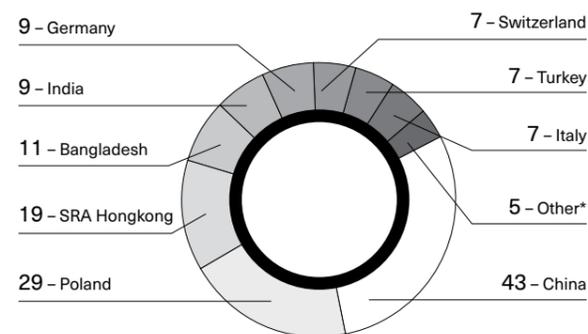
**146 suppliers**  
**from 13 countries**

### VALUE SHARE IN CCC GROUP SUPPLIES IN FY 2021



\*Others: Netherlands – 0.89%, Czech Republic – 0.85%, Serbia – 0.79%, Switzerland – 0.44%, Spain – 0.09%

### NUMBER OF SUPPLIERS IN CCC GROUP SUPPLIES IN FY 2021



\*Others: The Netherlands – 2, Spain – 1, Czechia – 1, Serbia – 1

In 2021, the CCC Group offered products coming from own factories in Polkowice and in Słupsk (CCC Factory Sp. z o.o., Gino Rossi S.A.), as well as from many domestic and foreign suppliers. Own factories and other domestic suppliers delivered in the financial year 2021 goods with over 27% share

of the value of all purchases. China also accounted for the same value share of the CCC Group's total purchase basket. The remaining 35% share of the value of footwear purchases is attributable to Asia and 11% to European countries.

## Supplier selection

Long-standing relationships with partners enable CCC to develop common standards of cooperation, which translate into meeting high requirements for product safety and quality, timely production and delivery, as well as respect for human rights and compliance with social and environmental criteria.

CCC.eu Sp. z o.o. based in Polkowice as the entity ordering products for the entire Group sets the binding standards and guidelines for their implementation by suppliers, so that every product offered to customers meets their expectations and is safe to use. CCC.eu Sp. z o.o. builds a database of suppliers of footwear and other product lines, based on clearly defined rules that meet the internal requirements for cooperation.

Before proceeding, the supplier should meet requirements in areas such as:

- Price, where CCC.eu Sp. z o.o. when choosing a supplier of footwear, bags and other accessories, pays attention to the level of price, responsibility for delivery and transport costs;
- The quality of production and its timeliness, which is one of the most important factors to consider when choosing a supplier. CCC only works with reliable suppliers who are able to meet all the requirements for product safety and quality. The suppliers are obliged to provide the best quality of the product, so that it meets all the required standards and does not pose a threat to the health and life of consumers;
- The potential that takes into account the production capacity of the plant, factory, the ability to adapt quickly to market changes, offering new designs, new technological solutions and innovative products.

- The service the supplier is able to offer during production and delivery. The quality of the machinery, equipment and experience of the supplier is very important when working with customers from Europe.

In addition, each supplier is informed of specific requirements for the production of footwear and other products, as well as labor and environmental standards.

Suppliers are selected for more than one season. Those who can meet the requirements and grow together on many levels such as design, quality of materials, quality of production, care for the environment, transportation are sought.

The CCC Group has a base of factories with which it has cooperated for many years, and the direction in which CCC wants to go is a long-term cooperation, exclusive factories, on-site supervision by CCC employees and regular visits to foreign factories. The CCC Group has the longest cooperation with 7 suppliers, with whom it works for more than 18 years, while with 10 others the cooperation lasts between 11 and 17 years.

There were no significant changes in the CCC Group's supply chain in fiscal year 2021. [GRI 2-6]



## Working with a supplier

CCC Group provides its partners with a sense of stability and ensures a guarantee of payment for services rendered and a minimum guaranteed number of orders to ensure continuity of production. Cooperation between the CCC Group and the supplier is based on placing an order for the finished goods. Important documents in the ordering process are the quality and safety requirements, procedures, schedule and the Supplier Code of Conduct along with the Restricted Substance List. The standards to be met by the supplier with respect to labor and human rights are also set out in the Code of Conduct, which is described in section 1.5.1. and is available at <https://corporate.ccc.eu/en/download/pobierz/guidelines-and-good-practices-for-cooperation-with-the-ccc-group-s-suppliers-1>.

The Supplier shall:

- implement the standards contained in the Code in their own business activities and those of their suppliers,
- identification and management of risks with respect to matters covered by the Code,
- Continuous improvement and implementation of any corrective actions,
- promptly report incidents that result in violations of the Code.

The Commercial Goods Supplier Code of Conduct has been in place at CCC Group since 2018 and was expanded to include investment service providers in 2020. In 2021, the Supplier Code of Conduct was signed by 124 trade goods supply contractors. 22 trade goods suppliers had separate arrangements with the CCC Group for the scope of the Code due to having their own social standards in the supply chain. All of this group are international third-party brand manufacturers with

their own extensive ethical systems and supply chain monitoring tools.

Accordingly, 100% of the CCC Group's trade goods suppliers were covered by the Code of Conduct or equivalent arrangements.

In line with the GO.22 Sustainability Strategy, the project to revise and implement the Supplier Code of Conduct was launched in 2021. As part of the first phase of work, a project team was established consisting of specialists representing departments that have a direct relationship with suppliers. Through comprehensive work and internal consultations, a draft Code was successfully developed. The next stage of work is to submit a draft of the Code for consultation with suppliers and to develop the final version of the Code, taking into account comments from suppliers. Completion of the project and implementation of the Code is scheduled for 2022.

For the range of footwear and handbags (with the exception of foreign brands), product safety is assessed by accredited laboratories. In 2021, in no CCC Group company did the inspection authorities find deficiencies in terms of safety and the content of hazardous substances not permitted for use, thus no sanctions were imposed on this account. [GRI 416-1, 416-2]

In addition, taking care of continuous development and the highest standards of work since 2020, the document entitled "Guidelines and Best Practices of Cooperation with Suppliers of CCC Group" is in force. "Guidelines and Good Practices of Cooperation with the Suppliers of the CCC Group", which talks not only about the requirement to comply with the Code of Conduct of Suppliers, but also about issues of ethics, the non-use of hazardous substances in the production

process, the requirement of certificates of origin and a ban on using natural fur in the products of the entire CCC Group. The document is dedicated in particular to designers and buyers and is available at: <https://corporate.ccc.eu/en/download/pobierz/guidelines-and-good-practices-for-cooperation-with-the-ccc-group-s-suppliers-2>.



## **Purchasing policy**

In 2021, the CCC Group developed a Procurement Policy as part of its work to construct mechanisms for ensuring due diligence in the CCC Group's supply chain and in building a responsible and sustainable management culture in the CCC Group. The Procurement Policy covers all areas of CCC Group activity related to procuring goods or services from external entities. The rules described in the Purchasing Policy concern the relations which the persons involved in purchasing processes on the side of CCC Group – Buyers – establish with Suppliers.

The overarching goal of this Policy is to transparently structure purchasing processes and ensure that they are made on the most favorable commercial terms while ensuring high quality, ethical, social and environmental standards.

## **Supplier monitoring and evaluation**

[GRI 308-2, 407-1, 408-1, 409-1]

In high-risk countries, the CCC Group has representatives who personally inspect and supervise the factories, control product quality and safety, and verify that production and employment conditions are in accordance with the CCC Group Supplier Code of Conduct.

Key supplier monitoring and evaluation tools include:

- regular on-site supervision in key factories (currently in India and Bangladesh) – employing CCC staff permanently based in Asian factories responsible for the production process and control of conditions in individual factories,

- regular visits by head office staff (Procurement Division) who oversee compliance with CCC standards in factories (currently in India and Bangladesh).

Due to the COVID-19 pandemic, CCC's on-site supervision of employees, as well as regular employee visits to factory sites in China, have been suspended for the duration of the pandemic. Once the pandemic is over, the CCC Group will return to these practices.

CCC Group evaluates Suppliers based on criteria such as Supplier Certificates, on-time delivery, delivery quality level, external complaints, DDH documentation.

During the evaluation, none of the suppliers were classified as suppliers with unrecommended cooperation. On the other hand, due to the poor quality of the delivered products, cooperation with one supplier was stopped in fiscal year 2021.

No negative supply chain impacts identified in 2021. [GRI 414-2]



## Supplier Social Audits [GRI 414-2]

The CCC Group does not conduct audits itself, but requires its suppliers to periodically present the results of audits conducted by trusted organizations. The Group verifies its suppliers for the number of audits they have completed and also checks compliance with the Code of Conduct. The tools for managing, monitoring, evaluating and auditing the supply chain are constantly being developed and improved. Audits are performed by organizations that control working conditions at production facilities. In 2021, social audits were carried out on 61 suppliers.

Supplier selection is a very important issue for CCC and is subject to continuous evaluation. Based on the assessment and the identification of any irregularity, the Group, together with the supplier, takes corrective or preventive action. Where it is suspected or found that goods do not meet safety requirements, the Group takes appropriate action to clarify the situation with the supplier of the goods. Suppliers verify the information regarding deficiencies and take actions to check the reasons for the deficiencies. In addition, suppliers contact their sub-suppliers to check the quality of materials used in production. In case of occurrence of above mentioned situations, suppliers are obliged to initiate corrective and remedial actions in order to prevent such occurrences in future.

The aforementioned situations occur incidentally, but they are nevertheless important in evaluating the supplier by admonishing him, monitoring him and making him aware of the consequences of such an incident. If the supplier shows commitment to ensuring product safety and quality, the collaboration continues. In justified cases, CCC reserves the right to suspend or break the cooperation.

All contracts and procurements contain clauses normalizing the human rights aspect, which oblige all suppliers and subcontractors to comply with the rules, laws and regulations. Details on this can be found in Chapter 1.5.1.

In 2020, the CCC Group developed a supply control program and put in place formal regulations for increased oversight of supply chain security, including for auditing suppliers, implementing tools to manage, monitor, evaluate supply chain activities. Auditing according to established regulations due to the prevailing pandemic is currently impossible. CCC relies on third-party audits, which are conducted by certified auditing entities. In addition, work is being done on a supplier audit project to enable audits to be carried out even during a pandemic.

Further CCC Group commitments:

- verifying the origin of raw materials and materials, especially with regard to leather,
- increasing the amount of leather from Leather Working Group-certified tanneries,
- update the Code of Conduct for Suppliers and expand it to include service providers,
- educating suppliers on human, labour and environmental rights issues.

In 2021, 13 sites were ISO 14001 certified, confirming the implementation of all elements aimed at reducing the organization's negative impact on the environment as much as possible. Taking care of responsibility in the entire supply chain, we require certificates not only from suppliers, but also from sub-suppliers. In case the supplier is a trading company, but owns production facilities for CCC, the certificates presented for a specific facility are considered important from the supplier's assessment perspective. Environmental audits were car-

ried out on 65 suppliers. No significant or potentially negative environmental impacts were identified among the verified suppliers. [GRI 308-2]

New suppliers were not checked against environmental criteria due to limited audit capacity resulting from the 2020 and 2021 pandemic situation. [GRI 308-1]





## Logistics

All entities that are suppliers for CCC Group are obliged to deliver supplies to the logistics center in Polkowice and Zielona Góra. These centers are the key elements of the entire CCC logistics chain. They are responsible for the collection and shipment of goods according to the order to stores in Poland and abroad. According to the adopted business strategy, the CCC Group implements new projects and tools, whose aim is to increase automation and digitalization within the whole company, especially in logistics and distribution. CCC Group improves the work of the distribution center and optimizes warehouse work by using such solutions as:

- integrated warehouse management system PSIWms in the distribution center, which reduces the time of arrival at the target location and of picking up the cargo. The use of optimized algorithms of transport orders and automation of repetitive activities translate into a gradual increase in work efficiency while improving safety;
- verification scanners in distribution center loading dock equipment that improve picking compliance rates and shipment verification;
- OMS (Order Management System), which automates order management in the context of business processes, including logistics;
- TMS (Transportation Management System), which supports the main transportation, logistics and distribution-commercial processes. Transport management in the TMS system allows to define a set of rules in a multi-level way, which is applicable to optimize the selection of the right carrier on the basis of analysis of tariff parameters, delivery conditions, distance, delivery time and type of transport;
- optimization of warehouse space in Polkowice for the process needs of the new HalfPrice concept. The main objective was to use the warehouse

space efficiently and to modernize the facility in terms of technical infrastructure and equipment. New racking installations were installed, which allowed for optimal storage of goods up to 5.8 million pieces and the introduction of work zones with goods, enabling the achievement of efficiency in the distribution process up to 1.5 million pieces per month;

- PackSize machine used for automatic packaging of products. Products are first scanned and sized before entering the machine, and then packed into die-cut packages. Along with increasing productivity, this solution also minimizes the use of cardboard and filler materials;
- Magazino robots, which support the work of employees in the warehouse in collecting products for customers. By developing a new warehouse concept, mapping warehouse space and integrating the robots' programming environment with the WMS system, they are able to pick the right products and transfer them to the "handover" station.

In addition, the CCC Group is working on a number of other key automation and robotization projects, which will translate into shorter lead times, process efficiency, and consequently reduced logistics costs, for example:

- the use of Radio Frequency Identification (RFID) technology. The use of modern technologies that combine identification and sensing functions will significantly impact the need for real-time tracking of goods, monitoring and maintaining inventory;
- as part of the scope of the Continuous Improvement Department, activities of the Lean Operational Excellence program will be implemented, supporting 3 pillars: cost efficiency, operational excellence and digital integration. The program is focused on organizational culture and process transformation across the business. Improvement will include management of processes and

their mechanisms of operation, as well as development of teams' competencies and involvement in the process of change to understand customer needs even better. An integral element of the program is to increase visibility and understanding of processes to increase awareness of where and how to act to meet customer expectations;

- selection of universal transport devices, which will increase ergonomics and efficiency of unloading and loading;
- automation of the process of securing pallets with goods, which has practical and economic advantages;
- implementing marking and taping devices to increase efficiency by transforming manual operations to automated ones.



## 2.2. SAFE PRODUCT AND SALES

Growing customer awareness and dynamic changes taking place in trade as a result of evolving consumer shopping habits, new technological solutions and introduction of new business models are a serious challenge for the entire retail industry. Long-standing relationships with partners enable CCC Group to develop common work standards, which translate into meeting high requirements in terms of product safety and quality, timeliness of production and delivery, as well as respect for human rights and compliance with social and environmental criteria. Two processes are extremely important in the product area today. Firstly, the growing necessity to join the model of a closed-circle economy, which involves better use of raw materials and prolonging the maintenance of the value of products in their life cycle. Secondly, attention to respecting all human rights in the supply chain.

Launched in 2020, the "Go for nature" collection of eco-friendly products gives customers the opportunity to choose products made in a sustainable way with full care for the environment. Additionally, customers can give their shoes a second life by bringing them to special containers in selected stores in Poland, confident that they will be managed responsibly.

The adopted GO.25 Sustainability Strategy identifies the following goals in the product area:

- 100% of products with information on materials used and how they were manufactured,
- 100% of product categories containing sustainable collections,
- introducing a transformable product line for sale,
- 100% sourced and recyclable packaging,

- the introduction of individual cartons in the e-commerce channel,
- collection of used shoes - expanding the program to 100% of stores in Poland and abroad.

The CCC Group also aims to build a positive customer experience and increase service satisfaction during the complaints process. All problems reported by customers are analyzed, and the conclusions of the complaint analysis and customer suggestions are taken into account in improving products and services.

### 2.2.1. Sales structure in fiscal year 2021

THE MAIN PRODUCT THAT CUSTOMERS BUY IN CCC STORES IS FOOTWEAR, ACCOUNTING FOR 77% SHARE IN THE SALES STRUCTURE. CCC OFFERS BOTH OWN AND FOREIGN BRANDS. [GRI 2-6]

PRODUCT TYPE	VALUE SHARE IN SALES REVENUE
footwear	77%
bags	6%
accessories	17%
<b>TOTAL</b>	<b>100.0%</b>



## 2.2.2. Product quality labelling

### Quality Standards [GRI 417-1]

The quality standards for all products ordered by CCC are described in the Supplier Code of Conduct, which also includes a list of prohibited and hazardous substances. All products manufactured for CCC, including their packaging and brochures, must comply with all standards of the respective sales market. All materials used are tested by accredited testing laboratories. The supplier is obliged to present the appropriate tests for the presence of harmful substances, as well as a document confirming the raw material composition used in a given model.

In accordance with the provisions introduced, suppliers guarantee that none of the supplied goods contain prohibited substances and contaminants or exceed limit values. Supplier agrees to test each colour-model of footwear manufactured and all components by accredited testing laboratories and conduct all contaminant testing. CCC will not accept products that do not comply with the applicable RSL. Each supplier is required to provide laboratory testing for chemical content prior to shipping finished goods.

All products go through two quality checks. The first quality control is performed in the factories by qualified people and the second after the delivery of goods to the logistics center by a trained team of delivery and quality controllers.

Each product must pass safety (chemical) tests, which are defined in the CCC Group Supplier Code of Conduct, before it can be released for sale. If any irregularities are detected, the goods cannot be delivered to the central warehouse in Polkowice. A new batch of shoes must be produced and retested.

Each product must be properly labelled and have information about its raw material composition, price, product type, colour and country of production visible to the customer. In addition, each pair of shoes is provided with a consumer leaflet with information on what weather conditions the type of footwear is intended for and how to maintain it. The absence of such marking disqualifies the product from sale.

### Special designations for products

The CCC company offers a line of products created using ecological technology or materials, which is signed with the slogan "Go for Nature".

The shoes and accessories of the "Go for Nature" collection have 2 main characteristics. Firstly, the production process is characterised by optimised water and energy consumption using the latest technologies, resulting in eco-friendly products. Secondly, the products of this line are made of ecological raw materials and have been awarded eight Go for Nature labels. The most important of these are: Sustainable Tanning of Leather, Sustainable Production of PU and Recycled Product.

A large part of the "Go for Nature" collection is made of leather certified by the Leather Working Group (LWG), an organization of stakeholders in the entire raw material supply chain. LWG certification recognizes leather producers who exercise the utmost care in environmental protection and efficiency throughout the production process. LWG aims to promote sustainable business practices, such as producers not using potentially critical substances in leather processing, and reducing water and energy consumption. The share of leather from LWG-certified tanneries in the production processes of the entire CCC Group for 2020 was 18.64%. On the other hand, the share of leather



from certified tanneries for 2021 was 20.36%. As part of the activities, in line with the CCC Sustainable Development Strategy, this share is to be increased and is expected to reach 21% (2022). The share of Leather Working Group certified leathers among leather products was 80% of which 62% of suppliers are certified at Gold level.

Products (footwear and accessories) bearing the Sustainable Production of PU label indicate that they use recycled materials created in accordance with environmental principles. They do not contain any harmful substances or animal raw materials. They are made from water-based resin and are solvent-free. In addition, a small amount of water and energy is needed to produce eco-leather or certified synthetic materials. During the production of the raw material, only water vapour is emitted into the air. Production becomes virtually emission-free, thus not polluting the air or soil.

For accessories such as hats, scarves and bags labelled PET Recycled Product and Recycled Product, the main raw material used is recycled polyester. Recycled PET (rPET), a high quality, strong polyester fibre made entirely from recycled PET plastic bottles. It reduces the production of new

plastic by converting old plastic into new plastic. In addition, such production is less energy intensive, and during the process carbon dioxide emissions and water consumption are also reduced. The plastic bottle in turn gets a "second life".

### Regulatory Compliance

The activity of the CCC Group complies with the regulations in force in the European Union and in the countries where sales are carried out, as well as with the requirements related to the marking of product quality specified in the Consumer Law (Chapter 2.3.)

In fiscal year 2021, 1 non-compliance was found with regulations on product information, product quality marking and labelling. The non-compliance concerned the failure to include the EU Declaration of Conformity with the product or information on the website address where the documents in question are available. It was promptly detected and rectified. The Group did not incur any penalties as a result of the non-compliance.

In the fiscal year 2020, 2 non-compliance with the regulations on product information, product quality labeling and labeling were found. The non-conformities concerned the wrong marking and description of the products, which were quickly detected and repaired. The Group did not incur any penalties as a result of the non-compliance. No inconsistencies were found in the 2019 financial year. [GRI 417-2]

## Customer service

CCC Group customers can get support and necessary information. For this purpose, the CCC Group is expanding the Customer Service Office (BOK), which is the natural link between CCC and its customers. BOK supports the sales network, including Internet sales processes and the implementation of sales projects, as well as monitors the process of Internet orders. Currently, the Internet sales process is supported by a group of 50 people, who provide assistance in obtaining answers to all kinds of questions about the CCC offer, its availability, individual processes or details of purchases on the website ccc.eu. In an effort to ensure smooth and fastest reprocessing of customer orders online, the Order Fulfillment Team was separated within the Customer Service Office, which supports sales through Allegro and shipping of orders from offline stores. The Customer Service Office is also responsible for moderating customer reviews, which can be found on the Internet at the level of stores' business cards or directly on Opineo. Thanks to our systematic work with Opineo, we ended 2021 with a good average score of 4.8. 93% of surveyed customers recommended CCC, and 91% of offline stores had an average score of 4 or higher from reviews on Opineo.

In support of BOK customers, in 2021, the CCC Group completed the implementation of the chatbot tool in additional markets and thus the solution is already operational in a total of 6 countries. At the end of the year, work began to implement this tool also in the mobile application.

In addition, the CCC Group conducts interactive training courses "Standards of Sales" for all employees of the sales network in Poland, Austria, the Czech Republic, Slovakia, Croatia, Slovenia, Bulgaria, Hungary and Romania, which raise issues in the area of customer service, such as researching customer needs, presentation of the offer, resolving customer doubts and finalization of the sale. There is also an employee platform – a vortal called "Mój sklep" (My Store), which contains a set of procedures, instructions, and a vademecum of knowledge on efficient customer service, as well as product information necessary during talks with customers.

The overarching document, which collects and describes the principles of customer service is the procedure "Customer Service Standards in Offline Shops", which applies to all employees of the sales network in Poland and abroad. This document regulates the principles of customer service in order to improve its quality and optimize the work in CCC stores in areas such as:

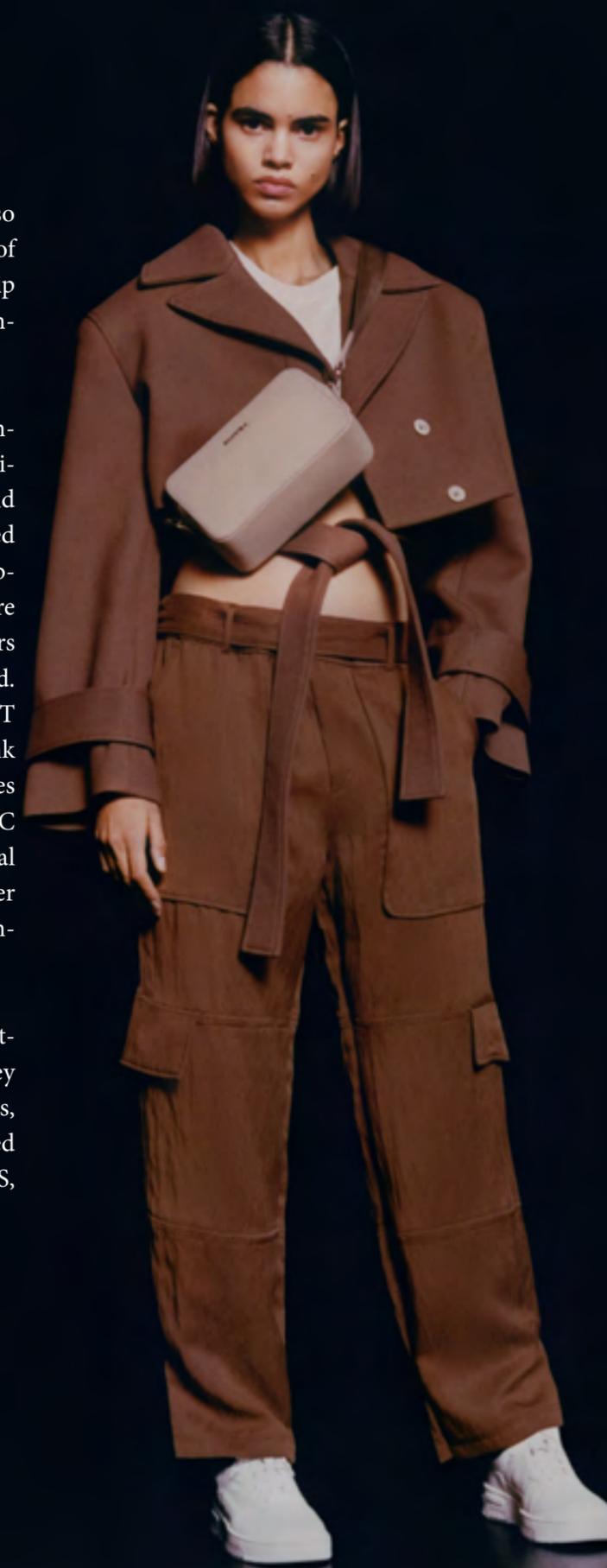
- organization of the store and store space,
- Customer service – providing a supportive environment,
- guidelines for serving persons with disabilities,
- customer service – sales process: "Selling at 5",
- after-sales service – returns,
- after-sales service – complaints,
- phone call,
- employee outfit.

## Customer Opinion and Satisfaction Survey

CCC Group puts the customer at the center, so it is extremely important to acquire the voice of the customer and manage the mutual relationship through, among others, regular surveys of opinions and satisfaction.

An important source of knowledge about customers is regular measurement of customer experience in the purchase process – in traditional and online channels. This measurement is centered around the Net Promoter Score (NPS). From February 2021 to January 2022, we collected more than 100,000 interviews with CCC Club members who made transactions in offline stores in Poland. The survey is conducted entirely on internal ICT resources. Thanks to this, we are able to link customer satisfaction with specific experiences (where, when and what they bought). Each CCC store in Poland has access to its own individual NPS report and can track changes in the customer experience on a daily basis and react to them immediately.

Since January 2022, an analogous customer satisfaction measurement has been launched in key foreign markets: the Czech and Slovak Republics, Hungary and Romania. The first results obtained from foreign markets show a high level of NPS, similar to the results in Poland.



## Innovations

The CCC Group is working on a number of innovations, which not only support the production, distribution and sales of footwear, but also optimize the use of raw materials and production of waste. The development and effective implementation of innovative solutions, in particular commercial decision support and product innovations strengthen competence advantages, improve the effectiveness of decisions based not only on expert knowledge, but also on analytical data and current sales trends and allow for a significant reduction of operating costs through automation and distribution of statements and data visualization.

A key role in research and development is played by the CCC Group Research and Development Center, which is involved in 4 research areas:

- research on the development of the product offer of CCC Group – development towards innova-

tive products with particular emphasis on personalization,

- neuromarketing research area – understanding customer needs – model showroom (Customer Innovation Center);
- analytics Research Area (CCC analytics),
- research area for the development of CCC network product distribution technology.

The confirmation of the effectiveness of CCC Group actions in this area is the presence among 14 companies gathered in the Łukasiewicz INNOVATOR Index, which debuted on the Warsaw Stock Exchange in 2020. The index presents and promotes companies listed on the WSE Main Market and on NewConnect which develop their potential in cooperation with the Polish scientific sector and engage in R&D activities. Research areas include understanding consumer needs, distribution, and product innovation.



In addition, the organization has an "Innovation Action" contest, to which CCC employees are invited to submit their ideas for improvements and process optimization, which will be translated into real projects and improvements. Innovation action encourages creative solutions to all problems occurring in all areas of activity

All the time CCC Group is also strengthening its position on the FashionTech market, consistently implementing modern technological solutions, such as:

1. **The Stratasys Objet 260 3D printer** is used for detailed prototyping of design solutions. It is also used in Marketing and Visual Merchandising Department projects to develop functional and structural prototypes of showroom décor and interior design, and in Maintenance Department projects to construct specific functional elements of machines with a given degree of hardness, strength and high precision of reproduction.

2. **The humanoid robot Pepper**, which acts as a sales assistant in selected eobuwie.pl stores.

3. **MODIVO offline store concept** makes it possible to order a different size or colour of the item tried on by the customer directly from the fitting room in which it is located. An important role is also played here by the concierge who takes care of the whole shopping experience and helps to choose the right outfit.

4. **CCC Express** is an innovative logistics service that offers CCC customers from 37 cities in Poland to receive their purchases within 90 minutes from the moment of ordering. CCC Express is an ambitious project on the Polish market that combines online and offline shopping and is another element in the Omnichannel strategy introduced and developed by CCC. The service was created as a response to customer needs in the pandemic period, but at the same time addresses the ever-growing

expectation for online orders to be processed as quickly as possible.

5. Development and introduction of novelties in CCC mobile app such as redesign of mobile app, ability to choose shoe size based on 3D scan from esize.me service, inspirational content on app home screen prepared from famous stylists translate into increased number of app downloads, introduction of stories with marketing actions. In 2021, the number of downloads reached 6 million.



## 2.3. RESPECT FOR CUSTOMER RIGHTS

Customers' rights are defined in the Consumer Law. In addition, the documents governing customer rights in the CCC Group are:

- Code of Ethics for Advertising,
- The complaint procedure for customer goods in offline stores of CCC,
- Responsibility and Contacts - Claims Department and Customer Service,
- Regulations of returning goods in CCC S.A.,
- Customer service standards in offline stores,
- CCC Shoes&Bags website regulations,
- Regulations of the loyalty program CCC Club.

### After-sales service

CCC Group's goal is to build a positive customer experience and increase service satisfaction during the claims process.

CCC Group is responsible for the delivery of goods free from physical and legal defects. If the quality of the purchased product turned out to be inconsistent with the contract, customers have the right to make a complaint. This applies both to complaints of products purchased in offline stores, as well as products purchased in the online store.

The documents that regulate the issues related to complaints are CCC Claims Rules for products purchased in offline stores and the Rules of Accepting Complaints about products purchased online available on the website [www.ccc.eu](http://www.ccc.eu). Claims are processed on the basis of the applicable legal acts, in particular, the provisions of the Civil Code - warranty for defects (Articles 556-576). and the Act of 30 May 2014 on consumer rights (Journal of Laws 2020, item 287 i.e. of 21.02.2020) or analogous provisions in other countries.

The customer should be informed about the trader's complaint handling procedure. Information on this subject is available on the website <https://ccc.eu/pl/reklamacje> and provided directly by sellers.

As part of the after-sales service, a customer who made a purchase in an offline store of the CCC network can make a complaint in any CCC retail store across the country. A complaint about a product purchased in CCC online store can be made through the website or in any offline store across the country.

In the complaint forms there is a provision informing about the possibility of using out-of-court settlement of complaints and claims. CCC S.A. agrees to out-of-court resolution of consumer disputes, which aims to amicably end the dispute between the customer and the seller. The procedure, introduced by the Act on out-of-court settlement of consumer disputes, aims at quicker, usually free of charge and much less formalized ending of the case than in the proceedings before the common court. Independent experts assist in reaching an agreement.

All problems reported by customers are analyzed. Conclusions from complaint analysis and customer suggestions are taken into account when improving products and services. The results of the adopted policy are visible primarily in the increase in customer satisfaction with complaints handling and in the improved communication skills of employees who have been trained in the principles of customer service. In ambiguous or doubtful situations, the final decision is made from the perspective of ensuring full customer satisfaction.

In fiscal year 2021, 287,509 customer complaints were reported for Poland. The total number of customer complaints in the CCC Group (refers



to data from countries: Poland, Czech Republic, Slovakia, Austria, Hungary, Slovenia, Croatia, Bulgaria, Romania, Serbia) in the reported period was 404,655 claims. The complaint ratio, i.e. the number of complaints per number of products sold, for the CCC Group in fiscal year 2021 was 0.66% and was 0.12% lower compared to the previous year. [own ratio]

### Customer privacy

CCC cares about customers' right to privacy by complying with applicable laws in this area and with the guidelines and recommendations of supervisory authorities. For the sake of transparency of information for customers, CCC publishes pri-

vacancy and cookie policy, which contains a number of information about the processing of personal data of CCC customers. Each time the customer takes any action that may involve the processing of personal data of the customer or the Company's interference in the customer's privacy, the customer is informed about it, as well as about the purposes of the action.

In fiscal year 2021, no activities were identified that would result in a violation of CCC customer privacy.

## 2.4. RESPONSIBLE MARKETING COMMUNICATIONS

As a leader in the CEE footwear industry and a major player in the market, CCC Group is aware of its impact on the environment. Along with focusing its activities on the Customer, CCC realizes that it can influence people's social behaviour, awareness and ethical attitudes. How the CCC Group communicates about its products can also have a positive or negative impact on shaping responsible consumption patterns in society, so building responsible marketing communications is one of the most important issues that the CCC Group wants to develop in the coming years. The importance of the impact of this issue on society was particularly highlighted by stakeholders in the materiality study.

Out of concern for compliance, the CCC Group has developed an Advertising Code of Ethics to ensure that advertising does not mislead the view-

er and to protect them from unethical and unfair advertising messages.

To date, CCC Group has not measured the impact of its activities on social behaviour, set goals or made commitments leading to the use of marketing communications to shape the responsible and sustainable behaviour of its customers, but the results of the materiality study clearly indicated that the impact is present and the strength and extent of the Group's influence on this issue is strong.

In this regard, the CCC Group is committed to implementing actions within the framework of the sustainability strategy and the circular economy roadmap, which will also gradually contribute to building responsible marketing communications. The actions taken and their results are communicated to stakeholders through the corporate website, sustainability report or traditional and social media, as well as through other marketing communication channels. [GRI 3-3, 2-25]



## The Code of Ethics of Advertising

The Code of Ethics for Advertising is a set of rules defining what is acceptable and what is unethical in the Group's advertising messages. It promotes responsible advertising practices and responds to the challenges posed by a dynamic market. The Code regulates all aspects of the CCC Group's marketing communications, taking into account the specifics of different media. It contains detailed provisions prohibiting, among other things, discrimination based on gender, religion or nationality, the use of elements encouraging acts of violence, abuse of the recipient's trust, lack of experience or knowledge. In 2021, the CCC Group completed work on the Code of Ethics for Advertising. At the turn of 2021, the document entered the final stage of work consisting in verification and preparation of the final version ready for implementation.

## Marketing communications

The CCC Group in its marketing communication is guided by several important principles:

- advertising must not mislead the viewer,
- the advertisement does not give the viewer the impression that there is no obligation to pay for the product,
- advertising to children or young people does not contain content that poses a risk to health or safety and is not misleading by exploiting their natural confidence and inexperience,
- advertising is to be clear and understandable,
- advertising does not violate public confidence in properly implemented environmental measures,
- information about the sponsorship of a given event by the CCC Group is clearly stated in the marketing message and does not violate good manners, and sponsored events do not have a negative impact on the environment, comply with generally accepted principles of ethics and

good manners, and remain in accordance with the rules of social coexistence,

- CCC Group does not promote attitudes that question animal rights in its communications,
- CCC's sales promotions are shaped in such a way that they do not abuse recipients' trust or take advantage of their potential lack of knowledge or experience.

CCC as a responsible company cares about respecting consumer rights. To minimize doubtful situations, we make every effort to ensure that communication with the customer is simple, complete, explaining in a comprehensive way about the features of the products, its current prices and ongoing promotional actions. Both electronic communications and promotion regulations clearly indicate the categories of products covered by a given marketing action, indicate the conditions of concluding a sales agreement for products and explain in detail how a discount is granted. Additionally, depending on the type of promotion, we indicate whether the customer is obliged to bear additional costs apart from paying the price for selected products.

A CCC customer can get acquainted with the detailed conditions of a chosen promotion by going to <https://ccc.eu/pl/regulaminy-promocji>, where the conditions of promotional actions conducted in offline stores and online stores are published.

No instances of non-compliance regarding marketing communications were identified in years 2021, 2020 and 2019. [GRI 417-3]

## 2.5. MATERIAL SUPPLY CHAIN, PRODUCT AND CUSTOMER SERVICE RISKS

In CCC there are clearly defined rules of risk management, which allow to effectively minimize the negative internal events and counteract the effects of adverse external circumstances. As a result, the security of the Company's operations is ensured, as well as the effectiveness of the decisions taken and the achievement of the objectives contained in the strategy.



### MATERIAL SUPPLY CHAIN RISKS

RISKS	HOW RISK IS MANAGED
Risk of loss or significant deterioration in the quality or availability of key raw materials	The CCC Group audits product quality and safety, requires Suppliers to adhere to the procedures, schedules and standards of the Supplier Code of Conduct and requirements related to product quality and safety. The CCC Group also ensures that products are sourced from certified materials that meet health, safety and environmental requirements. For example, products in the Go for Nature collection are made from leathers created in eco-friendly tanneries certified according to the Leather Working Group protocol.
Risk related to prices of raw materials and consumables	Not being dependent on purchasing from a single supplier, diversifying geographically and by entity of raw material suppliers, and establishing partnerships with suppliers located in regions less prone to civil unrest;
Risk of limited supplier availability	The Group takes measures to mitigate the effects of risks related to limited availability of suppliers by diversifying carriers and suppliers, planning and using different transport routes, introducing carrier policies and controlling the quality of services (transport prices).
Risks related to limitations of transport infrastructure (rail, port, storage, transportation) and random events on the land section	The Group takes measures to mitigate the effects of risk by diversifying carriers, using different transport routes and being able to flexibly divert transport to road transport.
Risks associated with the conduct of the shipowner	The Group takes steps to minimize the risk by refining contracts with shipowners, forwarders and creates the possibility to redirect the transport of products to land transport.

### MATERIAL PRODUCT AND CUSTOMER SERVICE RISKS

RISK AND ITS DESCRIPTION	HOW RISK IS MANAGED
Customer experience risk	Introduction of new additional services, including CCC Express and online and offline deferred payments. Further digitalization of stores, regular NPS (customer satisfaction index) surveys among CCC customers. Investment in marketing and loyalty program.



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**ENVIRONMENT**



### 3. ENVIRONMENT

SUSTAINABLE DEVELOPMENT STRATEGY GO.22	IMPLEMENTATION		
GHG emission reductions: in Scope 1 and 2 by 5% relative to 2019	START 2019 –	GOAL 2021 -5%	NOW -16%
Reduce electricity consumption per a pair of footwear sold by 5% from 2019 values	START 2019 –	GOAL 2021 -5%	NOW -35%
Implementation of circular economy principles: mapping (identification and analysis) of material cycles in the CCC Group value chain; analysis of the principles defined in the so-called Circular Economy Action Plan		✓	
Resignation of plastic bags in 100% of CCC Group stores		✓	
Identification of principles and criteria compatible with ecodesign		✓	

CCC, as the leader in the footwear industry, is aware of its responsibility for the rational use of natural resources and minimizing their negative impact on the environment. In order to maintain the balance between the Group's sustainable development and responsibility for the environment, the CCC Group strives to limit the negative impact of its activities on the environment, reduce waste, reduce energy consumption and greenhouse gas emissions, build environmental awareness, cost-effective supply chain management and investment with respect for the environment.

This is evidenced by the CCC Group's numerous environmental policies and sustainability strategies, which are shaped by international and EU policies, strategies, guidelines and emerging laws and regulations. The CCC Group is aware of its impact on the environment and climate change in different areas of the value chain, especially in the supply chain, so CCC obliges its suppliers to comply with environmental regulations and to use its resources sparingly. The CCC Group systematically controls and evaluates the activities carried out, revises the strategic objectives set, monitors its environmental impact, and conducts audits of

its suppliers, so that based on these audits it can actively manage the environmental area and implement positive solutions for both the organization and the environment.

The key strategic objectives identified in the GO.25 Sustainable Development Strategy for the environment through 2025 are:

- Reduce GHG emissions in Scope 1+2 to -40% relative to the base year (2019);
- Reduce Scope 3 GHG emissions to -10% from the base year (2021);
- A 30% reduction in waste in the CCC Group compared to the base year (after recalculation);
- Establish supply chain waste reduction targets with key tier 1 suppliers;
- Identify the impact of the CCC Group and its value chain on water resources and develop a water efficiency management approach for the CCC Group;
- Identify the impact of the CCC Group and its value chain on biodiversity.

In response to the expectations of key stakeholders of the CCC Group and the implementation of activities with respect for the environment, the

CCC Group is constantly monitoring trends and innovative solutions to reduce CO2 emissions through a series of pro-environmental activities, cyclical measurement of energy consumption, identification of waste areas and their successive elimination. The implementation of these activities is supported by a working group of employees from different areas – Green CCChallenge, which aims to develop maximum energy efficiency in the Company. The implementation and effects of actions are reported periodically to the Board. The objectives in the environmental area are reviewed periodically and supervised directly by the Management Board and the Audit Committee.

In fiscal year 2021, the CCC Group implemented the following activities as part of achieving the environmental responsibility targets set out in the Sustainable Development Strategy:

- made a calculation of greenhouse gas emissions in scope 3,
- began collecting, calculating and monitoring environmental data on a quarterly basis,
- conducted a scenario analysis of the resilience of the Group's business model and strategy under different climate change scenarios,
- identified significant issues in the environmental area and set courses of action as part of the materiality study,
- has begun to implement the principles of a "circular" economy, with an impact on better use of raw materials and reduction of waste.



### **3.1. DOCUMENTS AND PROCEDURES**

In order to maintain the balance between the continuous development of the CCC Capital Group and limiting the negative impact of its activities on the environment, the CCC Group consistently carries out the program of the CCC Capital Group Environmental Policy and the Sustainable Development Strategy, as well as develops new policies.

**The Environmental Policy is based on VI pillars, which include the following:**

#### **MINIMIZING ENVIRONMENTAL IMPACT**

Identify, measure and observe the direct and indirect impact of its activities on the environment and apply possible solutions to mitigate their negative effects. To this end, an environmental strategy and a management system for environmental indicators has been implemented for their systematic reduction. Monitoring of the main areas of environmental impact of the business is also carried out.

#### **REDUCTION OF ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS**

- Use of renewable energy,
- use of the latest technologies to reduce energy consumption from the perspective of the use of office, sales and warehouse space in the coming years.

#### **SHAPING ECOLOGICAL ATTITUDES AND AWARENESS**

Educational campaigns increasing the level of ecological awareness and shaping pro-environmental attitudes both among employees, our customers and children and teenagers from local educational institutions.

#### **MINIMIZATION OF GENERATED WASTE**

Actions aimed at responsible waste management and optimization of waste levels, in particular packaging generated in logistics processes (e.g. storage and production) and their recycling.

#### **SAVING RAW MATERIALS IN THE SUPPLY CHAIN**

Reduce the consumption of raw materials and supplies during supply chain processes by managing them efficiently.

#### **INVESTMENTS WITH RESPECT FOR THE ENVIRONMENT**

Use of modern technological solutions that minimize environmental impact in new infrastructure investments.

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

In 2021, the CCC Group continued to work on updating its environmental policy and strategy. The environmental strategy sets ambitious and specific targets relating to the reduction of greenhouse gas emissions, waste reduction, protection of water resources, as well as protection of biodiversity, and is contained within the newly adopted Sustainable Development Strategy GO.25. A detailed description of the strategy's objectives as they relate to environmental issues is presented in section 1.2.2.





In late 2021 and early 2022, the CCC Group began a project related to the development of an Environmental Policy, the purpose of which is to define the priorities and basic principles that guide the CCC Group in managing its relationship with the environment and how to use natural capital. Work has also begun on the CCC Group's decarbonization strategy, the aim of which will be to define the path and set out specific actions for the CCC Group's pursuit of zero carbon.

**In fiscal year 2021, CCC Group undertook a number of initiatives to support its environmental goals::**

- plastic bags have been withdrawn from CCC stores and online sales of ccc.eu and eobuwie.pl. Only recycled bags and packaging are used. Paper bags and e-commerce packaging have a special marking with the FSC certificate, which guarantees that they are made of raw materials from responsible sources;
- reduced the waste stream, repackaging, and began the process of reusing master cartons in the warehouse and distribution;
- intelligent building management systems were improved, contributing to a reduction in energy consumption, among others in the Shared Services Centre, the CCC office in Warsaw and one of the office buildings located in the company's headquarters in Polkowice;
- a working group was established, consisting of CCC employees from different areas of activity, to work out maximum energy efficiency in the Company. In the framework of the "Green CCChallenge" project, cyclical measurement of energy consumption, identification of waste areas and their gradual elimination is planned. The key element of the project is the active involvement and building environmental awareness of CCC employees, as well as making the employees and external stakeholders aware that by making small changes in everyday life, it is possible

to contribute to the achievement of the set goals and eliminate all undesirable actions and threats to the environment;

- used hybrid cars to perform official duties. Hybrid cars account for approx. 30% of the fleet in the companies CCC S.A. and CCC.eu. Sp. z o.o.;
- CCC received the Accession Certificate of the EKO Business product belonging to the Tauron Group, which was created in cooperation with the Polish Association for Energy Certification (PTCE). The company has committed to purchase electricity coming from 100% renewable energy sources, i.e. small hydroelectric and wind power plants, which already accounts for nearly 22% (an increase of more than 4pp y/y) of total electricity consumption in the CCC Group;
- eobuwie Logistics was awarded the "Clean Production" certificate confirming the introduction of pro-environmental solutions in line with the principles of the CP strategy, preventing pollution or waste of resources at the source of their generation and outlined the plan - of ecological activities for the coming years. Additionally, certification of the Environmental Management System in accordance with the requirements of ISO 14001:2015 is planned for the first quarter of 2022;
- as part of MODIVO Group's logistics projects, activities are carried out to optimize own routes, ecommerce packaging inventory management by standardizing the types of graphics, reduction of stretch film consumption thanks to the purchase of in-house stretch film carts;
- MODIVO SA has launched a project with Inpost to introduce reusable packaging to the market.

### 3.2. CLIMATE CHANGE

In times of climate crisis, taking care of the environment is not only a good will, but above all an obligation and an integral part of doing business. Since 2019, the CCC Group has been counting and monitoring Scope 1+2 greenhouse gas emissions and implementing a series of activities to investigate and analyze the areas of the greatest impact. Previous activities, such as the analysis of the value chain of the entire CCC Group, the analysis of short-, medium- and long-term risks, threats and opportunities related to climate change, scenario analysis of the resilience of the Group's business model and strategy, or the collection and monitoring of GHG emissions on a quarterly basis, among others, enable conscious decision-making and directional actions by the CCC Board of Directors to address climate change, reduce the negative impact and adapt the Group and increase its resilience to climate change. At the same time, CCC is taking on further ambitious challenges, which include:

- development and implementation of the environmental policy of the CCC Group,
- develop and implement a decarbonization strategy,
- approval of greenhouse gas emission reduction targets in Science-Based Targets initiative,
- monetizing the risks and opportunities associated with climate change and achieving the set goals under the GO.25 Sustainable Development Strategy by 2025,
- scope 1+2 GHG emission reductions of 40% relative to the base year (2019),
- GHG Scope 3 emissions reduction of 10% relative to the base year (2021).

These actions should lead to adaptation and appropriate responses to climate change challenges, such as:

- the need to reduce greenhouse gas emissions by 55% by the end of the decade and to achieve climate neutrality by 2050 at the latest as part of the implementation of the European Union's European Green Deal development strategy and the Paris Agreement,
- the introduction of the so-called carbon tax or carbon import duties (CBAM - Carbon Border Adjustment Mechanism) in the European Union, which have been outlined as concepts in the European Green Deal and, if introduced, could significantly affect the international character of the CCC Group, which relies to a significant extent on production in countries outside the EU,
- Anticipated significant reductions and new stricter emission standards for transportation, especially for air and road transport,
- limitations in the availability or possible increase in the price of raw materials of natural origin (leather and natural fabrics),
- tightening of regulations on raw materials and waste as part of the next phases of implementation of the principles of the circular economy in the European Union, including implementation of the EU Strategy for Sustainable and Circular Textiles announced on March 30, 2022,
- anticipated further increase in electricity and heat prices in Poland associated with the need for accelerated decarbonization of the Polish energy sector,
- changes in the availability of financing depending on the degree of compliance of the Company's activities with the EU Sustainability Taxonomy.

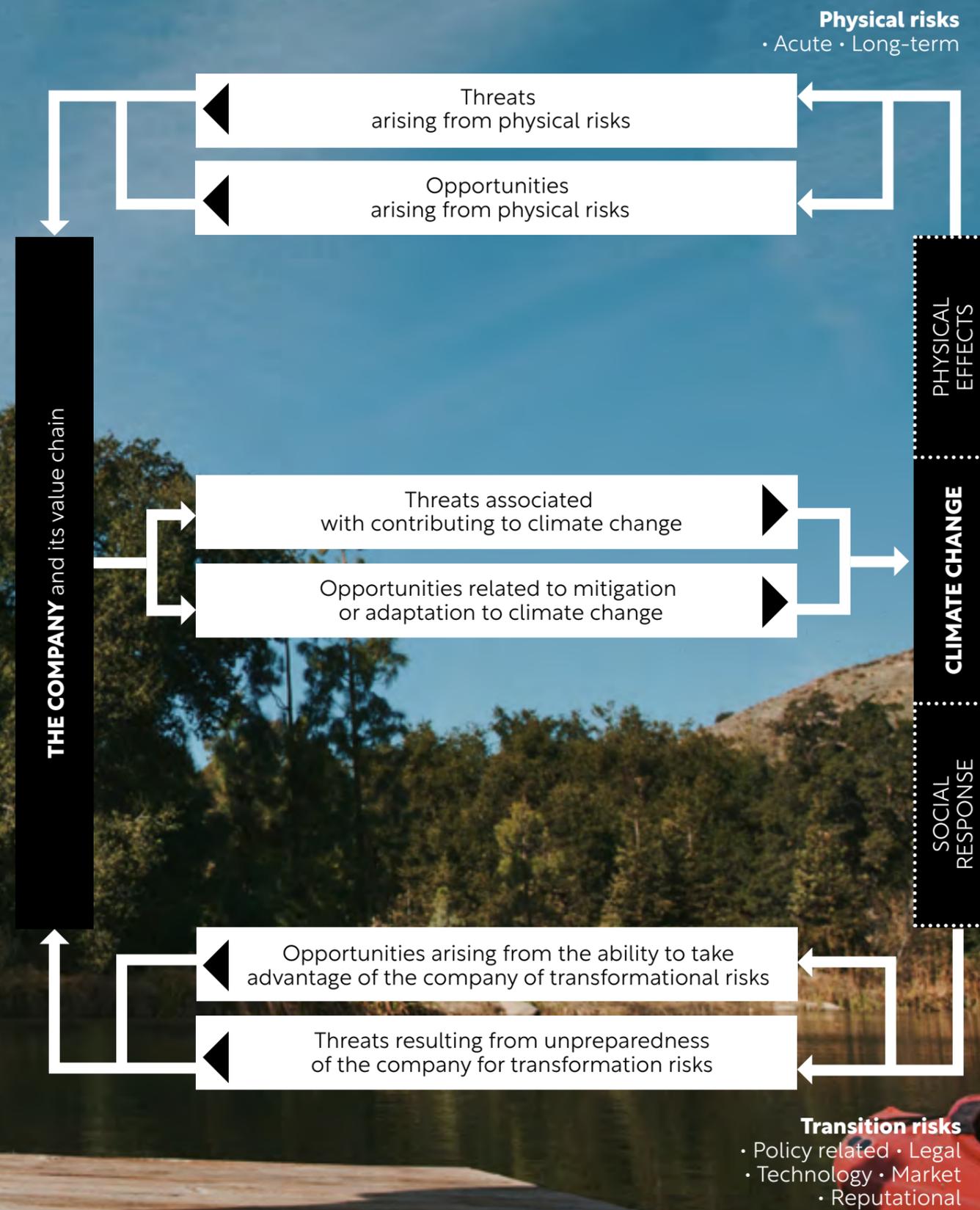


The priorities set, the strategic directions of actions and the materiality of the issue were confirmed by the materiality study conducted in 2021, which identified the area related to climate change as the area of the highest priority, and any analysis and actions implemented in the area of climate change by the Management Board are also subject to oversight by the Company's Supervisory Board.

A detailed description of the two-way impact, policies, analyses conducted, actions taken, and progress towards the goals can be found in the following sections of the report. The actions taken, and their results are communicated to stakeholders through the corporate website, sustainability report, traditional and social media, as well as through direct interactions of CCC Group units with individual stakeholders. [GRI 3-3, 2-25]



### COMPANY RELATIONS AND CLIMATE CHANGE



## CCC Group's impact on climate change [GRI 201-2, 3-3]

The CCC Group's impact on climate change occurs primarily in areas such as:

- fuel and energy consumption and related greenhouse gas emissions from operations (electricity consumption in the Group's showroom network and in the production facilities of the Group's suppliers is predominant),
- greenhouse gas emissions from transport (both in terms of transport of products to store chains and individual customers using e-commerce platforms, as well as in terms of transport of raw materials, materials and goods to the CCC Group),
- the manufacture of raw materials and supplies necessary for the production of footwear (including hides from natural origin, for the production of which animal husbandry is carried out upstream in the value chain, as well as the cultivation of plants necessary for the production of natural fabrics and the activities of the mining, petrochemical and chemical industries from which leather and synthetic fabrics, rubber, adhesives, lacquers and paints are derived).

## Impact of climate change on the CCC Group

[GRI 201-2, 3-3, TCFD]

The impact of climate change on the CCC Group is currently limited but significant in scope in the area of physical risks, but with a forecast of increasing impact in the future.

Issues related to climate change identified in the area of so-called transformational risks, i.e. resulting from humanity's response to the challenges of the climate crisis in terms of changes in legislation, consumer behavior patterns, demand, industry

standards and regulatory conditions will have an increasing impact on the functioning of the CCC Group over the foreseeable time horizon.

The CCC Executive Board's approach to climate change issues is based on the analysis of short-, medium- and long-term climate change risks, threats and opportunities conducted in 2020 and the analysis of the resilience of the CCC Group's business model and strategy under different climate change scenarios conducted in 2021. The next stage is the planning phase (development of an environmental policy and decarbonization strategy), which was launched in 2021, and the implementation of the planned solutions.

The CCC Group does not have a dedicated system to quantify the financial impact of climate risks. However, CCC responds to risk by adapting to the expectations of financial institutions in the field of reporting climate change issues, conducting an open dialogue with representatives of financial institutions and taking care to maintain and increase the results in ESG ratings. In 2022, the CCC Group will start a project to monetize the risks and opportunities related to climate change.

Analyses and actions implemented in the field of climate change by the Management Board are also subject to supervision by the Supervisory Board of the company.



## Climate risks in the CCC Group

[GRI 201-2, TCFD]

In 2020, CCC Group conducted an identification and analysis of risks, threats and opportunities related to climate change. The study was conducted together with the external consulting firm MATERIALITY, following the AXIS (Amplification, eXclusion, Intensification, Seizure) methodology, and included three stages:

- Analysis of significant climate risks in the comparison group,
- CCC expert group questionnaire survey,
- Calculation of results and categorization of identified risks, threats and opportunities.

Thirty-two physical and transition risks were examined, encompassing a total of 36 threats and 25 opportunities associated with climate change. According to the methodology used, those risks, threats and opportunities where the likelihood or magnitude exceeded certain boundary values were considered significant. The threats and opportunities were examined in three aspects: the likelihood of their occurrence, the magnitude, i.e. the weight of potential negative or positive consequences, and the time horizon over which they may occur.

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

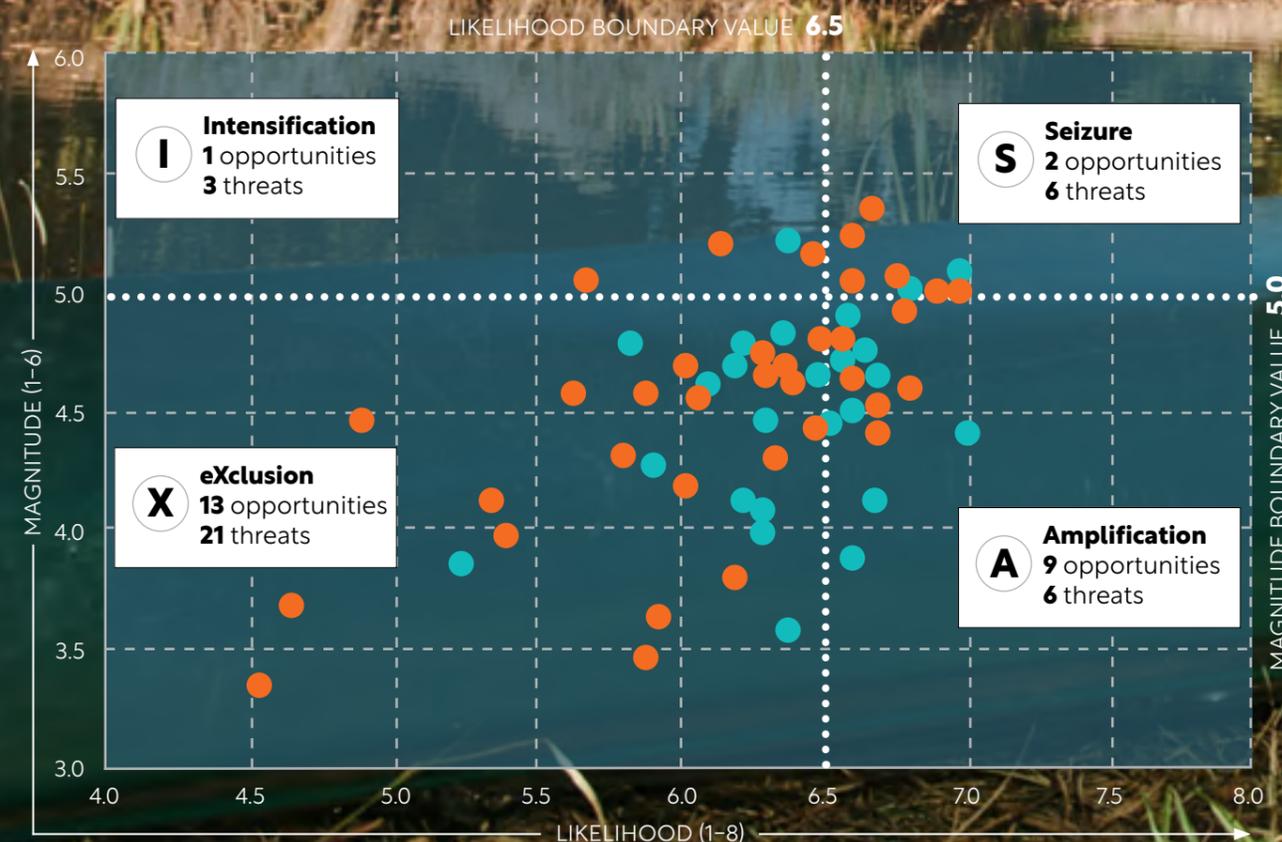


- 9 opportunities and 6 threats to Category A (Amplification),
- 13 opportunities and 21 threats to category X (eXclusion),
- 1 opportunity and 3 threats to Category I (Intensification),
- 2 opportunities and 6 threats to category S (Seizure).

According to the applied methodology, 2 opportunities and 6 threats from category S were classified as significant for the CCC Group and should be ac-

tively managed. Threats and opportunities belonging to categories I and A are subject to monitoring and, in selected cases, management. Threats and opportunities belonging to category X are subject to monitoring only. Conclusions from the conducted survey were considered in the risk management system functioning in the CCC Group. Monitoring and identification of new risks (threats and opportunities) related to climate change will be carried out periodically within the framework of risk reviews.

## A MAP OF CLIMATE CHANGE OPPORTUNITIES AND THREATS



## Scenario Analysis

[GRI 201-2, TCFD]

In fiscal year 2021, CCC Group conducted a scenario analysis to determine the resilience of CCC Group's business model and growth strategy under various climate change scenarios.

The analysis was performed against two scenarios in the short, medium and long term. The adopted scenarios were developed based on a combination of relevant IPCC and IEA scenarios:

**Scenario 1:** Paris-aligned – predicts that the Paris Agreement will be implemented, i.e. climate change will be halted at a level that is relatively safe for humanity. The scenario is the result of a fusion of the IPCC SSP1-1.9 scenario and the IEA Net Zero Emissions by 2050 Scenario (NZE).

**Scenario 2:** Paris-missed: – predicts that the rate of GHG emission reductions will be in line with

current UN member state pledges, resulting in climate change reaching levels predicted by science by the mid-21st century. The scenario is the result of a fusion of the IPCC SSP5-8.5 scenario and the IEA The Stated Policies Scenario (STEPS).

The basic parameters and assumptions considered in the scenario analysis were:

- strategic assumptions for business scale growth, product mix and sales structure through 2025 as defined in the new GO.25 business strategies;
- the physical effects of climate change impacts relating to issues such as global surface temperature, water levels, precipitation, sudden weather events, drought, and flooding;
- legal, regulatory, technological and market impacts associated with climate change including tariffs, taxes and other carbon levies, energy demand, mobilization of investment and finance, decarbonization, technology change and innovation.

**There were 9 groups of issues analyzed, which corresponded to the key stages of the CCC Group value chain**

ANIMAL  
AND PLANT  
RAW MATERIALS

MINERAL  
RAW MATERIALS

FOOTWEAR  
PRODUCTION  
BY SUPPLIERS

The analysis considered the main operating areas of the group, i.e. it was limited to the footwear segment. The analysis was conducted for three time horizons: short (2022-2025), medium (2026-2035) and long (2036-2050). The analysis focused on geographic regions with the highest importance for the functioning of the CCC Group value chain (Europe, East Asia, Southeast Asia).

The result of the analysis is a heatmap of impacts of a given scenario over a specific time period on CCC Group resilience, along with the directions of change in the intensity of impacts over time. The detailed conclusions of the scenario analysis, including expanded descriptions of the impact of each scenario on each major stage of the value chain, will be used to strengthen CCC Group's resilience in selected strategic areas and to deepen the analysis for stages of the value chain with low levels of resilience in the medium term.

SUPPLY  
LOGISTICS

ENERGY  
AND FUELS

STATIONARY  
SALES  
NETWORK

LOGISTICS  
FOR SALES  
AND ECOMMERCE  
NETWORKS

CONSUMERS

WASTE

Scenario analysis results



KEY FINDINGS FROM THE STUDY ON THE RESILIENCE OF CCC GROUP'S BUSINESS MODEL:

MATERIALIZATION OF S1: PARIS-ALIGNED	MATERIALIZATION OF S2: PARIS-MISSED
High level of resilience in the short term	High level of resilience in the short term
Relatively safe level of resilience in the medium term, provided appropriate adaptation actions are taken	Relatively safe level of resilience in the medium term, with rapidly increasing challenges (primarily in the areas of logistics, animal and plant raw materials, and supplier production)
Medium level of resilience over the long term (greatest challenges in the areas of raw materials and supplies, showroom network, and product customization)	Low level of resilience over the long term, with critical challenges in several areas (logistics, production at suppliers, animal and plant raw materials, and commodity demand)

The study was conducted in cooperation with the external consulting firm MATERIALITY, according to the methodology SA:CCR Scenario Analysis: Climate-Change Resilience applied in the

qualitative variant. In the coming years, the CCC Group plans to carry out an in-depth quantitative analysis for selected stages of the value chain.

STAGES IN THE VALUE CHAIN	ANIMAL AND PLANT RAW MATERIALS	MINERAL RAW MATERIALS	FOOTWEAR PRODUCTION BY SUPPLIERS	SUPPLY LOGISTICS	ENERGY AND FUELS	STATIONARY SALES NETWORK	LOGISTICS FOR SALES NETWORKS AND ECOMMERCE	CONSUMERS	WASTE
<b>S1: PARIS-ALIGNED</b>									
short time horizon 2022-2025	△	△	△	△	□	△	△	▲	△
medium time horizon 2026-2035	▲	▲	△	□	▽	▲	□	△	△
long time horizon 2036-2050	■	■	□	□	□	■	□	■	■
<b>S2: PARIS-MISSED</b>									
short time horizon 2022-2025	△	□	△	△	△	△	△	△	△
medium time horizon 2026-2035	▲	△	▲	▲	■	△	▲	▲	△
long time horizon 2036-2050	■	■	■	■	■	■	■	■	■

**Intensity of impact**

- low impact on resilience
- medium impact on resilience
- high impact on resilience
- critical impact on resilience

**Change of impact's intensity**

- △ moderate increase in the intensity of the impact
- ▲ strong increase in the intensity of the impact
- ▽ moderate decrease in the intensity of the impact
- ▼ strong decrease in the intensity of the impact



**MATERIAL RISKS, THREATS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE  
IN THE CCC GROUP [GRI 3-3, 201-2]**

RISKS	THREAT/OPPORTUNITY	TIME HORIZON	MANAGEMENT METHOD
<b>CHRONIC PHYSICAL RISKS</b>			
Risk of increased variability in precipitation patterns and weather patterns	Threat of increased volatility in footwear demand due to increased variability in weather patterns	Medium-long	Adapt collections to the blurring seasons by managing the sales mix for the season accordingly.
Epidemic risk	The threat of increasing frequency of epidemics and pandemics	Medium-long	Implementation of crisis management procedures and business continuity plan for the Group. Leverage experience from the 2020 COVID-19 pandemic period. Develop e-commerce operations.
<b>POLICY AND REGULATORY/LEGISLATIVE RISKS</b>			
Risk of regulation of products or their packaging	The threat of having to meet new regulatory requirements governing standards for products or their packaging	Short-medium	Implementation of the Sustainable Development Strategy for a circular economy and conducting monitoring of legislative processes at the EU level.
<b>TECHNOLOGY RISKS</b>			
Risks associated with a circular economy	Opportunity to reuse packaging	Brief	Implementation of the Sustainable Development Strategy for a circular economy, including packaging.
Risk of emissivity of energy sources	Threat of increase in energy prices as a result of high-carbon electricity mix in Poland or in other countries	Short-medium	Focus on energy efficiency measures, primarily in the area of showroom management (e.g. LED lighting, intelligent energy management systems) and plans to implement or use ISO 50001 Energy Management elements.
Risk of digitization	Opportunity to use advanced analytics and artificial intelligence to develop and optimize purchasing, manufacturing and sales processes resulting in reduced raw material consumption and climate change impacts	Short-medium-long	Continuation of activities in the area of innovation and implementation of new R&D programs, development of CCC R&D center, cooperation with the business environment, etc.
<b>MARKET RISKS</b>			
Risk of increase in prices of raw materials and consumables	The threat of increased costs of raw materials and supplies due to other climate risks	Medium-long	Ograniczanie dostaw surowców i materiałów Reducing the supply of raw materials and materials from the world's most vulnerable regions to climate change; Geographic and entity diversification of raw material suppliers and establishing partnerships with suppliers located in regions less vulnerable to civil unrest, migration, and wars related to climate change (e.g., Europe).
Risk of making access to finance dependent on addressing the climate crisis	Threat of lack of or reduced access to finance if banks or investment funds or insurers do not meet expectations to address the climate crisis	Short-medium	We align with financial institutions' expectations for reporting on climate change issues, ensure that ESG ratings are maintained and improved, and have an open dialogue with representatives of financial institutions about their expectations.



### 3.3. GREENHOUSE GAS EMISSIONS

#### Fuel and energy consumption from renewable and non-renewable energy

[GRI 302-1, 302-3]

Fuel consumption in the company's buildings, installations and in vehicles is calculated on the basis of source information. The purchased heat energy and a part of the purchased electricity are calculated according to the source data. In the case of some of the electricity consumed in stores, it was not possible to obtain source data from property managers; in such cases, the energy consumption was estimated using the electricity consumption index per 1 m<sup>2</sup> of the sales area, calculated on

the basis of actual data. The intensity indicators per unit of product are calculated in a way that is changed from previous reports. The product unit is considered to be one pair of shoes or one piece of another type of product (e.g. clothing, bags, accessories). The change in the calculation method is related to the increase in the share of other (than footwear) product groups in the portfolio of CCC Group.

TABLE 3.1: FUEL AND ENERGY CONSUMPTION IN THE CCC GROUP

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>FUEL USED IN BUILDINGS AND INSTALLATIONS</b>					
Natural gas	MWh	10,123.2	9,896.6	12,557.8	+26.9%
Fuel oil	MWh	132.0	198.5	0.0	-100%
LPG	MWh	144.4	0.0	0.0	-
Total fuels consumed in buildings and installations	MWh	10,255.2	10,095.1	12,557.8	+24.4%
<b>FUELS USED IN TRANSPORT BY OWN VEHICLES</b>					
Gasoline	MWh	3,950.7	4,135.3	4,199.3	+1.5%
Diesel	MWh	5,071.6	4,317.1	4,544.4	+5.3%
LPG	MWh	0.0	2.8	0.5	-83.5%
Total fuels consumed in transport by own vehicles	MWh	9,022.3	8,455.2	8,744.1	+3.4%
<b>ENERGY GENERATED</b>					
Electricity generated from RES	MWh	55.4	82.9	65.9	-20.5%
<b>PURCHASED ENERGY</b>					
Electricity	MWh	109,031.7	83,076.3	108,349.4	+30.4%
– of which at retail stores	MWh	87,374.5	64,863.3	73,975.5	+14.0%
– other	MWh	21,657.2	18,213.0	34,373.9	+88.7%
Heat	MWh	5,862.7	3,703.8	2,806.1	-24.2%
<b>Total energy consumption</b>	<b>MWh</b>	<b>134,227.3</b>	<b>105,413.2</b>	<b>132,523.3</b>	<b>+25.7%</b>
<b>Total energy consumption</b>	<b>GJ</b>	<b>483,218.1</b>	<b>379,487.3</b>	<b>477,083.8</b>	<b>+25.7%</b>

TABLE 3.2: FUEL AND ENERGY CONSUMPTION FROM RENEWABLE AND NON-RENEWABLE ENERGY SOURCES IN THE CCC GROUP

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
Energy from all renewable sources (from fuel and purchased energy)	MWh	16 464.0	18,121.3	34,513.2	+90.5%
Percentage of energy from renewable sources	%	12.3%	17.2%	26.0%	+8.9 pp
Energy from all non-renewable sources (from fuel and purchased energy)	MWh	117,763.2	87,291.9	98,010.1	+12.3%
Percentage of energy from non-renewable sources	%	87.7%	82.8%	74.0%	-8.9 pp
<b>Total energy from all sources</b>	<b>MWh</b>	<b>134,227.3</b>	<b>105,413.2</b>	<b>132,523.3</b>	<b>+25.7%</b>

TABLE 3.3: ENERGY INTENSITY INDICATORS IN THE CCC GROUP

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
Energy from renewable sources per unit of product	KWh/piece.	0.3	0.3	0.5	+89.8%
Energy from renewable sources for 1 million PLN of revenue	MWh/1mln PLN	2.8	3.5	4.5	+31.6%
Energy from non-renewable sources per unit of product	KWh/piece.	2.1	1.2	1.4	+11.9%
Energy from non-renewable sources per PLN 1 million of revenue	MWh/1mln PLN	20.0	16.6	12.9	-22.4%
<b>Energy from all sources per unit of product</b>	<b>KWh/piece.</b>	<b>2.4</b>	<b>1.5</b>	<b>1.8</b>	<b>+25.3%</b>
<b>Energy from all sources per 1 million PLN of revenue</b>	<b>MWh/1mln PLN</b>	<b>22.8</b>	<b>20.1</b>	<b>17.5</b>	<b>-13.1%</b>

The data presented in Tables 3.1-3.3. refer to the entire CCC Capital Group. Data on CCC S.A. are included in Appendix No. 3. All energy data have been converted to kWh or MWh to achieve comparability of data. [GRI 302-1]

Most of the energy consumed in the CCC Group's operations is used for the operation of buildings. Electricity dominates, whose consumption at 108 415.3 MWh in fiscal year 2021 corresponded to approximately 81.8% of the Group's total energy consumption. 9.5% of the energy came from fuel combustion in buildings and only 6.6% from fuel combustion in vehicles used by the Group. Only 2.1% was purchased thermal energy.

Over half (or 55.8%) of the electricity purchased in the CCC Group was for energy used in the stores. Therefore, the main efforts and activities to increase energy efficiency in the Group are focused on optimizing the use of electricity in stores. Due to the expiration of the pandemic and the return to operation of the stores, electricity consumption in the sales network increased by 14.0% in fiscal 2021. The increase in electricity consumption in other operations was as high as 88.7% and the consumption of thermal energy decreased by 24.2% over the previous year.

## Reduction in energy consumption

CCC Group on an ongoing basis introduces modern solutions to minimize power consumption in stores. One of them is SVG inverter-based reactive power compensation. Since 2021, the CCC Group insists on eliminating from the electricity bill penalties for EBP (reactive capacitive power), which is an indispensable part of installations where there is LED lighting, LED screens, servers, etc. In addition to reactive power compensation, in CCC and HalfPrice stores, the number of lighting fixtures is reduced, which will contribute to lower electricity consumption and thus reduce CO2 emissions. In CCC stores, 20% of lighting is reduced, and in HalfPrice stores, 30%.

Another aspect is reducing the demand for contracted power Pu [kW] in stores resulting from the analysis of accurate readings and based on electricity metering system with remote reading. Thanks to this solution, the CCC Group has accurate information about the energy consumption in a given store and the occurring irregularities. Currently, the system covers several dozens of CCC stores, which is the initial phase of its implementation. In 2022, several dozen meters will be installed, including 27 in eobuwie stores. Thus, all eobuwie stores will be metered.

The next phase will be remote control of HVAC equipment. The project is currently being piloted. Work is also underway to implement less energy-intensive LED lighting.

In other buildings, in which the CCC Group conducts its operations, activities related to increasing energy efficiency were also carried out. Warehouse facilities have been equipped with innovative, energy-efficient LED lighting and other solutions to reduce energy consumption, such as air curtains, automatic shutters systems, glazing to reduce the

penetration of solar radiation to the objects and constituting thermal insulation, which is directly related to lower energy consumption by air conditioning equipment.

New investments, both at the stage of designing and implementation, consider the use of energy-saving technologies. The implemented actions consist, among others, in switching to energy-saving solutions controlled by sensor systems in the field of management of energy recipients in facilities.

Energy audits are also commissioned to find solutions to modify existing systems, installations and energy sources.

A project to reduce gas and electricity consumption is being implemented at the company's headquarters. The project has been divided into five main stages. In the first stage an interdepartmental task force was established and data was collected on gas consumption, electricity consumption, costs, places of consumption / the largest consumers for the years 2020 (XII) and 2021 (I-XII). In the second stage, year/year, month/month comparative analyses were created for consumption levels, costs and ratios: cost / consumption, consumption / area and consumption / volume. In the third stage, an internal audit was started in the area of all six facilities at the CCC headquarters in the area of gas and electricity efficiency. In the fourth stage, potential actions aimed at reducing gas and electricity consumption were defined. In the fifth stage, a periodic monitoring and evaluation of the effectiveness of implemented actions is planned. The identified actions are of organizational and technical nature. Additionally, some actions are of a costly nature (requiring an analysis to justify incurring the costs e.g. for investments), while some actions are of a zero-cost nature.





Major tasks to reduce electricity consumption:

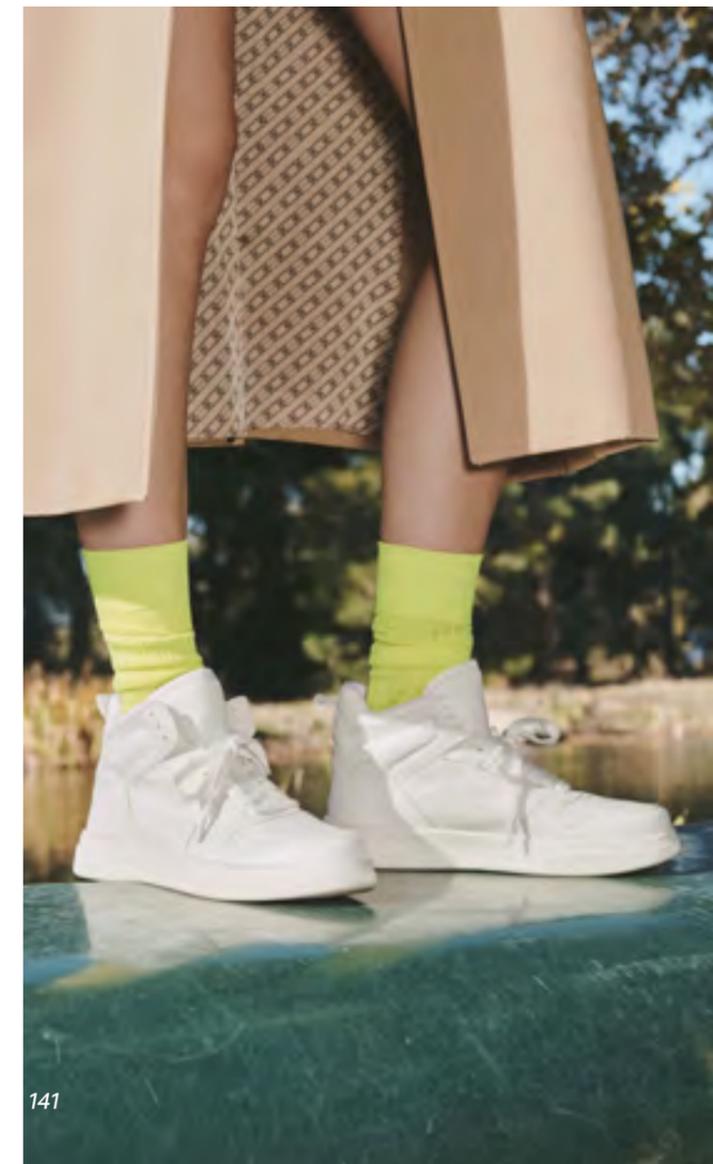
- lighting / fixed light fixtures – verify and change run time schedules for both exterior and interior lighting settings,
- lighting / motion sensors – verification and optimization of current sensors,
- lighting / motion sensors – installation of sensors where their installation is justified (e.g. corridors, social rooms),
- air conditioning / heating – analyze the possibility of heating with air conditioning for the time of gas heating (winter season),
- electrical engineering / reactive power compensation – reactive power compensation analysis and matching,
- electricity / ordered power – analysis of possibilities to reduce ordered power.

Major tasks to reduce gas consumption:

- minimization and standardization of temperatures in individual functional areas – Temperature optimization,
- standard allocation of thermal clothing for employees – analysis of reasonableness, feasibility, needs,
- moving the permanent workplaces of logistics operators from the warehouse to the office – analysis of justification, possibilities, needs,
- local heating points for permanent jobs – for reasonable locations,
- minimizing the time of opening gates, docks,
- eliminating leaks in facades, doors, etc.,
- optimization of air curtain usage rules,
- change of work parameters of boilers, water circuits and boiler house control.

In addition to the above actions, the CCC Group is constantly looking for solutions that have a positive impact on the environment.

In fiscal year 2021, the CCC Group received an Accession Certificate for the EKO Business product belonging to the Tauron Group, which was created in cooperation with the Polish Energy Certification Association (PTCE). The Company has committed to purchase electricity coming from 100% renewable energy sources, i.e. from small hydroelectric and wind power plants. This energy already accounts for nearly 22% (an increase of more than 4pp y/y) of total electricity consumption in the CCC Group.



## Greenhouse Gas Emissions: Scope 1 and 2

GHG emissions from the company's operations are monitored in the CCC Group starting in 2019. Two Group-level GHG emission metrics indicated later in this section are used to assess the level of emissions intensity.

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

### Reported emissions boundaries (organizational boundaries) include:

- in case of data for CCC S.A.: only the parent company of the CCC Capital Group 100% of the issue;
- as for data for the Capital Group: the parent company and all subsidiaries of the CCC Group by operating control (100% of the issue of each entity). Consolidation covers all levels of the Capital Group.

### Scope of reported emissions (operational boundaries):

- as for data for both the parent company and the Capital Group, reported emissions include scope 1 (scope 1, direct emissions) as well as scope 2 (scope 2, indirect emissions resulting from the generation of purchased energy).

### Indication of emission change trends over time:

- this report marks the third time Scope 1+2 emissions are reported under the GHG Protocol Corporate Accounting and Reporting Standard and the first time Scope 3 emissions are reported under the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard.

2019 has been considered the base year for emissions reporting for CCC S.A. and the CCC Group for scopes 1 and 2, while 2021 will be the base year for scope 3. In the last reporting cycle, base year emissions were recalculated by subtracting emissions generated by the operations of Voegelé, which was divested. Emissions reported in scope 1 are fully comparable to the base year. Scope 2 emissions are comparable to the base year for the location-based calculation method and are not comparable for the market-based method (no market-based calculations were performed in the base year). In the previous reporting cycle, CCC Group reported emissions for the thirteen-month period from 01/01/2020. to 31/01/2021. In this report, data for the previous reporting period has been converted to a comparable twelve-month period. Methodology and assumptions:

- emisje zostały obliczone z wykorzystaniem narzędzi udostępnianych przez GHG Protocol (<https://ghgprotocol.org/calculation-tools>), obliczenia dotyczyły sześciu gazów cieplarnianych (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) ujętych w GHG Protocol, wartości emisji są podawane w tonach (Mg) standardowej jednostki ekwiwalentu dwutlenku węgla (CO<sub>2</sub>e);
- emissions were calculated using tools provided by the GHG Protocol (<https://ghgprotocol.org/calculation-tools>), the calculation was based on six greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) included in the GHG Protocol, emission values are given in tonnes (Mg) of standard unit of carbon dioxide equivalent (CO<sub>2</sub>e);
- as for Scope 2 emissions (scope 2), using the location-based method, emissions were calculated using average emission intensity factors of electricity generation in individual countries made available by the International Energy Agency (for most European Union member states where the CCC Group operates), and the National Emission Centre (for Poland). In the case of most countries, the indices are based on data for 2019

or IEA forecasts for 2020, and in the case of Poland, they are for 2020. As for heat energy, indices of heat energy production intensity were adopted in accordance with the data reported for Poland by the Energy Regulatory Office, while for other countries indices from the DEFRA database (UK Department for Environment, Food and Rural Affairs) were adopted. In case of the market-based method, emission factors obtained from energy suppliers were used, and in case of their absence, average factors for given countries were used. [GRI 305-2];

- for Scope 3 emissions (Scope 3), emissions were calculated using metrics from the WIOD (2009), DEFRA (2021), and IEA (2021) databases.



**TABLE 3.4 GHG EMISSIONS FOR FISCAL YEAR 2021 AT CCC GROUP – SCOPE 1 & 2**  
[GRI 305-1, 305-2, 305-4]

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>SCOPE 1</b>					
Emissions from fuel consumption in buildings and installations	Mg CO <sub>2</sub> e	1,954.5	2,031.9	2,495.4	+22.8%
Emissions from transport fuel consumption	Mg CO <sub>2</sub> e	2,340.6	2,227.1	2,304.7	+3.5%
Emissions resulting from the leakage of refrigerants	Mg CO <sub>2</sub> e	b.d.	b.d.	437.0	-
Total GHG Scope 1 emissions	Mg CO <sub>2</sub> e	4,295.1	4,259.0	5,237.1	+23.0%
Scope 1 emissions per product unit	kg CO <sub>2</sub> e/pc.	0.1	0.1	0.1	+22.5%
<b>Scope 1 issues per PLN 1 million revenue</b>	<b>Mg CO<sub>2</sub>e/1 mln PLN</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>-15.0%</b>
<b>SCOPE 2 LOCATION-BASED</b>					
Emissions resulting from purchased electricity	Mg CO <sub>2</sub> e	61,993.7	41,619.7	61,320.6	+47.3%
Emissions resulting from purchased heat	Mg CO <sub>2</sub> e	1,671.9	649.8	480.0	-26.1%
Total GHG Scope 2 location-based emissions	Mg CO <sub>2</sub> e	63,665.6	42,269.6	61,800.6	+46.2%
Scope 2 location-based emissions per product unit	kg CO <sub>2</sub> e/pc.	1.1	0.6	0.9	+45.7%
Scope 2 location-based issues per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	10.8	8.1	8.1	+1.1%
<b>SCOPE 2 MARKET-BASED</b>					
Total GHG Scope 2 market-based emissions	Mg CO <sub>2</sub> e	b.d.	43,195.0	51,725.4	+19.7%
Scope 2 market-based emissions per unit of product	kg CO <sub>2</sub> e/pc.	b.d.	0.6	0.7	+19.3%
Scope 2 market-based issues per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	b.d.	8.2	6.8	-17.2%
<b>SCOPE 1+2 MARKET-BASED</b>					
Total GHG Scope 1+2 market-based emissions	Mg CO <sub>2</sub> e	67,960.8*	47,453.9	56,962.5	+20.0%
Scope 1+2 market-based emissions per unit of product	kg CO <sub>2</sub> e/pc.	1.2	0.66	0.79	+19.6%
Scope issues 1+2 market-based per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	11.5	9.0	7.5	-17.0%
<b>SCOPE 3**</b>					
Total GHG Scope 3 emissions	Mg CO <sub>2</sub> e	-	-	116,611.0	-
Scope 3 emissions per product unit	kg CO <sub>2</sub> e/unit	-	-	1.6	-
Scope 3 issues per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	-	-	15.4	-

\* For 2019, a location-based calculated value is assumed for Scope 2 issues.

\*\* Scope 3 counted for companies: CCC S.A., CCC.eu Sp. z o.o. and OFP Sp. z o.o. and in the case of selected categories for selected other CCC Group companies, respecting the principle of representativeness.



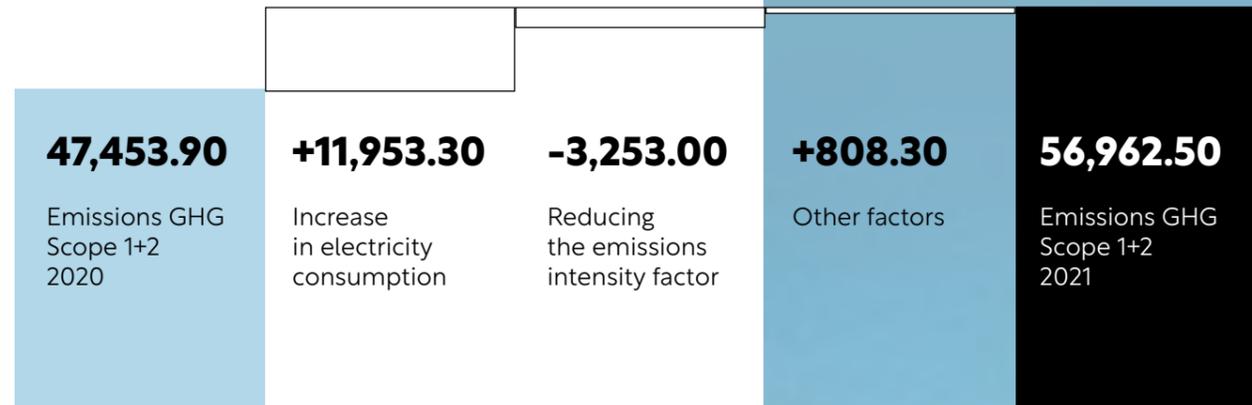
Scope 2 emissions were counted using market-based and location-based methods. [GRI 305-2]. The data in the table are for the entire Capital Group. Data for CCC S.A. are included in Appendix 3.

The vast majority (90.81%) of the greenhouse gas emissions generated by the CCC Group's operations are attributable to Scope 2, which are indirect emissions resulting from the generation of purchased electricity and heat. The vast majority (99% of Scope 2 emissions) of these emissions are attributable to purchased electricity. The remainder are attributable to purchased thermal energy. Among Scope 1 emissions, almost half (47.6% of Scope 1 emissions) of the emissions result from the combustion of fuels used to heat buildings, and 44.0% are emissions resulting from the use of fuels in vehicles used by the Group. The remaining 8.31% of Scope 1 emissions are due to refrigerant leakage. [GRI 305-1]

The above structure of emissions underlines the importance of actions taken to increase energy efficiency and switch to renewable energy sources. In particular, measures to reduce electricity consumption and to obtain this energy from renewable sources may have the greatest impact on reducing the Group's total emissions in the coming years.

The base year carbon footprint ratio was 0.79 kg CO<sub>2</sub>e per unit of product (a pair of shoes or a unit of another type of product) in fiscal 2021, 19.6% higher than the previous year's 0.66 kg CO<sub>2</sub>e per unit of product, while 35.1% lower than the base year's 1.21 kg CO<sub>2</sub>. The emission factor per 1 Mg of revenue in 2021 was 7.5 Mg CO<sub>2</sub>e / 1 million PLN, and was more than 17,0% lower than last year and 35.0% lower than in the base year.

**FIGURE 3.1. FACTORS FOR CHANGES IN GHG EMISSIONS IN THE FISCAL YEAR 2021 IN THE CCC GROUP – SCOPE 1 & 2 COMPARED TO THE PREVIOUS YEAR**  
[GRI 305-1, 305-4]



**FIGURE 3.2. FACTORS CHANGING THE CHILLING GAS EMISSIONS IN THE FISCAL YEAR 2021 IN THE CCC GROUP – SCOPE 1 & 2 COMPARED TO THE BASE YEAR 0**  
[GRI 305-1, 305-4]



Scope 1+2 GHG emissions increased in 2021 from the previous year while decreasing from the base year (2019). The increase from the previous year was primarily due to an increase in electricity consumption, mainly at showrooms, many of which were closed during the COVID-19 pandemic. The increase in electricity consumption is also evident compared to the base year and is due to the increase in the scale of the Group's operations. The second major factor contributing to the change

in emission values was the reduction in the emission intensity factor for electricity. This factor is primarily related to the successive increase in the share of energy from renewable sources in purchased electricity. All other factors combined had a smaller impact and contributed to the increase in emissions, with the most significant among them being the increase in natural gas consumption in 2021.



## Emissions – Scope 3

**TABLE 3.5: GHG EMISSIONS FOR FISCAL YEAR 2021 AT CCC GROUP – SCOPE 3** [GRI 305–3]

CATEGORY SCOPE 3	UNIT	01.02.2021.–31.01.2022.
<b>SCOPE 3 UPSTREAM</b>		
1. purchased Goods and Services		Category estimated as significant. Data acquisition in progress – planned emissions calculation in next reporting cycle
2. capital goods	Mg CO <sub>2</sub> e	42,122.7
3. fuel- and Energy-related activities not included in Scope 1 or Scope 2	Mg CO <sub>2</sub> e	21,085.9
4. upstream transportation and distribution	Mg CO <sub>2</sub> e	40,570.0
5. waste generated in operations	Mg CO <sub>2</sub> e	330.0
6. business travel	Mg CO <sub>2</sub> e	1,098.9
7. employee commuting	Mg CO <sub>2</sub> e	4,631.4
8. upstream leased assets		Category deemed irrelevant
<b>SCOPE 3 DOWNSTREAM</b>		
9. downstream transportation and distribution		Category estimated as significant. Data acquisition in progress – planned emissions calculation in next reporting cycle.
10. processing of sold products		Not applicable (no emissions)
11. use of sold products		Category deemed irrelevant
12. end-of-life treatment of sold products		Category estimated as significant. Data acquisition in progress – planned emissions calculation in next reporting cycle
13. downstream leased assets		Category deemed irrelevant
14. franchises	Mg CO <sub>2</sub> e	6,772.10
15. investments		Category deemed irrelevant
<b>Total</b>	<b>Mg CO<sub>2</sub>e</b>	<b>116,611.0</b>

\* Scope 3 calculated for the companies: CCC S.A., CCC.eu Sp. z o.o. and HalfPrice Sp. z o.o. and in the case of selected categories for other companies from the CCC Group, maintaining the principle of representativeness.



In 2021, the CCC Group estimated and calculated Scope 3 emissions for the first time, i.e. all indirect emissions across the value chain. Emissions have been calculated for categories 2, 3, 4, 5, 6, 7 and 14. For several categories (8, 10, 11, 13, 15), emissions are not present, or the estimate indicated that their value is negligible - emissions from these categories will not be calculated and reported. As for categories 1, 9 and 12, preliminary estimates indicate the materiality of the category. The nature of the activity conducted by the CCC Group, above all the large variety of the types of products offered, and the developed e-commerce segment, mean that the collection of the necessary source data for the calculation of the emissions in these categories will require work which goes beyond the current reporting cycle. This work will be continued in the next reporting cycle.

The following assumptions were used in the calculations and estimates of individual emission categories in the scope 3:

**CATEGORY 2:**  
calculations based on a list of fixed assets purchased during the financial year, then assigned to sector categories; calculations using the GHG Scope 3 Evaluator tool.

**CATEGORY 3:**  
calculations based on fuel and energy consumption data in the CCC Group and indicators from the DEFRA and IEA databases; Well-To-Tank emissions for fuels and emissions related to energy transmission and distribution losses (direct and Well-To-Tank) were taken into account.

**CATEGORY 4:**  
calculations based on transport data of goods purchased by the CCC Group (number of transported containers, means of transport, start and end location of the conduit), using the coefficients from the DEFRA database.

**CATEGORY 5:**  
calculations based on waste data in the CCC Group, using coefficients from the DEFRA database.

**CATEGORY 6:**  
calculations based on data from the central business travel system of the CCC Group; transport-related emissions calculated with the use of the DEFRA base coefficients, and the emissions related to overnight stays calculated with the use of the Hotel Footprinting Tool indicators.

**CATEGORY 7:**  
calculations based on data collected from employee surveys completed in the companies of the CCC Group for a representative group of employees, using the coefficients from the DEFRA database; then extrapolated to representatively all employees of the CCC Group.

**CATEGORY 14:**  
Calculations based on Scope 1 and 2 emissions data provided by one of the franchisee companies and own Scope 1 and 2 emissions calculations for the other franchisees based on their fuel and energy consumption information.

The priority for CCC's climate change mitigation activities is to work towards reducing greenhouse gas emissions by increasing the percentage of renewable energy consumption in the Group's overall energy mix, including the Group's own solar energy, and by increasing the energy efficiency of its operations.

The photovoltaic farm located on the building of one of the warehouses in Polkowice generates benefits related to reduction of greenhouse gas emissions. In 2021, the photovoltaic installation produced 65,9 MWh of electricity, which allowed to avoid 41,7 Mg CO<sub>2</sub> e emissions into the atmosphere. In addition, the purchase of energy produced by generation sources from PTCE's catalog of audited green power generators reduced CO<sub>2</sub> emissions by 10,7 thousand tons in 2021. [GRI 305-5]

Transportation is an area of CCC Group operations that contributes to greenhouse gas emissions. These emissions are partially included in scope 1, to the extent that they result from the use of our own vehicle fleet. To a greater extent, transport-related emissions are attributed to scope (range) 3, which amounted to 40 570 Mg CO<sub>2</sub> e in 2021. Emissions resulting from the transport of goods from suppliers to the CCC Group are included in this scope.

With the aim of reducing operating costs, as well as reducing greenhouse gases, the CCC Group in the 2021 fiscal year continued to modernize the car fleet and replace vehicles with hybrid cars. In 2021, about 30% of the cars in the car fleet of CCC S.A. and CCC.eu Sp. z o.o. were hybrid cars. In addition, part of the deliveries carried out by stores eobuwie.pl were using electric cars, which are characterized by low operating costs and are part of the policy of sustainable use of resources.

Additionally, implemented supply chain measures include environmentally friendly management of our own transportation, as well as that of our transportation providers, through:

- Selection of appropriate means of transport for the routes and type of cargo,
- optimization of the surface occupancy of the means of transport by the loads,
- Accurate scheduling of delivery and pickup times, efficient unloading and loading of vehicles.

Moreover, one of the elements analyzed during the decision on the choice of a transport service provider are the environmental aspects, e.g. meeting the Euro 5 and 6 standards defining the acceptable level of emission of pollutants emitted by vehicles.



### 3.4. CIRCULAR ECONOMY

A circular economy (CE) is a concept that aims to rationally use resources and sustain the value of manufactured products. At the core of the circular economy concept is the idea that all substances should circulate continuously in the economy, without having to excessively obtain them from primary sources. Products should be made from reused or sustainably produced raw materials and should be reusable at the end of their life cycle, either as components or as recycled raw materials.

Over the past two years, CE has become one of the CCC Group's top priorities, and the materiality study conducted has confirmed the direction taken. The CCC Group is aware of the negative impact it may have on the environment within its operations and value chain. In particular, this includes: activities related to the sourcing and processing of raw materials, the manufacture of products, waste generated by logistics processes and waste on the consumer side with the end of the product life cycle. Therefore, responsible management of these issues and implementation of the principles of circular economy have become one of the objectives for the CCC Group. The dynamic development and intensification of activities in this area is also associated with numerous benefits related to the implementation of business models based on the circular economy.

In response to changing trends and formal requirements related to the circular economy and customers' expectations, in fiscal year 2021, the CCC Group actively managed the CE area and implemented the following activities:

- A series of workshops for CCC employees on the circular economy covering topics such as circular business models, material flow in the value chain, and value loss points,

- CE project including analysis and mapping of material flows in the CCC Group value chain, identification of value loss points and development of a plan to implement the principles of circular economy in CCC,
- begin implementation of the CE roadmap,
- expanding the collection of used shoes in CCC stores and identifying opportunities for their recycling,
- continuation of the eco-design project to create collections from recycled and environmentally friendly materials.

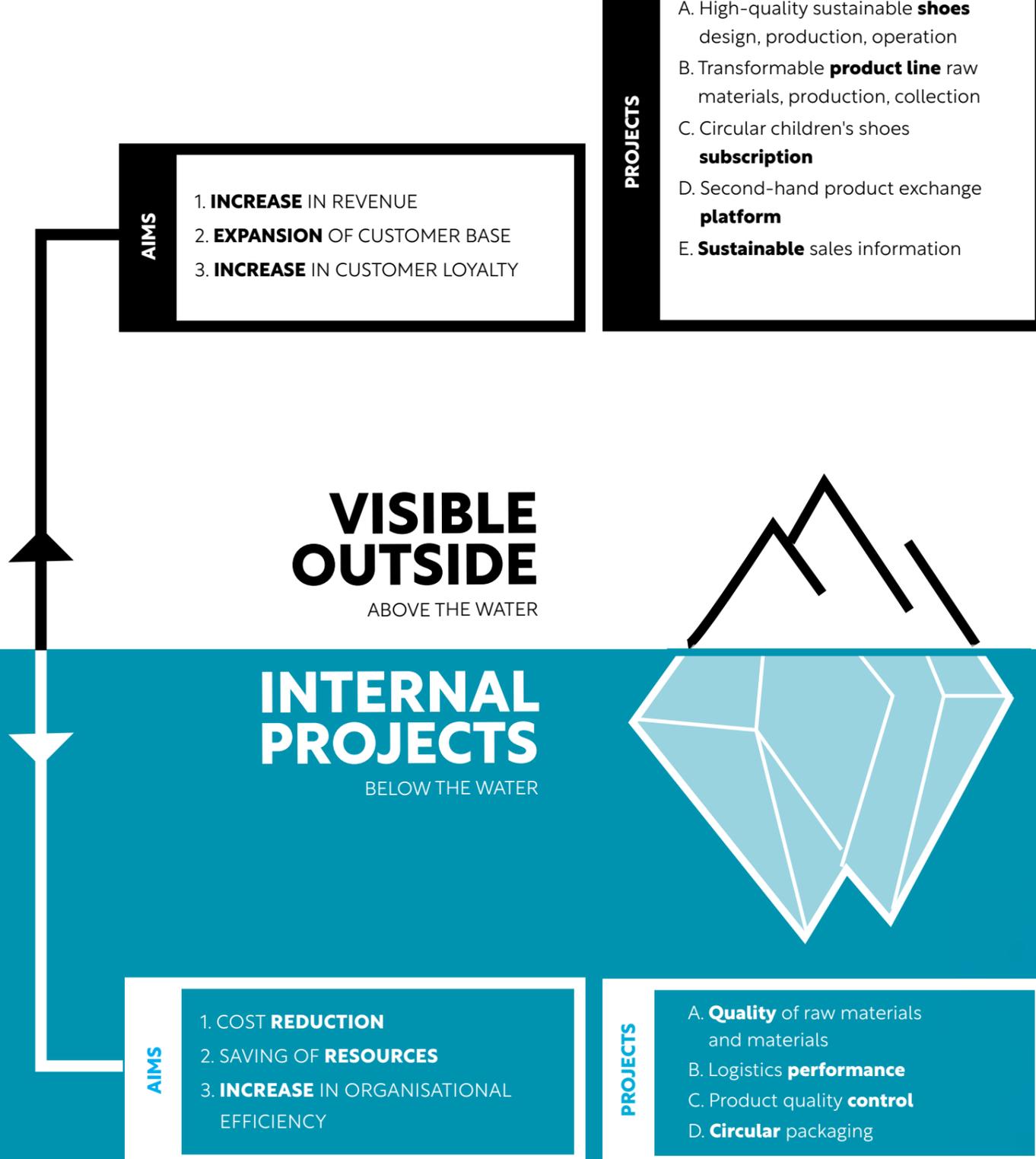
In the adopted Sustainable Development Strategy GO.25, key strategic activities in the field of CE were defined within the environmental area related to waste reduction (chapter 3) and within the responsible product (chapter 2.2). The objectives set, and their detailed descriptions are described in the chapters mentioned above. The Board of Directors, together with the Sustainability Department, periodically monitors progress towards the goals and, if necessary, adjusts them by revising the strategy.

A detailed description of the research conducted, the actions taken, and the progress made towards achieving the CE goals can be found later in this chapter. All implemented activities and their results are communicated to stakeholders through the corporate website, sustainability report, traditional and social media, as well as through direct contacts of CCC Group units with individual stakeholders. [GRI 3-3, 2-25]



## Circular Economy Road Map

### CCC GROUP'S CLOSED CIRCULAR ECONOMY ROADMAP



In 2021, as part of the ongoing CCC circular economy project, a CE roadmap, a plan for implementing circular economy principles in the CCC Group, was developed. The roadmap was developed based on the identified circular business models and value loss points across the CCC Group value chain. The CCC Roadmap contains a set of projects and detailed actions to create the conditions for implementing the circular economy in the CCC Group in the coming years and includes issues such as:

- durability and high quality,
- transformable products,
- circular footwear,
- product exchange platform,
- balanced sales information,
- circular raw materials and materials,
- quality of raw materials, materials and components,
- efficiency of logistics,
- product quality control,
- circular packaging.

The project to develop the roadmap involved CCC specialists representing the different substantive areas of the Group together with the external consulting firm MATERIALITY. Once the roadmap was developed, the project implementation phase began. In 2021, the CCC Group focused on expanding the Go for Nature collection, which accounted for 15% of the order volume for the SS 2021 season. The other projects were:

- the pilot footwear collection was extended in January 2021 to 50 stores and is planned to be expanded to 100% of locations in Poland and successively introduced in foreign markets,
- identifying opportunities to recycle footwear and analyzing vendor offerings to supply vegan products,
- entering into a pilot of a reusable packaging project.



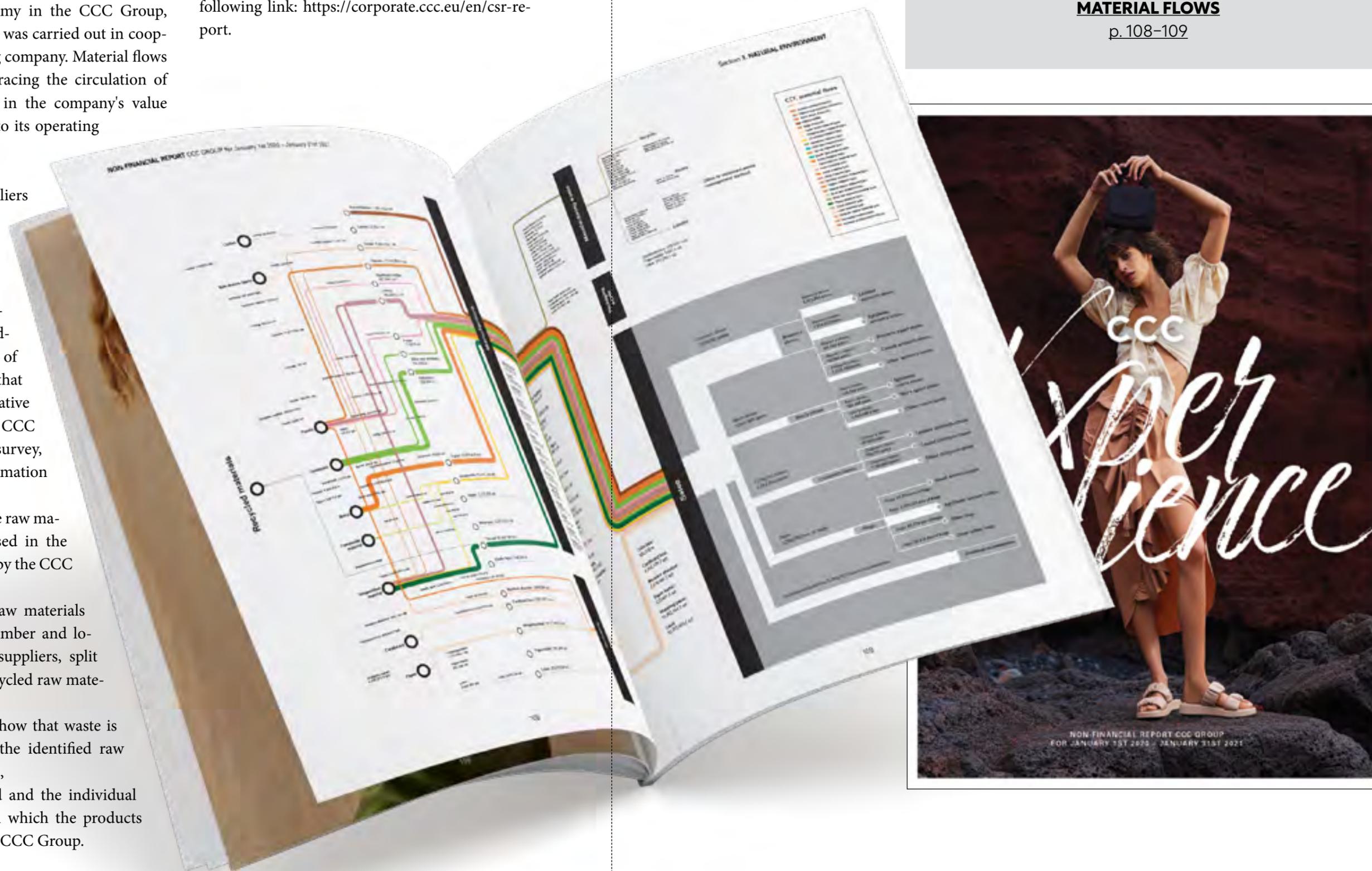
## Material flows in the value chain

As part of the project of implementing the principles of circular economy in the CCC Group, a study of material flows was carried out in cooperation with a consulting company. Material flows are a tool that allows tracing the circulation of all kinds of substances in the company's value chain, not limited only to its operating activities.

The survey covered suppliers responsible for 40% of deliveries of shoes, bags and accessories for the spring-summer and autumn-winter collections of 2020. According to the methodology of the survey, this means that its results are representative for all products sold by CCC Group. As part of the survey, suppliers provided information on:

- quantities of each of the raw materials and supplies used in the production purchased by the CCC Group,
- the sources of these raw materials and materials (e.g., number and location of second-tier suppliers, split between virgin and recycled raw materials),
- production waste and how that waste is managed for each of the identified raw materials and materials,
- the products produced and the individual and bulk packaging in which the products were transferred to the CCC Group.

The study identified 39,400 source data points, which were then analyzed. The material flow chart is presented in CCC Group's non-financial report for fiscal year 2020/2021, which is available at the following link: <https://corporate.ccc.eu/en/csr-report>.



Sustainability report  
of the CCC Capital Group 2020

### **MATERIAL FLOWS**

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## Consumption of raw materials and supplies [GRI 301-1]

In 2021, the production in two companies belonging to the CCC Group, i.e. CCC Factory Sp. z o.o. and Gino Rossi S.A. was suspended. Up to the moment of the production operation, raw materials and materials such as natural and synthetic leather, natural and artificial fiber materials, rubber,

metal additives, paints and varnishes, adhesives were used to manufacture footwear and other products of the CCC Group. Materials such as paper, cardboard, foil and wood are used for product packaging and in logistics and transportation processes.

**TABLE 3.5: MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS IN THE CCC GROUP**

MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
Natural leather	Mg	751.5	618.8	276.9	-55.3%
Synthetic leather	Mg	15.4	4.5	3.5	-22.5%
Materials of natural fibres	Mg	30.5	107.2	28.0	-73.9%
Artificial fibre materials	Mg	928.2	826.6	146.4	-82.3%
Rubber	Mg	12.7	9.7	19.7	+103.5%
Metal accessories	Mg	1.8	2.9	30.6	+958.7%
Paper	Mg	135.1	136.1	1,915.3	+1,306.9%
Cardboard	Mg	2,409.0	191.4	4,212.1	+2,100.4%
Paints and varnishes	Mg	0.0	0.0	0.1	+157.9%
Adhesives	Mg	48.9	28.3	8.8	-69.1%
Foil	Mg	94.7	33.8	50.0	+48.0%
Toners	pcs.	2,030.0	4,240.0	16.0	-99.6%
Wood	Mg	1,714.6	2,108.8	352.9	-83.3%
Packaging tape with logo	Mg	5.6	0.5	2.4	+427.4%

Data regarding the company CCC S.A. are included in Appendix 3 to the report.





## Waste Management [GRI 306-3]

**TABLE 3.6: HAZARDOUS AND NON-HAZARDOUS WASTE IN THE CCC GROUP**

MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>HAZARDOUS WASTE</b>					
Recycling	Mg	9.7	0.0	1.4	-
Storage at landfills	Mg	0.0	0.0	0.0	-
Disposal	Mg	190.5	141.2	92.6	-34.4%
Reuse	Mg	0.0	0.0	0.0	-
Permanent on-site storage	Mg	0.0	0.0	0.0	-
<b>Total hazardous waste</b>	<b>Mg</b>	<b>200.2</b>	<b>141.2</b>	<b>94.1</b>	<b>-34.4%</b>
Hazardous waste per pair of shoes	g/1 000 pieces	3,564.4	1,953.7	1,297.1	-33.6%
Hazardous waste per 1 million PLN revenue	M kg/1 mln PLN	34.0	26.9	12.4	-54.0%
<b>NON-HAZARDOUS WASTE</b>					
Recycling	Mg	5,899.7	5,867.4	7,613.0	+29.8%
Storage at landfills	Mg	823.0	186.9	351.1	+87.9%
Disposal	Mg	129.2	281.1	89.4	-68.2%
Reuse	Mg	0.0	0.0	6.5	-
<b>Permanent on-site storage</b>	<b>Mg</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>6,851.9</b>	<b>6,335.4</b>	<b>8,060.0</b>	<b>+27.2%</b>
Non-hazardous waste per pair of shoes	g/pair	122.0	87.6	111.1	+26.8%
Non-hazardous waste per 1 million PLN revenue	Mg/1 mln PLN	1.2	1.2	1.1	-12.1%

Waste is reported only as part of operations in the CCC Group. The data does not include outsourced production. Data regarding the company CCC S.A. are included in Appendix 3 to the report. [GRI 306-1]



More than 90% of the waste generated by the CCC Group is recycled or otherwise recovered.

Concerned about maintaining the balance between the continuous development of the CCC Capital Group, and the care about reducing the impact of our operations on the environment, we take actions aimed at responsible waste management and optimizing its level. The activities concern, in particular, packaging created in the logistics processes (including storage) and their recycling.

For CCC operations, an important aspect of environmental impact is the waste generated. The main streams of waste are generated in connection with the logistics and warehousing works. The largest percentage of waste is packaging.

All suppliers to the CCC Group are committed to complying with applicable environmental regulations and using resources sparingly. Suppliers strive to ensure that the die-cutting process generates as little waste as possible. Of the scraps that remain after cutting, the material is still used for all kinds of embellishments (e.g. a tag to move a zipper).

Wherever possible, CCC strives to reuse packaging and prevent packaging waste by: reducing repackaging of post-season footwear (e.g., in the event of damage to unit packaging). Packaging is a material that is reused many times during storage and distribution, as well as the return of post-season goods to headquarters or the storage of goods in depository warehouses. The most damaged cartons, which cannot be reused, are intended for recycling. Regarding waste from the Company's headquarters and factory, cardboard and paper goes to balers before being forwarded to authorised recyclers, which optimises the space taken up by the waste and the costs of its transport. Waste from the repacking process is also recycled

and sent to certified contractors who recycle plastics into regranulate, which is used for further production.

All waste that could not be prevented is stored separately and handed over to companies that have the appropriate permits for managing specific types of waste. [GRI 306-2]

Since 2020, in 21 offline stores in Poland, CCC has been conducting a pilot footwear collection under the slogan "Give your shoes a second life", which encourages customers to bring used footwear that is analyzed for reuse of its components. This action is in line with the Company's Sustainability Strategy and one of its objectives, "Strive to close the loop by collecting and appropriately managing used footwear," as well as helping to explore options for managing used footwear and influencing public awareness of recycling. In 2021, the campaign has been expanded to 50 stores in Poland. In total, more than 13 tons of shoes (about 13 thousand pairs) were collected in the campaign by 31.01.2022. After the analysis of the pilot, it was decided to expand the project gradually, within which new goals were set:

- By the end of 2022, expansion of the collection to all CCC stores in Poland and 50 abroad. Collection goal: 100 000 pairs of shoes,
- By 2025 the collection will include all CCC stores in all markets. The goal of the collection: 1 million shoes.

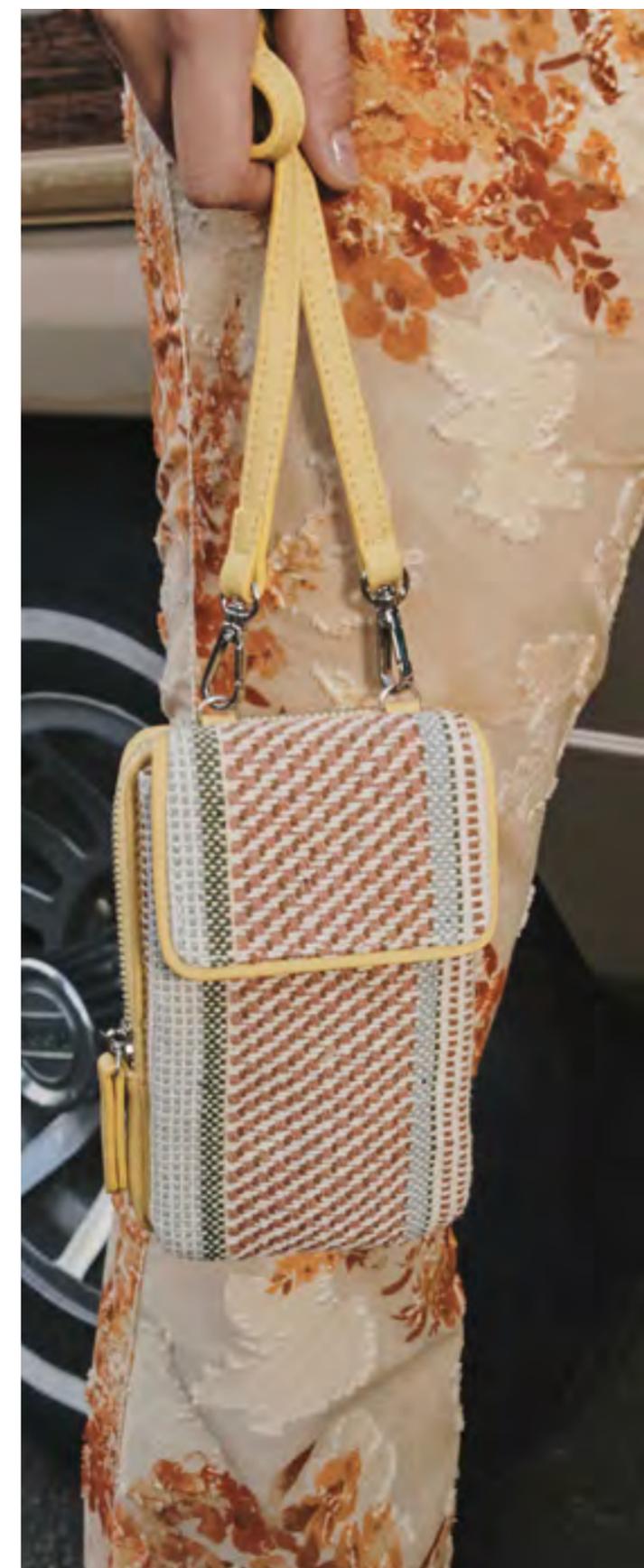
In 2021 CCC in partnership with the WoshWosh Foundation once again took part in the collection of shoes under the slogan "Bring shoes for the homeless man". This action, above all, had a charitable purpose, but also was to draw attention to conscious consumption, waste reduction and returning footwear to circulation. During 2 weeks of the action, over 3 thousand pairs of shoes were collected and given to people in need. In March

2022, together with WoshWosh another collection was organized in Poland to help refugees from Ukraine. During the event, more than 40 thousand shoes were collected and after disinfection they were given to those most in need. The action has been extended to the Romanian, Czech and Slovak markets.

Under the partnership with Ekotech Sp. z o.o. CCC was involved in an educational project aimed at motivating customers to donate plastic and aluminum packaging to recycling machines in exchange for the possibility of receiving discount codes to be used online and in offline stores.

The CCC Group conducts continuous monitoring of the amount of waste generated and analysis of data from previous years, which helps to identify sensitive areas. In order to improve the management of the efficient use of materials and raw materials, as well as the waste generated, work is carried out in the Center for Research and Development (CBR) on projects to optimize the use of materials and reduce waste, thereby reducing its negative impact on the environment.

CBR also works on, among other things: innovative product and goods packaging concepts, new shoe distribution technologies, development of an optimal operation scheme to reduce carton consumption and minimize generated waste, conducting tests on packaging durability and aging of packaging materials. [GRI 306-2]



## Water consumption and wastewater discharge

[GRI 303-3, own ratio]

Water in the CCC Group is used mainly for hygiene, sanitation and consumption purposes and comes from external suppliers. Most, because as much as 94.5% of social and domestic sewage was discharged into the sanitary sewerage system. 5.5% of used water was reused, for watering plants and fire installations. Data on water consumption relate to office and logistics activities, stores and own operations. The data does not include outsourced production. As part of reporting water consumption, the CCC Group does not identify water intake from areas under water stress.

CCC promotes in water use and wastewater production the environmental goals of efficient water resource management and minimizing water use by:

- immediate elimination of faulty equipment (cisterns, faucets, etc.),
- installation of so-called economical devices (e.g. flush with STOP function, aerators),
- current analysis of water consumption and quick reaction in cases of discovering large deviations (leaks).

**TABLE 3.7: WATER CONSUMPTION AND WASTEWATER DISCHARGE IN THE CCC GROUP**

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>WATER CONSUMPTION</b>					
Water purchased	m <sup>3</sup>	53,711.8	55,290.3	51,920.6	-6.1%
Water from own intakes	m <sup>3</sup>	2,213.0	0.0	0.0	-
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>55,924.8</b>	<b>55,290.3</b>	<b>51,920.6</b>	<b>-6.1%</b>
Water consumption per product unit	l/piece	1.0	0.8	0.7	-6.4%
Water consumption per 1 million PLN of revenue	m <sup>3</sup> /1 mln PLN	9.5	10.5	6.8	-35.1%
<b>WASTEWATER</b>					
Wastewater discharged to the municipal network	m <sup>3</sup>	50,347.1	47,683.9	49,079.7	+2.9%
Wastewater discharged per 1,000 pieces of product	l/1 000 pieces	896.3	659.7	676.7	+2.6%
Wastewater discharged per 1 million PLN of revenue	m <sup>3</sup> /1 mln PLN	8.6	9.1	6.5	-28.9%

Details of CCC S.A. are provided in Appendix 3.



### 3.5. OTHER ENVIRONMENTAL ISSUES

#### Suppliers' obligations to comply with environmental regulations

Each of the CCC Group's suppliers is committed to complying with applicable environmental regulations, using resources sparingly and continuously improving environmental processes.

The Supplier Code of Conduct is an integral part of the contract between CCC and the supplier. The CCC Group requires the implementation of required standards in specific areas at its suppliers, including environmental standards for the management of water, wastewater and chemicals.

Suppliers minimize water consumption in the production process and manage water resources effectively. Wastewater generated from leather tanning contains substances such as chromium (III) sulfate, sulfuric acid, etc., so suppliers ensure proper treatment of wastewater before discharge, and also properly use, store and dispose of chemicals used in the production process. Chemicals shall be used in accordance with applicable laws and regulations. Suppliers identify and manage risks associated with the use of hazardous chemicals, taking into account the health of employees, footwear users, local communities and environmental impacts.

Suppliers manage atmospheric emissions (aerosols, volatile organic compounds, etc.) and ensure that employees, their families, and local communities are protected from the negative impacts of these emissions.

#### Environmental violations

No environmental violations were identified in fiscal year 2021.

### 3.6. MATERIAL RISKS RELATED TO ENVIRONMENTAL ISSUES

#### MATERIAL ENVIRONMENTAL RISKS

RISKS	HOW RISK IS MANAGED
Risk of reduced access to water	Code of conduct for suppliers, which includes provisions on the rational use of water resources as an integral part of contracts with suppliers. Audits at suppliers.



**170**  
CCC GROUP EMPLOYEES

**206**  
CCC GROUP  
FOR SOCIETY

**214**  
MATERIAL RISKS  
RELATING TO  
EMPLOYEE AND  
SOCIAL ISSUES

# 4 RESPONSIBILITY TOWARDS PEOPLE

4

4



## 4. RESPONSIBILITY TOWARDS PEOPLE

### 4.1. CCC GROUP EMPLOYEES

SUSTAINABLE DEVELOPMENT STRATEGY GO.22	IMPLEMENTATION		
	START 2019	GOAL 2021	CURRENTLY
Reduction in percentage of accident frequency rate	4.79%	3.83%	4.69%
Reviewing the Remuneration Policy and preparing it for implementation and preparing a detailed system for collecting and analyzing data on remuneration of employees at different levels		✓	
Review the Employee Policy and establish an action plan to equalize promotion opportunities in future years		✓	
Development and publication of the CCC Group Diversity Policy		✓	



#### 4.1.1. Human Resources Management

CCC Group is convinced that the success of the company largely depends on the knowledge, competence, experience and commitment of its employees, so the approach to human resources management and mutual relations between employees is very important for CCC. CCC makes every effort to ensure that the Group's Human Resources Policy is based on the Group's ethical values, mutual respect, equal opportunities for employment, development and promotion, as well as caring for the diversity of the team. CCC Group believes that

the diversity of the team is one of the sources of competitive advantage, and the confrontation of different views, opinions, styles of work, skills and experiences releases a new quality and allows to achieve better business results.

**The key strategic goals identified in Sustainable Development Strategy GO.25 for the workforce through 2025 are:**

- 0 accidents among CCC Group employees,
- Reduction of Glass Ceiling Ratio (GCR) to 5%,
- 100% of CCC Group employees trained on diversity,
- Reduce the Gender Pay Gap Ratio (GPGR) to 5%.

#### Human Resources Policy [GRI 2-8]

CCC Group is an attractive and desirable employer, which is guided by its values and creates an innovative and international workplace. CCC assumes that the success of the company largely depends on the competence and commitment of its employees, therefore, the implemented model of human resources management in the Group focuses on attracting the best candidates, implementing, developing and promoting them within the organization.

The CCC Group employs 13,863 people (full-time equivalent) based on employment contracts from 29 different countries of Central and Eastern Europe. In addition, the CCC Group cooperates with 2,265 people on the basis of contracts of mandate, for a specific work, for appointment or on a B2B basis, and these are people who support sales in the CCC Group stores on a seasonal basis. These people are informed about the rules and standards of work in the CCC Group, including the health and safety system in the company. In the financial year 2021, the number of people working for the CCC Group under other contracts than an employment contract increased by 17.2% compared to 2020.

**The CCC Group has a Human Resources Policy, which is based on the principles:**

- valuing initiative and creativity,
- appreciation of openness to change,
- foster employee development,
- openness to diversity,
- respect for the dignity of the employee.

**In addition, the Human Resources Policy is supplemented by the following procedures and policies for specific areas related to workforce management:**

- Recruitment Procedure,
- Data Protection Policy,

- Occupational Health and Safety Policy, Fire Safety Manual,
- Health and Safety Training Procedure (and other specific procedures),
- Workplace Regulations,
- Remuneration Regulations,
- Regulations of the Company Social Benefits Fund,
- Procedure for upgrading professional skills,
- Diversity policy with respect to the company's governing bodies and its key managers,
- Procedure for periodic Developmental Interviews for employees in administrative and clerical positions.

**Additionally, the effective implementation of the HR Policy is supported by:**

- Code of Ethics with an appointed Spokesperson of Ethics and Compliance Officer (details are specified in the CCC Group Code of Ethics),
- wide access to trainings in labour law and in counteracting discrimination, harassment and mobbing at work (more information about mobbing is given in the Regulations of Counteracting Discrimination and mobbing in the CCC Capital Group),
- Information materials and posters regarding the employment of people with disabilities in the CCC Group (recruitment announcements, information in the Employment Office),
- Internal Audit team.

The HR Policy may be adopted in its entirety by individual CCC Group companies, with companies free to further refine their best HR practices.

The HR Strategy is an inseparable element of the HR Policy. Specific projects and activities are assigned to its key pillars, which in 2021 were implemented on an ongoing basis and adjusted to the current organizational needs.

## Key Pillars of the HR Strategy:

### **PILLAR I. We are omnichannel**

Acquire, develop and maintain digital competencies, facilitation of innovation and collaboration.

### **PILLAR II. We love our products and clients**

Building pride and engagement around CCC products and a culture of creative output.

### **PILLAR III. We are effective**

Creating a culture of continuous improvement through appropriate work rules, optimization opportunities and tools.

### **PILLAR IV. We care about business**

Business-optimized investments in human capital, in terms of finances, knowledge and tools.

### **PILLAR V. We care about people**

Systemic increase of positive influence of the CCC brand on the communities associated with the brand, thanks to the focus on ethics, development, commitment and building a consistent image based on values.

In 2022, a new HR Strategy will be implemented, defined on the basis of the GO.25 strategy, where Culture and People and Talent and Development are an integral part and fit with the company's business objectives. In addition, in order to effectively implement the HR Policy, the CCC Group in 2021 developed an Employer Branding Strategy described in detail in the "Employer Branding" subsection.



## Recruitment

The aim of the recruitment process is to attract the best candidates with the desired competencies, who will effectively perform tasks, show initiative and achieve the assumed objectives. The recruitment process ensures equal opportunities for the participants and objectivity of the candidates' assessment by using appropriate selection tools. The organizational issues of the recruitment process are standardized in the Recruitment Procedure.

CCC S.A. uses a number of activities that go beyond standard recruitment announcements to reach potential candidates with a job offer. CCC S.A. establishes cooperation with universities across Poland, takes part in job fairs, creates recruitment campaigns in social media, searches for and contacts directly with potential candidates, cooperates with Employment Offices, local internet portals and press. The company also has its own career page, where you can find current job openings and employee stories showing opportunities for growth at CCC. The company also has an internal candidate referral program.

To ensure the best possible communication with candidates in the recruitment process, CCC uses a recruitment system called Applicant Tracking System (ATS), which allows for efficient management of the recruitment process from the creation of the announcement to the selection of the best candidate. CCC Group cares about the development of its employees, so each recruitment process is launched internally and communicated to the employees of the sales network, warehouses and office administration staff.

In CCC stores chain there is a standardized recruitment process supporting the acquisition of candidates for a specific position. The process is based on elements such as: defining the candidate

profile, publication of the offer, selection of candidates, recruitment interview, submission of the job offer and completion of the recruitment process. In 2021, recruitment processes in the sales network were supported through the role of HR Business Partners responsible for developing the recruitment competencies of store managers.

From 2019, the CCC Group has Recruitment Standards in place to standardise the process and improve the quality of recruitment covering topics including: preparation for recruitment, characteristics of the ideal candidate, characteristics of the ideal recruiter, CV collection and selection, GDPR in the recruitment process, telephone interview with the candidate, recruitment meeting, making an offer and ending the recruitment process. In 2020, new Recruitment Standards have been implemented covering issues such as the telephone interview with the candidate, practical exercises so-called work samples as a permanent part of the recruitment process and guidance on the security of the recruitment process in the era of COVID-19. Additionally, since the pandemic, the company has focused on the digitalization of the recruitment process and 90% of recruitment meetings in the office administration area are held online.

In terms of organizing internships, CCC maintains cooperation with Labor Offices across the country. In fiscal year 2021, 308 contracts were signed to organize internships for the unemployed.

CCC focuses on developing young talent in other areas as well. In fiscal year 2021, the "FashionTech Summer Camp" summer internship program was organized for top students and graduates to take their first professional steps in the areas:

- Fashion: Creation, Product, Marketing
- Tech: IT, Ecommerce, CRM
- OFFICE / CREATIVE / HalfPrice: Finance, HR, Controlling, Strategy and Development, among others.

80% of the interns have decided to work with us on a permanent basis.

CCC also enables students to serve their apprenticeships, treating it as an important factor complementing the process of educating future employees. In the fiscal year of 2021, 143 students from 14 schools throughout Poland, including in Zabrze, Słupsk, Kraków, Nowy Dwór Mazowiecki, Koszalin, Brzeg, Radom, Katowice, Stalowa Wola, Elk, Rybnik, Biłgoraj, Gorlice and Łódź took part in apprenticeships at the position of technician of trade and salesman.



## **Adaptation** [GRI 404-2]

The adaptation process is mainly based on the assumption that a newly hired employee stays in the structure much longer if the induction process is properly carried out during the initial period of employment. The purpose of the induction process is to reduce the time it takes for an employee to become fully capable of performing his/her duties and to smoothly integrate him/her into the interaction with other employees. To minimize problems in the initial phase of employment, employee adaptation programs have been developed. An important element of each of them is to emphasize the supervisor's responsibility for each acquired employee, and appropriately personalized programs depending on the position are the key to the success of an effective employee induction. Taking care of the effectiveness of processes, the implementation process is subject to constant optimization and innovation.

Every newly hired office and warehouse person is invited to a meeting in the form of a presentation during which he/she receives all the most important information about the company, applicable policies, values and benefits in a nutshell. As of 2020, the employee induction process is being re-modeled for online employee induction.

Typically, the deployment process for office administration employees included in-store training in addition to position training in their own area, allowing the new employee to learn "inside out" about key processes for the CCC business. With employee safety in mind, the process was halted in 2020 due to the pandemic.

The effectiveness of the adaptation process is measured by analyzing the results of the "Stay Interview" opinion poll conducted after the trial period. The purpose of this survey is to get to know

the opinions and impressions of a new employee after the first months of work and to verify whether and to what extent the arrangements made during the recruitment process are implemented in the employee's opinion.

In FY 2021, the current employee induction process in the store structures was reviewed to update the process and align with current business needs. The induction process was divided into training tracks targeting functional and executive positions with elements such as general information, work organization, product, warehouse, vm, customer service, checkout. Each new employee was provided with an updated induction process, which was supported by the HR Business Partner on a daily basis.

At the end of 2021, the company implemented the "Hand in Hand" program, under which, in planned stages, administrative employees get to know the chain of stationary stores and work in the logistics area "from the inside", which allows for a deeper understanding of the specificity of individual areas, business and organizational challenges, as well as the needs of customers themselves. Thanks to participation in the action, employees learn in practice about, among others: direct customer service, merchandise management, OMS delivery, visual merchandising, returns and complaints process, transport planning process, warehouse receipt control process.

## Employer Branding

Employer Branding in the CCC Group is implemented at the strategic level. In 2021, research processes were conducted on key areas of the company: administration, sales network, logistics and foreign markets. The research results allowed us to define the employer brand differentiators (EVP), Talent Person and to create a plan for image and recruitment activities, which will be implemented in 2022 already in integration and under the common umbrella of the GO.25 strategy.

The employer brand differentiators that characterize CCC Group in the marketplace are:

### More Than Shoes

We are not just a store with shoes and handbags. This is our basis, our tradition, but we create much more – we become a brand creating fashion.

### More Than Stores

We develop omnichannel, reaching customers with products through multiple channels, all the while improving the customer shopping experience.

### More Than Here&Now

We look into the future – we want to create trends on the fashion market and in the field of e-commerce technology, being a pioneer of innovative solutions.

### More Than Team

Wanting to be the best, we work with the best and build the best teams. We learn from each other, we are inspired by world leaders and together we create trends.

### More Than Business

Running a business, we take care of our planet – we optimize water and energy consumption, recycle waste, collect used shoes and work with responsible suppliers.

The employer branding communication buckle will be created in 2022 so that it seamlessly complements the CCC mission and vision defined in the GO.25 strategy and highlights the employer values. In 2021, the following activities were carried out in the area of Employer Branding:

- Strengthening CCC FashionTech's position in Retail,
- building the expertise of CCC staff,
- Effectiveness and consistency of internal communications,
- greater involvement of employees in projects that build organizational culture, including CSR projects (volunteer and grant),
- Sourcing the best candidates in key areas.

Onboarding processes have also been improved:

- implementation of a Welcome Book to facilitate the adaptation of new employees to the company,
- Consistent and active recruitment and branding communications on LinkedIn,
- engagement of hiring managers in active communication with the market and candidates (through profiles on LinkedIn and recruitment actions organized by the HR department),
- Refresh employer brand communication materials,
- Employee participation in conferences, industry events, and networking with key universities.

In 2020, the "Love CCC shoes" project was conducted for the first time, with the aim of engaging all CCC employees to become Ambassadors of CCC products, which are embedded in the company's DNA and associated with every role in the organization. In 2021, we continued the project with the following activities:

- The project "Test the CCC novelties", which consisted in CCC employees testing the novelties (from the list of shoe models from the new collection), and then providing feedback on them. The aim of this activity was to choose "hits of the season". In the autumn edition of the contest

"Become a CCC ambassador" almost 400 votes/opinions were collected;

- conducting a writing contest "My Shoes' Story" which consisted in describing one's story in which the main role was played by shoes from CCC offer. Within the contest two winners were selected. The prize for the winners was shopping with a personal shopper in CCC store and in one of the fashion boutiques. A bonus was also a visit in the Warsaw CCC showroom, getting to know its activity profile, as well as getting to know the work of the Creation Department from the so-called backstage;
- conducting a contest "Become the Face of CCC", thanks to which CCC selected four employees who became the "Face of CCC" and, as a reward, participated in a professional photo session. Photos from the session are now used in job advertisements for the sales network;
- linking the employee's account to a mobile app that featured employee discounts and dedicated

discount codes. Information about the app and account connection was added to the onboard process to increase its effectiveness and appeal from the first days in the organization;

- internal Facebook group "CCC HydePark", which brings together a community of CCC employees. The group featured competitions, posts involving employees, encouraging them to publish photos of themed styling, internal recruitment.

The "Love your shoes" project has become a key project involving all CCC employees. The success of this project, the involvement of employees and media interest gave a clear sign that the project is worthy of being included in the permanent initiatives and will continue in 2022 in a modified form. The assumption is to leave the initiatives that enjoyed the greatest popularity, implement new ones on the basis of CCC values aimed at creating a CCC Culture Team – a group of committed ambassadors of the employer's brand.



## Development Conversations

[GRI 404-2]

The main purpose of periodic Development Interviews is to raise employees' awareness of their strengths, weaknesses and competencies, thereby increasing the effectiveness and quality of actions taken by employees to achieve their goals and implement personal development plans.

Development Interviews are conducted in a way that allows us to build a connection between the effectiveness of individual employees and their development potential. Conclusions from the assessments are used in further planning of career paths and implementation of business objectives.

### DEVELOPMENTAL INTERVIEWS ARE CONDUCTED IN CYCLES:

- Every 6 months, a goals conversation - supporting the implementation of strategies and competencies as needed to meet the employees' business objectives,
- Every 12 months a competency conversation.

Goals for the first half of 2021 were set and subsequently cleared by 610 employees from administrative positions. Goals for the second half of the year were set and accounted for by 828 employees. Individual employee goals support the implementation of the company's business strategy and the development of employee competencies. The average evaluation level of goal achievement in the six months is respectively: 1st half-year: 80%; 2nd half-year: 88%.

Based on the 2021 Development Interviews, competency support areas were selected and development activities dedicated to all administrative staff were planned based on them.

In CCC, the Succession Program is also implemented. Succession planning in the subordinate

area is the responsibility of every manager and serves to secure key positions by:

- Ensuring business processes are working,
- minimizing the loss of knowledge and competencies resulting from possible departure of people employed in managerial and expert positions.

In 2021, a review of positions subject to succession was completed and the process of verifying successor readiness levels was initiated.

Caring for the development of managerial staff competencies, including "young" managers and people preparing to take on managerial functions, the First Time Manager programme was prepared and implemented. It included six thematic meetings focusing on the main challenges of managerial work. 93 managers and leaders were enrolled in the First Time Manager program, of which the first edition was completed by 67% of those involved.

## Job satisfaction

The CCC Group is committed to the continuous improvement of work and, therefore, employee satisfaction. Through surveys, the company asks employees on an ongoing basis for their opinions on specific topics, to identify areas in which to focus efforts to improve employee satisfaction and engagement.

An employee engagement and satisfaction survey was conducted in December 2021. A response rate of over 90% is impressive and shows that all employees care about improving our organization. The survey provided a more accurate picture of what employees think of CCC as a place to work. We got to know the opinions about the conditions and the way of working, the organizational culture and the relationships in the teams. Communication of the survey results and implementation of



projects building engagement will be carried out in 2022 at the level of strategic initiatives and activities proposed by specially appointed teams in all areas of the organization.

Among the employee surveys, qualitative research was also conducted in the sales network and in foreign markets and logistics. Their purpose was to broaden the employees' perspective on the employer brand and key processes, i.e. recruitment, onboarding, organization atmosphere and employer brand differentiators. The results complement the knowledge gained in the engagement and satisfaction survey and build a consistent EVP for the entire CCC for 2022-2025. CCC also supports cross-functional project teams to ensure the best possible exchange of knowledge, experience and competencies. Additionally, the organization has an "Innovation Action" competition

where employees can submit their ideas for process improvements and optimization on a quarterly basis.

The CCC Group has a multi-channel communication scheme in place to ensure that employees are informed of ongoing changes and the Group's development plans. The CCC Group informs its employees about significant operational changes in advance in accordance with the law, depending on the changes to be introduced. As far as the HR and Payroll Department is concerned, most often changes are announced no less than 14 days in advance. There are no collective bargaining agreements in place in the Group. [GRI 402-1]

### 4.1.2. Equality and diversity

The CCC Group's goal is to create a working environment in which every person employed feels respected, valued, and in which they can realize their full potential as equals. CCC believes that team equality and diversity are one of the sources of competitive advantage, and that the confrontation of different views, opinions, working styles, skills and experiences unleashes new quality and achieves better results. The CCC Group takes a clear stance on diversity and has a positive impact not only on its employees, but also on its customers and business partners. CCC S.A. is a signatory to the Diversity Charter. The commitments that the Diversity Charter imposes are aimed at the elimination of discrimination in the organization, the promotion of diversity, the policy of equal treatment and, in particular, the willingness of the company to involve employees and business and social partners in these efforts. (More about the Charter: <http://odpowiedzialnybiznes.pl/karta-roznorodnosci/czym-jest-karta/>).

At the same time, the CCC Group recognizes that there is a risk of adverse events that cannot be reduced to zero due to the human factor, so in order to ensure an adequate level of prevention of adverse events, CCC has a number of due diligence policies and procedures in place and in place, and is continuously developing strategies, policies and programs to support the management of this area.

The strategic goals set for 2025 in this area are:

- Reduction of Glass Ceiling Ratio (GCR) to 5%,
- Reduce the Gender Pay Gap Ratio (GPGR) to 5%,
- 100% of employees trained in diversity.

A detailed description of the policies, the actions taken in the area of equality and diversity, the CCC

Group's impact on this issue and the progress made towards achieving the objectives can be found later in this chapter. The actions taken and their results are communicated to stakeholders through the internal intranet, the corporate website, the sustainability report, as well as through direct contacts between CCC Group units and individual stakeholders, primarily employees and job applicants. [GRI 3-3, 2-25]

#### Diversity policy

Since 2020, CCC Group has had a CCC Group Diversity Policy, which includes 8 key principles that demonstrate the commitment of all employees to building an open and supportive work environment.

The goal of diversity management in CCC Group is to create a work environment, in which every employee feels respected and appreciated, and in which they can fully realize their potential, which contributes to the success of the company. The Company has implemented a Code of Ethics, which defines the basic values of the company, such as the highest quality and teamwork, values related to respect for others and openness to employee diversity. The Company provides employees with equal opportunities in access to professional development and promotion regardless of skin color, religion, gender, age, nationality, sexual orientation, citizenship, marital status, having children, political views, disability or other legally protected status. Decisions regarding the employment of employees as well as the election of members of the Management Board and the Supervisory Board are made on the basis of objective criteria.

CCC S.A. strives to ensure versatility and diversity of the Company's bodies, especially in the area of gender, education, age and professional experi-

ence, where the main criteria for selection are high qualifications, professionalism and competence of the candidate to perform a particular function. The Diversity Policy is aimed at eliminating discrimination in the workplace and building an organisational culture open to diverse employees, which leads to building a market position and competitive advantage in the market.

#### The CCC Group implements the Diversity Policy in two ways:

1. in the area of primary identity (race, nationality, ethnic group, gender, age, sexual orientation, disability):
  - creates diverse teams in terms of gender and age, which enables a broader perspective in the problem-solving process, a better working atmosphere, higher team creativity, and the possibility of knowledge transfer,
  - promotes behaviors that respect diversity and support charitable initiatives,
  - trains managers and their teams on how to work with people with disabilities,
  - supports the reconciliation of work and personal roles through the ability to leave work early for family emergencies and seamless leave for emergencies,
  - actively prevents discrimination and harassment in the workplace.
2. in the area of secondary and organizational identity (educational level, place of residence, family status, seniority, job position, sector, etc.):
  - builds an organizational culture based on the values of the CCC Group,
  - Ensures equality in access to promotion and training,
  - provides equal access within job groups to the benefit system (including the bonus system).

In CCC Group companies, a lot of emphasis is put on caring for employees and continuous improvement of working conditions. Supporting the

dialogue between the employee and the company is the freedom of association of employees, as set out in the Work Regulations. In CCC S.A. there are trade unions, to which 32 employees belong, i.e. 0.2% of all employees in the Group. The conditions of work and pay for all employees are defined in the regulations of work, remuneration and the Social Fund. [GRI 2-30]

In fiscal year 2021, the CCC Group did not identify any instances in which there was a violation or serious risk of violation of organizational association, and there were no major conflicts between the employer and employees. All matters requiring joint involvement of both parties were discussed and resolved in ongoing meetings. [GRI 407-1]

The CCC Group emphasizes openness to hiring people with disabilities, and makes every effort to support employees with disabilities and strengthen internal inclusion. Information on the proportion of people with disabilities in the workforce and the ratio of basic salary between men and women is provided later in this chapter. For information on the percentage of persons on the governing bodies of CCC by gender, age group and other diversity indicators, please refer to section 1.4.2.

With respect for a diverse, multicultural society and placing special emphasis on equal treatment in the workplace, CCC is committed to respecting, promoting and disseminating the principles of the CCC Group Diversity Policy to its employees and business partners and developing the concept of diversity in its companies.

In fiscal year 2021, every employee was required to read the Diversity Policy. This forms part of the mandatory training provided on the e-learning platform. As of January 31, 2022, 47.29% of employees required to complete the training have read the document.

In order to support diversity, CCC S.A. takes action at the local level by cooperating with Employment Offices (e.g. publishing job advertisements with the ON logo and information that the job offer is addressed to such people). The Group's Management Board is also planning to further increase employee development opportunities and to support diversity and equality.

## Employment structure

[GRI 2-7, 401-1, 405-1]

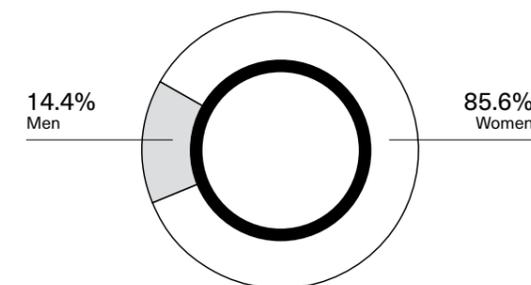
At the end of January 2022, the CCC Group had 13,863 employees (FTE) and all of them were employed on the basis of an employment contract in one region – in Central and Eastern Europe. 85.6% of employees were women and 14.4% were men. The ratio of women to men employed in the CCC Group did not change. Among the total workforce, 63.9% had permanent employment contracts and 36.1% were employed under fixed-term contracts. As of January 31, 2022, 49.1% of all employees working for the CCC Group belonged to the age group between 30 and 50 years old, and they constituted the largest age group. 45% of employees were under 30 years old, and those over 50 years old accounted for 5.9% of all employees.

Of the Group's total workforce, 69.2% worked in Poland, where the Company's headquarters, Logistics Centre and 521-store chain are located. At the end of January 2022, 30.8% of all employees worked in foreign subsidiaries.

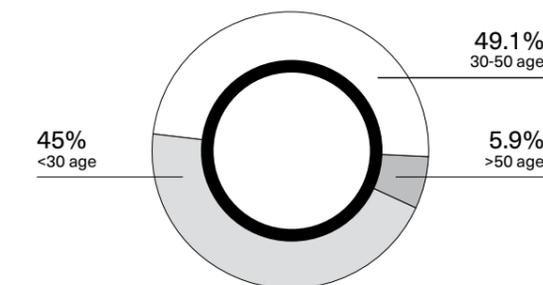
At the end of January 2022, in the parent company CCC S.A., in which administrative, warehouse and sales areas are located, there were 5,471 employees (full-time equivalent), of which 91.3% were women and 8.7% were men. Among the total workforce, 61.9% had permanent employment contracts, and 38.1% were employed under fixed-term contracts.



## WOMEN AND MEN EMPLOYMENT IN THE CCC GROUP IN 2021



## AGE STRUCTURE IN THE CCC GROUP IN 2021



## DIVERSITY AMONG CCC GROUP EMPLOYEES ON EMPLOYMENT CONTRACTS BY GENDER, AGE GROUP AND GRADE LEVEL [GRI 405-1]:

FTE	01.01.2019.–31.12.2019.		01.01.2020.–31.12.2020.		01.02.2021.–31.01.2022.	
	W	M	W	M	W	M
<b>Senior management, including:</b>	<b>41.89%</b>	<b>58.11%</b>	<b>39.85%</b>	<b>60.15%</b>	<b>34.88%</b>	<b>65.12%</b>
aged 51 and over	27.27%	72.73%	33.33%	66.67%	45.10%	54.90%
31-50 years old	44.64%	55.36%	41.63%	58.37%	35.53%	64.47%
under 30 years of age	-	-	0.00%	100.00%	0.00%	100.00%
<b>Managers and supervisors, including:</b>	<b>89.35%</b>	<b>10.65%</b>	<b>89.21%</b>	<b>10.79%</b>	<b>86.28%</b>	<b>13.72%</b>
aged 51 and over	83.83%	16.17%	90.41%	9.59%	93.42%	6.58%
31-50 years old	89.27%	10.73%	87.99%	12.01%	86.73%	13.27%
under 30 years of age	90.29%	9.71%	92.34%	7.66%	84.05%	15.95%
<b>Other employees including:</b>	<b>87.01%</b>	<b>12.99%</b>	<b>87.89%</b>	<b>12.11%</b>	<b>85.86%</b>	<b>14.14%</b>
aged 51 and over	90.02%	9.98%	90.15%	9.85%	90.86%	9.14%
31-50 years old	88.31%	11.69%	88.79%	11.21%	86.55%	13.45%
under 30 years of age	85.20%	14.80%	86.49%	13.51%	84.60%	15.40%
<b>Employees at all levels of the structure including:</b>	<b>87.13%</b>	<b>12.87%</b>	<b>87.86%</b>	<b>12.14%</b>	<b>85.61%</b>	<b>14.39%</b>
aged 51 and over	88.93%	11.07%	89.70%	10.30%	90.39%	9.61%
31-50 years old	88.14%	11.86%	88.23%	11.77%	86.08%	13.92%
under 30 years of age	85.68%	14.32%	87.04%	12.96%	84.48%	15.52%

The total number of new employees (people who were hired) in the reporting period was 9,314 people in CCC Group and 3,571 people in CCC S.A. The employee turnover ratio (the number of employees who left employment in a given year in relation to the number of employees as at the end of the year) was 53.7% for the CCC Group in this period in relation to all employees and 30.1% in relation to permanent employees. In the case of CCC S.A., the turnover rate taking into account all employees (employed for an indefinite and definite term) was 60.2%, while for permanent employees it was only 15.2%. Detailed information on the number of employees by type of employment contract, the number of new hires and employees who left the workforce is in Schedule 1 to the report.

In the employment structure of the CCC Group, there are three levels of classification: senior executives, managers and supervisors, and other employees. On January 31, 2022, among 86 people classified as senior management, almost 35% were women, among 2,187 managers and supervisors, over 86% were women, while among 11,589 other employees, the share of women was 86%.

In fiscal year 2021, the number of employees with disabilities in the CCC Group increased by 9.4% compared to 2020 and amounted to 591. As of January 31, 2022, disabled employees in the CCC Group accounted for 4.3% of the total workforce, and in CCC S.A. – 7.1%. The majority of disabled employees are employed in CCC S.A. and account for 65.7% of all disabled people employed in the CCC Group. In fiscal year 2021, CCC Group companies paid a total of PLN 382.5 thousand in contributions to the State Fund for Rehabilitation of Persons with Disabilities or analogous institutions in other countries (an increase of 44% compared to 2020).

Employment data was collected from the subsidiaries' HR systems and consolidated at the Capital Group level. The employee grading categories have been established and defined with the HR department of CCC S.A. Detailed data on the number of employees working in the CCC Group, new hires and leavers, employees with disabilities, and people working under civil law contracts and in outsourcing are provided in Schedule 1 to the report.



## The impact of COVID-19 on the workforce structure

The COVID-19 epidemic, which persisted into 2021, had a significant impact on the CCC Group's operations. Due to numerous restrictions mainly on trade, transport or labor, the Group companies had to take appropriate measures, including in the employee area. They were directed primarily to the protection of jobs, which was carried out largely through funds to subsidize wages and social security for employees from the Labor Office. In total, CCC obtained more than PLN 20 million in this way in 2020. In 2021, measures aimed at preserving jobs and reducing the risks associated with the epidemic continued.

## Glass Ceiling Ratio

The Glass Ceiling Ratio (GCR) illustrates the equality of promotion opportunities for each gender in an organization. In 2020, CCC Group was one of the first companies in the world to report directly on the Glass Ceiling Ratio (GCR) and set a target to reduce the ratio to 12% in 2021 and 10% in 2022. As part of achieving the targets set in the GO.22 Sustainability Strategy for 2020, the CCC Group revised its Human Resources Policy in fiscal year 2020/2021 and established an action plan to level the promotion playing field in future years. In addition, in fiscal year 2020, the Group developed a Diversity Policy, which is described in more detail in this chapter. The implementation of the set objectives is supported by the adopted Remuneration Policy and the new Human Resources Strategy under development.

The Glass Ceiling Ratio in fiscal 2021 for the CCC Group's senior executives was 50.7%, up 2.7 pp from the previous year. For the managers and executives group, it was 0.7%, down 0.7 pp, and for

all executive positions it was 1.3%, up 1.1 pp from fiscal 2020 [own ratio].

Detailed information on the GCR for the CCC Group and CCC S.A. can be found in Schedule 1.

## Remuneration policy and system

[GRI 405-2]

The remuneration policy in CCC S.A. is carried out on the basis of the Remuneration Regulations in force in the Company, which assumes that the employee's remuneration should be adequate to his position, the scope of tasks and responsibilities, as well as competence.

In addition, the provisions of the Labour Regulations contain rules on remuneration and additional employee issues, such as working hours and interaction with the company's trade union.

In the financial year 2021, the average gross monthly salary for all persons employed in the CCC Group amounted to PLN 4,697.9 and was 28.7% higher than in 2020. The average salaries of senior management increased by 24.0% to PLN 28,986.9. In the case of this group of employees, the data are not comparable to the previous year, because the supernormal increase in wages was affected by the payment in the financial year 2021 of a long-term bonus for the management of CCC S.A., The salaries of managers and executives increased over the last year by 24.0% to PLN 6,296.2, and the average salary of other employees increased by 28.6% to PLN 4,211.3. In CCC S.A. the average monthly gross salary of all employees employed in the financial year 2021 was PLN 3,976.1 and was 14.6% higher compared to 2020. The average gross salary of other employees increased by 12.0% to PLN 3,606.5 and the salaries of managers and executives increased by 22.3% to PLN 5,472.7. Remuneration of senior manage-



ment in CCC S.A. is not comparable to the previous year due to the payment of the long-term bonus described above.

The ratio of the average gross salary of women to the average gross salary of men for all employees in the financial year 2021 increased by 3 pp to 58.9% compared to the previous year. In the case of senior management, the ratio fell by 12.1 pp to 79.9%. In the case of managers and managers, the ratio increased by 5.8 pp to 52.4%, and in the case of other employees it increased by 15.8 pp to 79.2%. At CCC S.A. the ratio of the average gross salary of women to the average gross salary of men in the financial year 2021 was 42.3% and was by 18.5 pp lower than in the previous year. In the case of senior management, the ratio decreased by 99.9 pp to the level of 24.3%. In the case of managers and managers, the indicator remained at

the same level (47.4%), and in the case of other employees it increased by 10.1 pp to the level of 73.5%. Detailed information on the average monthly gross salaries and the ratio of the average salary of women to the salary of men in the CCC Group and the Company CCC S.A. can be found in Appendix 2 to the report.



### Gender Pay Gap Ratio<sup>1</sup>

The Gender Pay Gap Ratio (GPGR) is an indicator calculated as the absolute value from the difference between the ratio of the average pay of one gender to the other gender and a value of 100%. In 2020, CCC Group published the GPGR ratio for the first time and set a target to reduce the ratio for each group by 1/5 in 2021 and by 2/5 in 2022 compared

to the 2019 value of 14% for CCC Group. As part of achieving the targets set in the GO.22 Sustainability Strategy for 2020, the CCC Group revised its Remuneration Policy in fiscal year 2020/2021 and prepared it for implementation. In addition, the CCC Group has prepared a detailed data collection and analysis system for employee compensation at each level, which will be implemented and launched in 2021. The implementation of the set objectives is supported by the adopted Remuneration Policy and the new HR Strategy being developed.

For fiscal year 2021, the CCC Group's GPGR was 20.1% for Senior Executives, up 12.1 pp from last year. For Managers and Supervisors, the GPGR ratio was 47,6%, down 5.8 pp from FY2020, and for other employees it decreased by 15.8 pp to 20.8%. The GPGR ratio for all employees was 41.1%, 3.0 pp lower than the previous year. [own ratio]

Detailed information on the GPGR for the CCC Group and CCC S.A. can be found in Appendix 2.

<sup>1</sup>All remuneration data, including the Gender Pay Gap, were calculated excluding the long-term bonus paid in the financial year 2021 to three members of the Board of Directors of CCC S.A. due to the fact that the bonus concerned the period from 01.01.2020. to 31.07.2021. and it is not possible to allocate its part to the financial year 2021. Details of the bonus are included in the Report on remuneration of members of the management and supervisory boards of CCC S.A. for the year 2021, which forms part of the Group's annual report for 2021.

## **Skills development and education – training and workshops [GRI 404-2]**

As part of employee competency development and education, a number of programs and individual activities were conducted in 2021 targeting specific groups. Key initiatives implemented in fiscal 2021 included:

- **Development Interviews:** a process introduced for all employees. It is implemented with the support of supporting tools developed by the Training Department, such as executive training, webinars and Q&A series for all people involved in the process;
- **CCC Academy:** a development program for Regional Sales Managers, completed in June 2021. Its purpose was to improve managerial competence and implementation of the design thinking model;
- **Briefing:** introduced as early as 2020 as a standard for short meetings between store managers and each employee, with the purpose of these meetings being to update information and to engage and motivate the team to perform at their best on the day. In 2021, the format of meetings was streamlined to fit the changing environment and business needs, giving participants the opportunity to improve business awareness, product knowledge and sales skills;
- **CCC International L&D Briefing:** an international L&D collaboration launched in 2021 to develop collaborative solutions that impact the effectiveness of cannon execution;
- **CCC app:** staff training on the new app launching in March 2021 for CCC Club members;
- **Master of Sales:** continuation of the project started earlier, with the participants holding regular inspirational meetings to discuss the most important topics for the coming week. In addition, training was conducted to strengthen the sales competencies of both project participants and sales teams;

- **OMS:** a project launched in November 2021 that gave all CCC Group stores the ability to be warehouses for customers, greatly increasing accessibility to merchandise. The project included training to familiarize employees with the service, based on webinars, instructional videos and in-store visits by trainers;
- **Back to school, Halloween and Black Friday:** integral to these sales and marketing campaigns were coaching activities to support sales teams in strengthening business awareness;
- **First Time Manager:** a development program dedicated to "young managers (with up to 6 months of experience in a managerial position) and leaders. The program consists of six thematic blocks implemented as a workshop with a trainer supplemented by e-learning modules. Participants of this program have the opportunity to develop their competencies in: manager communication, tools for managerial work, team management, modern tools for motivation and personal brand research;
- **training on social competence:** a series of training sessions covering 5 topics in the field of social competence, such as communication, cooperation, development of self and others, change management. These trainings were dedicated to all administrative staff, who during the competence assessment indicated these areas as a desired area of their development. Each topic was implemented in the form of two meetings with the trainer separated by self-study supported by e-learning materials;
- **Individual development sessions:** a program for employees of the Marketing Division, based on individual development sessions with an internal coach. The aim of the sessions was to improve and develop managerial competencies through on-the-job training;
- **Quality of objectives:** in 2021, work began on strengthening competencies in goal setting in accordance with the SMART methodology –

e-learning was developed for all administrative staff and mentoring sessions were launched;

- **Agile Ambassador:** a program launched in 2021 where employees have periodic meetings where they develop their Agile and project management competencies under the guidance of an experienced Agile Coach;
- **external trainings:** external trainings implemented according to the demand of individual departments as part of the development of expert and highly specialized competencies. In 2021, these trainings were implemented in areas such as: forklift licenses, electrical licenses, project management, public speaking, negotiations.

In response to the need to improve soft skills, we also have an internal training programme "Let's collaborate effectively", which is conducted in the form of workshops. Selected Group companies also provide online trainings, which enable access to knowledge by a wide range of recipients. In the form of e-learning trainings, product trainings dedicated to the sales network, trainings in the scope of GDPR, OHS, Information Security and instructional trainings on the use of particular tools are implemented. [GRI 404-2]

Programs supporting the development and improvement of employees' skills do not cover the scope of Group companies, only the parent company [GRI 404-2].



**AVERAGE NUMBER OF TRAINING HOURS [GRI 404-1]**

NUMBER OF HOURS PER EMPLOYEE IN A GIVEN PERIOD	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	6.2	17.6	12.8	16.3	6.1	10.2	2.9	3.7	3.4	-82.1%	-40.2%	-66.6%
Managers and supervisors	5.5	9.5	5.9	26.3	15.4	25.1	18.2	20.6	18.5	-30.7%	+34.0%	-26.1%
Other employees	4.0	3.2	3.9	16.9	9.4	16.0	13.4	12.8	13.3	-20.9%	+37.0%	-16.9%
<b>All employees</b>	<b>4.2</b>	<b>4.3</b>	<b>4.2</b>	<b>18.4</b>	<b>10.1</b>	<b>17.4</b>	<b>14.1</b>	<b>13.7</b>	<b>14.0</b>	<b>-23.2%</b>	<b>+36.0%</b>	<b>-19.1%</b>



**Employee Motivation and Benefits [GRI 401-2]**

In order to ensure an attractive workplace, maintain the motivation and commitment of employees, employees can take advantage of a number of attractive benefits. The CCC Group has a number of non-financial and financial motivation solutions, and selected ones are described below. Benefits are offered to all employees employed under an employment contract, regardless of their full-time employment. People cooperating on the basis of a cooperation agreement (B2B) have the option of using private medical care. Persons cooperating on the basis of civil law contracts are not entitled to use the benefits offered to employees. Employee motivation solutions are dependent on the Company. In companies operating in Poland, these include, among others:

- development programs, internal and external training, online and offline,
- internal trainings conducted by in-house trainers,
- sports packages,
- employee discount cards to CCC store chain and eobuwie.pl and MODIVO, DeeZee and Half-Price online stores,
- bonus systems,
- bonuses for seniority, attendance, availability,
- location allowance,
- tuition subsidy,
- jubilee awards,
- subsidized commuting to work,
- opportunity to join a group life insurance,
- free private medical care,
- opportunity for family members to join private medical care,
- the ability to work remotely and hybrid,
- sales contests.

In fiscal 2021, in the CCC Group, the average number of training hours per manager or supervisor was 18.5 hours (down 26.1% from 2020). For senior executives, the number of training hours was 3.4 hours per employee, down 66.6% from the previous year, and for other employees, the number of training hours per person was 13.3 hours, down 16.9%. The decrease in training hours in 2021 is due to less training for sales network employees, which was intensified during the 2020 pandemic. [GRI 404-1]

**Upgrading skills**

The training carried out as part of working time is complemented by external education of employees gaining new qualifications. Employees benefit from programs that enable development through participation in training, conferences, symposia, seminars, workshops and studies funded or co-financed by the employer. In fiscal year 2021, 69 employees, including 3 senior executives, 28 managers and executives, and 38 other employees, participated in external qualification upgrading in the CCC Group.

To date, the CCC Group has not offered training or skills development assistance during the transition or end-of-career period due to retirement or termination of employment. [GRI 404-2]

## Facilitating caregiving functions

CCC S.A. facilitates the reconciliation of work and private life, taking into account the situation of employees who become parents. Women who have given birth and decide to return to work, can, regardless of the feeding breaks they are entitled to, benefit from reduced working time by one hour a day, with retention of the right to remuneration. The program also includes flexible working hours, if the requirements of the position allow it, as well as the possibility to establish, in consultation with the supervisor, an individual work schedule until the child is two years old. [GRI 401-3]

In the CCC Group, 704 women and 11 men took parental, leave in fiscal year 2021, compared to 776 women and 5 men in fiscal year 2020. The percentage of those who left their jobs in fiscal year 2021 after completing parental, maternity and parental leave in the previous year was 27%. The percentage of people who continued working after the end of parental leave for the next 12 months was 73% (429 employees). [GRI 401-3]



**TABLE 4.1: PARENTAL LEAVE** [GRI 401-3]

NUMBER OF PEOPLE	01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M
Number of people who started parental leave	776	5	781	704	11	715	-9.3%	+120.0%	-8.5%
Number of people who ended parental leave	527	5	532	581	11	592	+10.2%	+120.0%	+11.3%
Number of people who left their jobs after having completed parental leave in the previous period	69	2	71	158	5	163	+129.0%	+150.0%	+129.6%
Percentage of those who left their jobs after having completed parental, leave in the previous period	12%	22%	13%	27%	36%	27%	+14.6 pp	+13.5 pp	+14.7 pp

## Defined benefit and pension plans

[GRI 201-3]

In compliance with the Law of October 4, 2018 on Employee Capital Plans (PPK), the CCC Group operates Employee Capital Plans, which are effective from July 1, 2019 (each of the Group companies employs more than 250 people). The PPK funds of CCC employees are managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne Spółka Akcyjna, which was selected by a Resolution of the Board of Directors dated August 20, 2019 after a multi-stage process. The PPK implementation process and partner selection was supported by a law firm. Employees were informed about PPK through the internal Intranet system, by email, and through meetings with employees to systematize knowledge about PPK and to clarify any ambiguities arising about the implementation process. The level of participation in PPK for CCC S.A., CCC.eu Sp. z o.o., HalfPrice Sp. z o.o. and DeeZee Sp. z o.o. is currently about 13%. PPK contributions are paid by the employee and the employer in the amount required by law. [GRI 201-3]

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

## Financial support from government bodies

[GRI 201-4]

In 2021, CCC.eu Sp. z o.o. and CCC S.A. received from the Employment Office a total of about 9 million PLN funds to co-finance employee wages and social insurance premiums.



### 4.1.3. Occupational health and safety

#### Health and Safety Management in the CCC Group [GRI 403-1]

The CCC Group is a healthy and safe workplace for its employees and our goal is to achieve ZERO accidents at work. In the Group, there is a system of management of issues related to health and safety at work based on the provisions of Polish law (Labor Code and OHS rules and regulations resulting from them) and / or local depending on the location of the business and on the Work Regulations of the CCC Group and the General Occupational Health and Safety Instruction applicable to all employees. In the parent company CCC S.A, as well as CCC.eu Sp. z o.o., there is a Health and Safety Policy in force, which was adopted by order of the President of the Board of Directors in 2015. It applies to all employees and includes all necessary actions aimed at improving and ensuring safe and hygienic working conditions. In each CCC Group company, the implementation and coordination of our commitments in the area of occupational health and safety is the responsibility of an OHS specialist. Our occupational health and safety management system also includes carrying out preventive measures to strengthen the safety culture in the company. The following elements of OHS management are used in the companies:

- Planning and implementing health and safety goals to improve workplace safety awareness among managers and employees,
- Conducting regular health and safety inspections at headquarters and branch offices,
- identifying hazards and updating occupational risk assessments,
- minimizing risks,
- conducting systematic training and educational meetings on health and safety.

In fiscal year 2021, we continued and/or undertook the following workplace safety activities:

- Supervisors' oversight of employees' compliance with health and safety rules and regulations, as well as regular meetings with managers, especially in warehouses;
- systematic health and safety audits - inspection of workplaces, correcting any inappropriate behaviour of employees, possibility of individual conversations with employees including answering their questions related to safety, work ergonomics, etc;
- monthly detailed OHS protocols of inspection and recognition activities in the warehouse. Any irregularities noted are presented to management along with a deadline for completion;
- keeping notebooks of records of near misses and dangerous situations. At any time during their work, employees can enter irregularities, hazards or incidents they have noticed. During systematic rounds each entry is verified and checked;
- Weekly meetings of employees of the HSE department with warehouse employees, during which they discuss post-accident orders, orders after near misses, issues of current work, first aid, evacuation rules, hazards, etc;
- Health and safety training and participation in position briefings. Detailed familiarization of employees with applicable instructions, procedures and hazards in the workplace;
- Use of special (on request) carts for non-standard assortment containers to minimize manual handling;
- Introducing safety knives for tape, film and carton cutting jobs;
- High storage of goods in the manual system has been replaced with pallet racks, shelving, flow racks, and racks with working platforms. Tilt-ing stacks, which pose a threat to health and life, have been significantly eliminated;
- Sending health and safety messages via the Intranet on current sanitation regulations, changes in health and safety procedures, etc..

#### Health and Safety Committee

[GRI 403-1, GRI 403-2]

In 2021, in the companies CCC S.A., CCC.eu Sp. z o.o., CCC Factory Sp. z o.o. and Gino Rossi S.A. worked safety committees composed of employee representatives, which considered, among others, issues in the field of technical safety of work. Their tasks also included the development of preventive measures and solutions leading to the improvement of working conditions. Health and Safety Committees in CCC S.A, CCC.eu Sp. z o.o., CCC Factory Sp. z o.o. consisted of 6 people, which also included a doctor indicated by the entity with which the company has a contract to provide medical services.

The Health and Safety Committee's responsibilities include:

- reviewing working conditions,
- making periodic assessments of the state of occupational health and safety,
- giving an opinion on the measures taken by the employer to prevent accidents at work and occupational diseases,
- Making proposals to improve working conditions,
- Interacting with the employer in carrying out their health and safety responsibilities.

The meetings of the committee are held at least once a quarter and are minuted. The Committee can use the expertise or opinions of specialists from outside the company in cases agreed with the employer. In the reporting period, in CCC S.A. there were 4 meetings of the Committee, in CCC Factory and in Gino Rossi there were no meetings of the Committee.



## **Workplace safety instructions and regulations** [GRI 403-4]

In CCC Group companies, a number of procedures are in place to regulate the processes related to occupational health and safety in order to effectively minimize the number of occupational accidents, fire hazards and improve working conditions.

Employees are familiarized with occupational health and safety instructions, risk assessments for their positions, fire safety instructions, occupational health and safety training procedures, and work regulations. OHS instructions and regulations are divided into individual areas, i.e. for employees in stores, warehouses, office buildings and production halls. The most important instructions and regulations in the companies CCC S.A. and CCC.eu Sp. z o.o. in the area of safety, health and fire protection include:

- Health and Safety First Aid Manual,
- Fire Instruction,
- Fire Safety Instructions for individual buildings,
- Health and safety instructions for the storage and warehousing of goods,
- Occupational Health and Safety Manual Performing manual handling work,
- Occupational Health and Safety Manual for the operation of power-driven trucks,
- Occupational health and safety instruction when using a computer with a screen monitor,
- Occupational Health and Safety Manual For employees of retail establishments,
- Health and Safety Instructions for the Operation of a Knife with an Extendable Broken Blade,
- Occupational Safety and Health Administration's (OSHA) instructions on the use of ladders,
- Occupational Health and Safety Manual for the Use of Chemical Substances and Preparations,
- Instructions for reporting and recording accidents at work, on the way to and from work, and near misses,

- Health and Safety Inspection Procedure,
- Procedure for using first aid stations,
- In-house Transportation Manual,
- Covid Procedure 19,
- Occupational health and safety instructions for operating an automatic scrubbing machine,
- Occupational health and safety instruction for employees working on conveyor belts.

All manuals and regulations are available to employees on a shared network drive, internal online platforms, on monitors in the canteens and for review in paper form in areas accessible to employees.

CCC S.A. continuously improves the processes related to OSH and Fire Safety. In 2021, the following documents related to work safety and fire protection were developed or updated and implemented:

- Occupational health and safety instructions for operating an automatic scrubbing machine,
- Occupational health and safety instruction for employees working on conveyor belts.

In addition, the following OSH manuals have been developed in Russian and Ukrainian:

- Fire Instruction,
- General instructions applicable to all employees in the warehouse,
- Hand pallet truck operating instructions,
- Instructions for performing manual handling work,
- Instructions for use of a knife with an extendable breakaway blade,
- Premedical First Aid Instructions,
- Occupational risk assessment for employees working as Warehouseman in Russian and Ukrainian languages.



## **Process for identifying risks and hazards and handling incidents**

[GRI 403-2]

Work environment in the Company's headquarters, production plants, logistics center and showrooms is regularly audited in terms of occupational health and safety and fire protection. Occupational risk assessment is conducted and updated at least once every 2 years, and employees are informed about risks and how to proceed in case of accidents, fire and other situations during OHS training. All employees can report identified threats or comments to the OHS and PPOŽ department by phone, e-mail or by writing their comments in OHS notebooks.

In companies, there is an Order of the President of CCC S.A. on the introduction of instructions for reporting and recording accidents at work, on the way to work and from work, and near-misses, to which all employees are obliged to adhere. The

instruction describes in detail the proceedings in case of incidents. After each accident, the procedures are analyzed and updated if necessary.

Under current law, if an employee notices irregularities that may endanger his or her life or health, he or she has the right to stop performing his or her duties.

Upon learning of the accident, an accident team will be appointed to investigate the causes and circumstances of the accident. The employee's supervisor must secure the location of the accident until the causes and circumstances of the accident have been determined. Work will only be stopped if there is still a risk to health or life, e.g., if the accident is caused by damage to the machine. Work on the machine may be resumed once the defect has been eliminated. The decision to resume work is made by the accident team and the person in charge of the work.



## **Occupational medicine** [GRI 403-3]

All employees are sent to an initial examination when hiring. In addition, employees regularly undergo periodic or control examinations as directed for examinations, taking into account their nature of work. The companies have contracts for occupational medicine with selected specialist clinics.

## **Engagement, consultation and communication with employees regarding health and safety** [GRI 403-4]

Employees of CCC S.A. and CCC.eu Sp. z o.o. can submit comments, consult employees of health and safety services and communicate with the department of occupational health and safety and fire protection through:

- A shared network drive and internal platform where all EHS-related documents are placed,
- electronic ticketing service,
- Directly contact the appropriate health and safety supervisor who is assigned to the sales stores.

Whereas, consulting work in the field of health and safety (introducing initiatives or updating procedures and standards) is carried out within the operating OHS Committees, which include representatives of employees of the CCC Group.

## **Employee health and safety training** [GRI 403-5]

CCC Group attaches great importance to expanding the knowledge and developing the competence of employees in the field of occupational health and safety, so the Group offers training and instruction in occupational health and safety during the induction of new employees, as well as conducting regular training for all employees. Their scope

and frequency depend on the specificity of work at a given position. Each employee has access to an internal platform, which includes OHS training. In addition, various departments hold OHS meetings to discuss various aspects related to occupational safety or recently registered incidents.

In the Company CCC S.A. and CCC.eu Sp. z o.o. are conducted initial training in occupational health and safety for all newly hired employees and periodic training in occupational health and safety for employees whose validity of initial or periodic training expires. The program and scope of initial and periodic OHS training is in accordance with the Regulation of the Minister of Economy and Labour dated 27 July 2014. In the fiscal year 2021, the OHS and PPOŽ department conducted in the headquarters of the Company CCC S.A. exercises in the field of proper response to fire alarms and knowledge of company regulations and procedures for security personnel, in which 100 people participated. In addition, in the headquarters of the Company CCC S.A. a new team was trained to perform activities in the field of fire. The number of trained people in the team is 112. In 2021, the department of safety, hygiene and fire protection five times organized with the participation of representatives of the State Fire Service exercises of test evacuation of administrative and office buildings in the headquarters of the CCC SA, in which 614 people took part.

In FY2021, a total of 5,613 employees in the CCC Group were trained in initial health and safety training, 951 employees in periodic health and safety training, 2,787 employees in specialized health and safety training (including first aid), and 2843 employees in fire and safety.

**TABLE 4.2: BASIC HEALTH AND SAFETY DATA** [GRI 403-9, 403-10, OWN RATIO]

	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>ACCIDENTS AMONG EMPLOYEES</b>				
Minor accidents	73.00	32.00	58.00	+81.3%
Severe accidents	3.00	3.00	0.00	-100.0%
Fatal accidents	0.00	0.00	0.00	-
Collective accidents	0.00	0.00	0.00	-
<b>Total number of accidents</b>	<b>76.00</b>	<b>35.00</b>	<b>58.00</b>	<b>+65.7%</b>
<b>ACCIDENTS AMONG EMPLOYEES OF SUBCONTRACTORS WORKING ON SITE</b>				
Minor accidents	0.00	4.00	7.00	+75.0%
Severe accidents	0.00	0.00	0.00	-
Fatal accidents	0.00	0.00	0.00	-
Collective accidents	0.00	0.00	0.00	-
<b>Total number of accidents</b>	<b>0.00</b>	<b>4.00</b>	<b>7.00</b>	<b>+75.0%</b>
<b>OTHER SAFETY AND HEALTH DATA</b>				
Accident frequency rate (accidents at work per 1000 employees)	5.28	2.92	4.69	+60.7%
Accident frequency rate (accidents at work per 200,000 hours worked)	0.52	0.29	0.47	+60.7%
Incidence rate of severe accidents (severe accidents per 1 million hours worked)	0.10	0.11	0.00	-100.0%
Number of days of incapacity for work due to accidents	1,938.00	1,119.00	1,605.00	+43.4%
Accident severity rate (number of days of work disability per accident)	25.50	28.69	24.69	-13.9%
Number of cases of occupational diseases identified during the period	0.00	0.00	0.00	-
Number of employees working in a given year in conditions exceeding maximum admissible concentrations (MAC) or maximum admissible intensities (MAI)	48.00	43.00	43.00	0.0%



In fiscal year 2021, a total of 58 light accidents were recorded among CCC employees in the CCC Group, 26 more accidents than in the previous year. On the other hand, among the employees of subcontractors working on the site, 7 accidents were recorded, falling into the category of light accidents. The increase in the CCC Group's accident frequency rate is due to increased employment in the Group's logistics operations. On the other hand, in fiscal year 2021, there were no severe accidents, fatal accidents or occupational diseases identified in the CCC Group.

For more details on the basic data on occupational health and safety in CCC S.A., please see Appendix 2. Figures on occupational health and safety were taken from the HR systems of the CCC Group conducted in accordance with the requirements of Polish labor law and the Occupational Health and Safety Policy of the CCC Group. The accident frequency was calculated in accordance with the GRI Standards methodology and the formulas given for this GRI 403-9 (2018) indicator, and the number of hours worked was calculated as the product of the number of employees multiplied by 2,016 hours.

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

In order to prevent and mitigate occupational health and safety impacts directly related to the nature of the Company's business (footwear re-tailing), accident prevention is implemented in cooperation with the Regional Labour Inspectorate. Issues related to accident prevention are also covered by the OHS policy established by the President's Ordinance.



On the other hand, the workplaces where the maximum admissible concentrations (MAC) or maximum admissible intensities (MIN) are exceeded were equipped with protective equipment or organizational solutions were applied in order to limit the emission of harmful or noxious agents and protect employees from their effects.

In addition, employees in labor positions receive work clothing, work and protective gloves, and footwear in occupational (O) and protective (S) versions with toe protection.

In fiscal year 2021, 43 employees worked in the CCC Group in conditions exceeding the maximum permissible concentrations or maximum permissible intensities. Exceeded standards were found, inter alia, in such positions as: shoe curing on the hoof, patting and rubbing the folds, calibration, patting or rubbing shoes on the machine, mechanic of sewing equipment, maintenance worker. In accordance with the recommendations of the occupational physician as a protection against occupational diseases due to noise and mechanical vibration, a weekly rotation at the workstation and the use of hearing protectors were introduced. To reduce the negative impact of noise, a comprehensive "Program of organizational and technical measures to reduce exposure to noise" was implemented.

### **Health and safety activities related to COVID-19**

In view of the COVID-19 pandemic, in 2021 the CCC Group continued the measures from 2020 to ensure the utmost safety of its employees and minimize the risk of infection. In addition, in 2021, antigen tests were purchased for verification purposes, Covid vaccination points were organized for employees and their families, and an incentive system for employee vaccination was introduced in the form of the "I vaccinate because..." contest, in which cash prizes were awarded to 30 employees during the 6 weeks of the campaign.

### **Employee Health** [GRI 403-6]

During health and safety trainings, the CCC Group draws employees' attention to the need of leading a healthy lifestyle. There is no uniform program to promote sports activities and a healthy lifestyle in the Group. Companies offer various benefits and encourage employees to a healthy lifestyle through, among others:

- introducing regular breaks,
- Making it possible to purchase healthy lunches, rolls, juices or smoothies in the cafeterias,
- Offering fruit to employees 2-3 times a week,
- Offering preventive meals to warehouse workers,
- (Co)financing sports packages to fitness clubs,
- Encouraging employees to participate in sports competitions,
- offering private medical care so that employees can receive preventive health screenings, including medical exams and consultations.

## 4.2. CCC GROUP FOR SOCIETY

SUSTAINABLE DEVELOPMENT STRATEGY GO.22	IMPLEMENTATION
Update and publicize the new CCC Code of Ethics	✓
Cooperation with UNICEF	✓
Continuing to implement projects that support local communities	✓
Promotion of sports activities and knowledge transfer to selected partners	✓



The CCC Group's responsibility is reflected in the areas of importance to stakeholders. In order to best build a dialogue with the Group's partner institutions and jointly develop directions for sustainable development, the CCC Group conducts a cyclical materiality survey with representatives of its key external stakeholders and asks for the opinion of its employees in surveys. Based on the identified demands, the CCC Group identifies areas of responsibility in which it implements actions and in which it commits to develop good practices.

The materiality study conducted showed that relations with local communities and social involvement is an important topic. Therefore, the CCC Group takes action to have a positive impact on its immediate social environment, integrate company employees around shared values, create opportunities for cooperation with various institutions, support local development, as well as create a positive image of the company. According to the scope of its activities, the CCC Group is involved in projects for local communities, nationwide charity actions and global assistance to the most needy through in-kind donations, financial support, employee volunteering and competence building. In addition, the CCC Group is committed to working with universities and schools, providing opportunities for development and gaining professional experience for young people.

Activities in the social area at CCC SA are governed by the following documents:

- Employee Volunteer Regulations,
- Grant Program Regulations,
- The policy of granting material and financial donations by CCC S.A.

In conducting its operations, the CCC Group strives to avoid any nuisance (e.g. noise, emissions, heavy car traffic) to local residents. In fiscal year 2021, there were no cases of complaints reported by the local community regarding the impacts of CCC Group companies on the environment.



#### 4.2.1. Partnerships and community support

In 2021, CCC S.A. allocated around 170 thousand PLN for donations in the social area, including the donation of 674 pairs of shoes, 3,100 pieces of clothing, 334 backpacks and 934 accessories. [own indicator].

MODIVO S.A. was also actively involved in providing assistance, and in the financial year 2021 it made in-kind and financial donations in the social area totalling over PLN 500 thousand, including clothing and footwear, computer equipment, gifts for the Children's Home in Koźuchów.

CCC Group did not financially support political organizations in fiscal year 2021, 2020 and 2019. [GRI 415-1]

#### National charity actions

- **The Great Orchestra of Christmas Charity (Wielka Orkiestra Świątecznej Pomocy)** – in 2021 CCC and MODIVO companies together collected about 100 000 PLN for the 29th Final of the Great Orchestra of Christmas Charity,
- **Noble Parcel** – employees engage in preparing packages for families in need during the Christmas season. In 2021 CCC supported 3 families from Lubin and Polkowice districts. Administrative and office employees as well as sales network employees were involved in the collection.

#### Working with local partners

[GRI 413-1]

Cooperation with local partners and realization of social goals is a very important area of CCC Group's activity. We want to share our success, have a positive impact on our social environment, show the possibilities and support local development. CCC Group is aware that the local entities know best the needs of the community, so through cooperation, we can contribute to effective help and support initiatives. Entities with which the CCC Group cooperated in 2021 include:

- Association for Children and Youth "SZANSA" in Głogów,
- Association "Życ godnie in Polkowice,
- Głogów "Otwarte drzwi" Association
- Polkowice Family Assistance Center in Polkowice,
- Cultural Center in Polkowice,
- IMAGO Foundation,
- WoshWosh,
- ASP Łódź, UTH Radom, ASP Wrocław,
- WSB in Wrocław,
- UCBS University of Warsaw,
- Omenaa Foundation,
- Children's Home in Koźuchów.

#### Partnership with UNICEF

In 2021, the CCC Group continued its cooperation with UNICEF POLAND, whose main goal was to save the lives of children around the world and support education in developing countries.



## Employee Volunteerism and Competency [GRI 413-1]

One of the important elements of the social area is to build a volunteer program, so CCC Group supports the involvement of its employees in local initiatives. The main purpose of implementing volunteering in the CCC Group is to support local communities, the integration of the company's employees around shared values and to raise competence.

In CCC there is a grant program for administrative and office employees and sales outlets in Poland, as well as CCC subsidiaries. Detailed information is distributed through the employee Intranet and e-mailing. Under the grant program, projects can be submitted in such areas as:

- Providing assistance to those in need, especially children and youth,
- support for people with disabilities,
- environmental protection activities,
- Popularization of a healthy lifestyle and physical activity.

In fiscal year 2021/2022, 12 grants were applied for. Due to the ongoing epidemiological situation in Poland in 2021, the adjudication of the selection of 6 grants took place in Q1 2022.

Responding to the needs of CCC's partners and relevant stakeholders, CCC has initiated activities to crystallize the competence volunteering program. The main objective of the actions taken under this program is to transfer competencies from the business sector to the sector of non-governmental organizations, which by their actions contribute to improving the quality of life of the local community. CCC as a business leader can create a space where the exchange of competencies between the involved entities will take place. In the fiscal year 2021/2022, CCC representatives con-

ducted workshops for staff from the Association for Children and Youth "SZANSA" in Głogów on business presentation, visual communication and negotiation.

### Other social activities

The Group's employees were not only involved in volunteering, but also in widely understood social activities such as:

- **Shoebox** – donating cosmetic products to women in need. In 2021, the action collected more than 1600 pieces of cosmetics, which were donated to Single Mother's Homes and Children's Homes in the area of CCC and MODIVO headquarters,
- **Collection of plastic caps among employees of CCC Capital Group** and conducting the collection during the organized social events, which are donated to social campaigns,
- **Financial assistance** and support for associates and their families in need,
- **"Hello School"** – a collection of nearly 100 school kits for children from orphanages in Polkowice and Jelenia Góra,
- **Participation of MODIVO S.A. employees in collections for OTOZ Animals** in Zielona Góra.





#### 4.2.2. Activities related to education

From the perspective of relations with society, the company's activity in the field of vocational education is also extremely important, so in order to support society in the field of education, CCC Group cooperates with numerous entities pursuing educational goals. For many years, CCC Group has actively cooperated with universities and regularly participates in academic life by giving lectures, cooperating with student organizations and participating in selected academic projects. CCC Group participated in, and also supported other educational programs and industry events, such as:

- **League of Responsible Business (LOB)** – the oldest CSR educational program in Poland, run by the Responsible Business Forum, which builds new cadres of managers and entrepreneurs, social animators, leaders of change. As part of the two days of training entitled "Management in ESG". As part of the two-day training course "Managing in ESG", trainings were held in the area of non-financial reporting, management communication, supply chain and code of ethics in the organisation. LOB consists of a group of people who cooperate with more than a few dozen student organizations, implementing educational and social projects on a local and national level. Thanks to their commitment, each edition of the program reaches several thousand people interested in expanding their knowledge of good business practices,
- **UCBS** – cooperation with the University Center for Research on Environment and Sustainable Development at Warsaw University, in which CCC employees shared their knowledge, which they use every day in practice, conducted workshops showing practical aspects of non-financial reporting for students of Sustainable Development UCBS,

- **"Design a collection for CCC"** – competition addressed to students from art schools, which aims to identify young talents – people who design shoes, bags and accessories. This year the students' task was to prepare a capsule collection project in accordance with two themes: "Be Fashion – Be Trendy – Be Eco" or "Fashion in a post-pandemic world". In 2021, CCC realized three editions of the competition in cooperation with the Academy of Fine Arts in Wrocław, Faculty of Art of the University of Technology and Humanities in Radom and the Academy of Fine Arts in Łódź. Out of all the awarded works, CCC chose one capsule, which was put on sale. In 2022 the CCC Group plans to realize the next editions of the competition,
- **WSB in Wrocław** – as part of the cooperation with the university, CCC employees will share with the students of Manager CSR course the knowledge and experience in the field of ESG, building a sustainable development strategy and managing data for indicators necessary for non-financial reporting,
- **PWSZ in Wałbrzych** – CCC employees met with law students and shared their knowledge on the changing legal regulations of sustainable development,
- **Poznań University of Economics** – CCC employees met with students of the CSR Manager course and discussed topics related to sustainable development and ESG management in the Capital Group.

In 2021, MODIVO S.A. also conducted an internship program, scholarship program and tutoring for wards of the Children's Home in Koźuchow.

### 4.3. MATERIAL RISKS RELATING TO EMPLOYEE AND SOCIAL ISSUES

#### MATERIAL RISKS RELATING TO EMPLOYEE ISSUES

RISKS	HOW RISK IS MANAGED
Risk of wage pressure	Creating an attractive and employee friendly workplace, periodic job satisfaction survey, financial motivation and salary supplements, attractive benefits, clear and open opportunities for employee development through internal recruitment, compensation benchmark.



The materiality assessment did not identify any material risks related to the social area.

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## 5. ABOUT THE REPORT

### 5.1. INFORMATION ABOUT THE REPORT [GRI 2-2, 2-3, 2-4, 2-5]

This report covers non-financial information regarding the CCC Group and its parent company CCC S.A. for the period from February 1, 2021 to January 31, 2022. In the content of the report, the phrase "fiscal year 2021" is used to refer to this period. Non-financial reports of CCC Capital Group and CCC S.A. are prepared on an annual basis. The previous non-financial report was published on May 18, 2021 and no adjustments were made to it after that date.

This report is a report on non-financial information prepared in accordance with Article 49b and Article 55 (2b-2c) of the Accounting Act of 29 September 1994. Data on the so-called EU Taxonomy, the reporting of which is mandatory under the Regulation of the Parliament and of the Council (EU) 2020/852 of 18 June 2020, have also been disclosed. In addition, the European Commission's Guidelines for Reporting Non-Financial Information have been taken into account in this report: Supplement on Reporting Climate-related Information (2019/C 209/01), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the WSE Best Practices 2021 and 2016, the UN Sustainable Development Goals (SDGs) and the draft CSRD. [GRI 2-4]

All information, data and statements in this report refer to the CCC Capital Group and its parent company CCC S.A., unless explicitly stated otherwise. Information referred to as "CCC Group" or "CCC Capital Group" in this report refers to the following companies: CCC S.A., CCC.eu Sp. z o.o., CCC Factory Sp. z o.o., Gino Rossi S.A., MODIVO S.A., Eobuwie.pl, Logistics Sp. z o.o., DeeZee Sp. z o.o., HalfPrice Sp. z o.o., CCC Shoes & Bags

Sp. z o.o., OFP Austria GmbH, CCC Austria Ges. m. g.H, CCC Czech s.r.o., CCC Shoes & Bags d.o.o. Beograd, CCC Hrvatska d.o.o., Shoe Express S.A., CCC Hungary Shoes Kft., CCC Russia Sp. z o.o., CCC Shoes Bulgaria EOOD, CCC Obutev d o.o., CCC Slovakia s.r.o., Eobuv.cz s.r.o., EPANTOFI MODIVO s.r.l., Eschuhe.de GmbH, Eschuhe. CH GmbH, MODIVO S.R.L., Branded Shoes and Bags Sp. z o.o. Due to the absence of operating activities in previous years, the latter six companies of the MODIVO Group are included for the first time in the non-financial data for 2021.

On 2 March 2022, the company operating under the name OFP Sp. z o.o. changed its name to Half-Price Sp. z o.o. The change of the company's name had not been registered in the National Court Register by the date of publication.

According to the announced strategy carried out for Gino Rossi S.A. CCC Group decided to close the footwear factories of this subsidiary and in the first half of 2021 the production was extinguished. CCC Group implemented a number of changes in the area of optimizing the sales network of Gino Rossi S.A. brand, such as: increasing its presence in the Internet sales and increasing the product offer. Gino Rossi brand products will be sold in CCC stores, through CCC digital channels and eobuwie.pl.

The Group conducts activities aimed at exiting the Russian market, including the sale of shares in the Russian company. This event after the balance sheet date does not cause any adjustments as at January 31, 2022, and requires disclosure and assessment of the impact on the operations of the CCC Group. This does not affect the adopted assumption of the continuation of the CCC Group's operations.

### Differences/changes compared to previous report [GRI 2-4]

The previous non-financial report for the period from 01.01.2020 to 31.01.2021 was published on 18 May 2021 and no adjustments were made to it after that date.

Due to the change of the fiscal year of CCC S.A. in 2020, last year's report covered the period of 13 months from 01.01.2020. to 31.01.2021. This year's non-financial report was prepared for the full fiscal year, that is, for the period of 12 months from 01.02.2021. to 31.01.2022., consistent with the period for which the consolidated financial statements of the CCC Group and the financial statements of CCC S.A. were prepared. In order to achieve comparability of data, historical data were recalculated and the data for 2019 and 2020 were presented in the report on a 12-month basis, i.e. for the period 01.01.2019–31.12.2019 and 01.01.2020–31.12.2020. Due to the lack of approved revenues in the financial statements for the period 01.01.2020.–31.12.2020. for the calculation of selected indicators, revenues were assumed for the postponed 12-month period from 01.02.2020. to 31.01.2021. In accordance with the regulations applicable to the company, the report is published up to 4 months after the end of the financial year.

This report recalculated the base year for fuel, energy, GHG emissions and other environmental data. The recalculation consisted of subtracting the base year data for the Swiss company Voegele, which was divested. The recalculation reduced the greenhouse gas emissions in range 1+2 by 506 Mg CO<sub>2e</sub> in 2019 and by 805 Mg CO<sub>2e</sub> in 2020. The report also made minor adjustments to the thermal energy consumed in 2020 in two subsidiaries and water consumption in one of the companies. This report has been prepared in accordance with

the international standards of the Global Reporting Initiative (GRI Standards 2021). The report was subject to external verification. The audit was performed by the independent entity Ernst & Young Audyt Polska Sp. z o.o. Sp. komandytowa in accordance with International Standard on Assurance Engagements 3000 (Revised). Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Standards on Auditing and Assurance Services and covered the following scope: Indicators from the GRI 2- and GRI 3-group (universal indicators), 201-2, 201-3, 201-4; 205-3; 206-1; 302-1; 302-3; 303-3; 305-1; 305-2; 305-3; 305-4; 305-5; 308-1; 308-2; 401-3; 402-1; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9; 403-10; 404-2; 405-1; 405-2; 406-1; 407-1; 408-1; 409-1; 410-1; 413-1; 414-2; 415-1; 417-1; 417-2; 417-3; 418-1. The verification statement can be found in Appendix 4. The Sustainable Development and Communications department and the Central Procurement Office were involved in the selection of the external auditor, which was guided by criteria such as price, quality and scope of services provided, among others. Management and the Supervisory Board played the role of selecting the certifier's bid in this process.

A detailed list of GRI indicators with reference to the content of this report can be found in section 5.2.

## 5.2. COMPATIBILITY TABLES

The following tables include:

- a full statement of the report's compliance with the non-financial information requirements under the Accounting Act,
- a complete summary of the report's compliance with the climate-related information guidelines from the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations,
- a complete set of indicators used to evaluate non-financial activities of companies in accordance with the Global Reporting Initiative Standard (GRI Standards).



### TABLE OF COMPLIANCE OF THE REPORT WITH THE ACCOUNTING ACT

REQUIREMENT OF THE ACCOUNTING ACT	CHAPTER
<b>Business model (Article 49b 2.1)</b>	<b>1.1.</b>
<b>Key non-financial performance indicators (Article 49b 2.2)</b>	<b>1.3.1.</b>
<b>Policies in non-financial areas and their results (Article 49b 2.3)</b>	
Environmental policy	3.1.
Policies in the social area	4.2.
Human rights policy	1.5., 1.5.1.
Anti-corruption policy	1.5.1.
Policies in the employee area	4.1.1., 4.1.2., 4.1.3.
<b>Due diligence procedures (Article 49b 2.4)</b>	<b>1.6.4.</b>
<b>Material non-financial risks and how they are managed (Article 49b 2.5)</b>	<b>1.6.4., 1.6.5., 2.5., 3.5., 4.3.</b>

### TABLE OF REPORT COMPLIANCE WITH TCFD RECOMMENDATIONS

TCFD RECOMMENDATIONS	CHAPTER
<b>GOVERNANCE</b>	
Description of board's oversight of climate-related risk and opportunities	3.2.
Description of the management's role in assessing and managing climate-related risks and opportunities	3.2.
<b>STRATEGY</b>	
A description of the climate change risks and opportunities that the organization has identified in the short, medium, and long term	3.2.
Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	3.2.
Description of the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	3.2.
<b>RISK MANAGEMENT</b>	
Description of the organization's processes for identifying and assessing climate-related risks	3.2.
Description of the organization's processes for managing climate-related risks	3.2.
Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	3.2.
<b>METRICS AND TARGETS</b>	
Description of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	3.2.
Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	3.3.
A description of the targets used by the organization to manage climate-related risks and opportunities and performance against targets	3.1.

**TABLE OF COMPLIANCE WITH GRI STANDARDS 2021**

LIST OF INDICATORS INCLUDED IN THE REPORT	
Statement of use	CCC Group reported in accordance with the GRI Standards for the period from February 1, 2021 to January 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
GRI Standard sector indicators (s)	Not applicable

Indicators in series 2 and 3 are reported in accordance with GRI 2021. The remaining indicators are reported in accordance with GRI 2016, except for indicators in series 403, which are in accordance with GRI 2018.

DISCLOSURE NUMBER	DISCLOSURE NAME	CHAPTER IN THE REPORT	NOTES
<b>CORE INDICATORS</b>			
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
<b>The organization and its reporting practices</b>			
GRI 2-1	Organizational details	1.1.1.	
GRI 2-2	Entities included in the organization's sustainability reporting	1.4.1., 5.1.	
GRI 2-3	Reporting period, frequency and contact point	5.1.	
GRI 2-4	Restatements of information	5.1.	
GRI 2-5	External assurance	5.1.	
<b>Activities and workers</b>			
GRI 2-6	Activities, value chain, and other business relationships	1.1.2., 1.1.3., 1.1.4., 2.1.1., 2.2.1.	
GRI 2-7	Employees	4.1.2., Z1.	All employees are employed in one region (Europe), with a focus on Central Europe, with domination in Poland, therefore no division into regions.
GRI 2-8	Workers who are not employees	4.1.1., Z1.	
<b>Governance</b>			
GRI 2-9	Governance structure and composition	1.4.2., 1.4.4.	
GRI 2-10	Nomination and selection of the highest governance body	1.4.2.	
GRI 2-11	Chair of the highest governance body	1.4.2.	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.4.4.	
GRI 2-13	Delegation of responsibility for managing impacts	1.4.4.	
GRI 2-14	Role of the highest governance body in sustainability reporting	1.4.4.	
GRI 2-15	Conflicts of interest	1.5.1.	
GRI 2-16	Communication of critical concerns	1.5.1., 1.5.2.	
GRI 2-17	Collective knowledge of the highest governance body	1.4.4.	
GRI 2-18	Evaluation of the performance of the highest governance body	1.4.2.	
GRI 2-19	Remuneration policies	1.4.3.	
GRI 2-20	Process to determine remuneration	1.4.3.	
GRI 2-21	Annual total compensation ratio	1.4.3.	

DISCLOSURE NUMBER	DISCLOSURE NAME	CHAPTER IN THE REPORT	NOTES
<b>Strategy, policies and practices</b>			
GRI 2-22	Statement on sustainable development strategy	Letter from the President of the Management Board	
GRI 2-23	Policy commitments	1.5.1.	b.ii – no data
GRI 2-24	Embedding policy commitments	1.5.1.	
GRI 2-25	Processes to remediate negative impacts	1.5.1., 1.6.1., 2.1.1., 2.4, 2.5., 3.3., 4.1.2.	
GRI 2-26	Mechanisms for seeking advice and raising concerns	1.5.1., 1.5.2.	
GRI 2-27	Compliance with laws and regulations	1.5.2.	
GRI 2-28	Membership associations	1.1.7.	
<b>Stakeholder Engagement</b>			
GRI 2-29	Approach to stakeholder engagement	1.6.3.	
GRI 2-30	Collective bargaining agreements	4.1.2.	
<b>MATERIAL TOPICS</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
GRI 3-1	Process to determine material topics	1.6.1.	
GRI 3-2	List of material topics	1.6.2.	
<b>MATERIAL TOPIC: SUPPLY CHAIN MONITORING AND ASSESSMENT</b>			
GRI 3-3	Management of material topics	2.1.1.	
own ratio	Number of suppliers audited for compliance with the Code of Conduct	1.3.1.	
<b>GRI 408: Counteracting child labor</b>			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	1.5.1.	
<b>GRI 409: Forced or compulsory labor</b>			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	1.5.1.	
<b>GRI 307: Environmental Compliance</b>			
GRI 307-1	Non-compliance with environmental laws and regulations	1.5.2.	
<b>GRI 308: Supplier Environmental Assessment</b>			
GRI 308-1	New suppliers that were screened using environmental criteria	2.1.1.	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	2.1.1.	
<b>GRI 414: Supplier Social Assessment</b>			
GRI 414-2	Negative social impacts in the supply chain and actions taken	2.1.1.	

DISCLOSURE NUMBER	DISCLOSURE NAME	CHAPTER IN THE REPORT	NOTES
<b>MATERIAL TOPIC: HUMAN AND WORKERS' RIGHTS</b>			
GRI 3-3	Management of material topics	1.5.	
<b>GRI 406: Non-discrimination</b>			
GRI 406-1	Incidents of discrimination and corrective actions taken	1.5.2.	
<b>GRI 408: Counteracting child labor</b>			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	2.1.1.	
<b>GRI 409: Forced or compulsory labor</b>			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.1.1.	
<b>GRI 410: Security Practices</b>			
GRI 410-1	Security personnel trained in human rights policies or procedures	1.5.1.	
<b>GRI 205: Anticorruption</b>			
GRI 205-3	Confirmed incidents of corruption and actions taken	1.5.2.	
<b>GRI 206: Anti-competitive Behavior</b>			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.5.2.	
<b>GRI 401: Employment</b>			
GRI 401-1	New employee hires and employee turnover	4.1.2.	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.2.	
GRI 401-3	Parental leave	4.1.2.	a – no data due to the lack of legal possibilities to collect this data
<b>GRI 402: Labor/Management Relations</b>			
GRI 402-1	Minimum notice periods regarding operational changes	4.1.1.	
<b>GRI 404: Training and Education</b>			
GRI 404-1	Average hours of training per year per employee	4.1.2.	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	4.1.1., 4.1.2.	
<b>GRI 407: Freedom of Association and Collective Bargaining</b>			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.1.1., 4.1.1.	
<b>MATERIAL TOPIC: EQUALITY AND DIVERSITY</b>			
GRI 3-3	Management of material topics	4.1.2.	
<b>GRI 405: Diversity and Equal Opportunity</b>			
GRI 405-1	Diversity of governance bodies and employees	1.4.2.	

DISCLOSURE NUMBER	DISCLOSURE NAME	CHAPTER IN THE REPORT	NOTES
GRI 405-2	Ratio of basic salary and remuneration of women to men	4.1.2.	a - the indicator is reported by comparing the full remuneration of women and men; b - all employees are employed in one region (Europe), with a focus on Central Europe, with domination in Poland, therefore no division into regions.
own ratio	Glass Ceiling Ratio (GCR)	4.1.2., Z2.	
own ratio	Gender Pay Gap Ratio (GPGR)	4.1.2., Z2	
<b>GRI 404: Training and Education</b>			
GRI 404-1	Average hours of training per year per employee	Z2.	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	4.1.2.	
<b>MATERIAL TOPIC: CLIMATE CHANGE</b>			
GRI 3-3	Management of material topics	2.5.	
<b>GRI 302: Energy</b>			
GRI 302-1	Energy consumption within the organization	3.3., Z3.	
GRI 302-3	Energy intensity	3.3.	
<b>GRI 305: Emissions to air</b>			
GRI 305-1	Direct GHG emissions (Scope 1)	3.3., Z3.	
GRI 305-2	Indirect GHG emissions (Scope 2)	3.3., Z3.	
GRI 305-3	Other indirect GHG emissions (Scope 3)	3.3.	
GRI 305-4	GHG emissions intensity	3.3., Z3.	
GRI 305-5	Reduction of GHG emissions	3.3.	
<b>MATERIAL TOPIC: THE CIRCULAR ECONOMY</b>			
GRI 3-3	Management of material topics	3.3.	
<b>GRI 301: Materials</b>			
GRI 301-1	Materials used by weight or volume	3.4.	
own ratio	Share of leather from certified tanneries in the products	1.3.1.	
<b>GRI 306: Waste</b>			
GRI 306-1	Waste generation and significant waste-related impacts	3.4.	
GRI 306-2	Management of significant waste-related impacts	3.4.	
GRI 306-3	Waste generated	3.4.	
own ratio	Percentage of waste directed to recycling	1.3.1.	
<b>GRI 303: Water</b>			
GRI 303-3	Water recycled and reused	3.4.	
own ratio	Water consumption per product unit	3.4.	
own ratio	Waste water discharged per product unit	3.4.	

INDICATOR NUMBER	DISCLOSURE NAME	CHAPTER IN THE REPORT	NOTES
<b>MATERIAL TOPIC: RESPONSIBLE MARKETING COMMUNICATIONS</b>			
GRI 3-3	Management of material topics	2.4.	
<b>GRI 417: Marketing and Labeling</b>			
GRI 417-1	Requirements for product and service information and labeling	2.2.2.	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	2.2.2.	
GRI 417-3	Incidents of non-compliance concerning marketing communications	2.4.	
<b>OTHER TOPICS</b>			
<b>GRI 403: Occupational health and safety</b>			
GRI 403-1	Occupational health and safety management system	4.1.3.	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	4.1.3.	
GRI 403-3	Occupational health services	4.1.3.	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	4.1.3.	
GRI 403-5	Worker training on occupational health and safety	4.1.3.	
GRI 403-6	Promotion of worker health	4.1.3.	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.1.3.	
GRI 403-9	Work-related injuries	4.1.3.	
own ratio	Accident frequency rate (accidents at work per 1000 employees)	4.1.3.	
GRI 403-10	Work-related ill health	4.1.3.	
<b>GRI 418: Customer Privacy</b>			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5.2.	
<b>TEMAT: ECONOMIC EFFICIENCY</b>			
<b>GRI 201: Economic performance</b>			
GRI 201-2	Financial implications and other risks and opportunities due to climate change	2.5., 3.2.	
GRI 201-3	Defined benefit plan obligations and other retirement plans	4.1.2.	
GRI 201-4	Financial assistance received from government	4.1.2.	
<b>GRI 413: Local Communities</b>			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	4.2.1.	
own ratio	The value of donations made to local communities – Description	4.2.1.	
<b>GRI 415: Public Policy</b>			
GRI 415-1	Political contributions	4.2.1.	



## 5.3. CONTACT

We remain open to your questions or feedback. Please direct them to **Kamilla Budnik** Sustainability Manager at [csr.eu@ccc.eu](mailto:csr.eu@ccc.eu). [GRI 2-3]

# APPENDICES

# 6

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## 6.1. APPENDIX 1: EMPLOYMENT DATA

TABLE Z1.1: EMPLOYEES WITH EMPLOYMENT CONTRACTS IN THE CCC GROUP [GRI 2-7]

FTE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>291</b>	<b>40.3</b>	<b>69.4</b>	<b>26.0</b>	<b>39.3</b>	<b>65.3</b>	<b>30.0</b>	<b>56.0</b>	<b>86.0</b>	<b>+15.4%</b>	<b>+42.7%</b>	<b>+31.8%</b>
aged 51 and over	3.0	8.0	11.0	3.0	6.0	9.0	5.8	7.0	12.8	+91.7%	+16.7%	+41.7%
31–50 years old	26.1	32.3	58.4	23.0	32.3	55.3	24.3	44.0	68.3	+5.4%	+36.4%	+23.5%
under 30 years of age	0.0	0.0	0.0	0.0	1.0	1.0	0.0	5.0	5.0	-	+400.0%	+400.0%
<b>Managers and supervisors, including:</b>	<b>1,871.5</b>	<b>223.0</b>	<b>2,094.5</b>	<b>1,838.9</b>	<b>222.5</b>	<b>2,061.4</b>	<b>1,887.2</b>	<b>300.0</b>	<b>2,187.2</b>	<b>+2.6%</b>	<b>+34.8%</b>	<b>+6.1%</b>
aged 51 and over	67.4	13.0	80.4	66.0	7.0	73.0	71.0	5.0	76.0	+7.6%	-28.6%	+4.1%
31–50 years old	1,264.6	152.0	1,416.6	1,278.4	174.5	1,452.9	1,352.4	207.0	1,559.4	+5.8%	+18.6%	+7.3%
under 30 years of age	539.6	58.0	597.6	494.5	41.0	535.5	463.8	88.0	551.8	-6.2%	+114.6%	+3.0%
<b>Other employees including:</b>	<b>10,648.5</b>	<b>1,590.4</b>	<b>12,239.0</b>	<b>9,881.2</b>	<b>1,361.5</b>	<b>11,242.7</b>	<b>9,951.4</b>	<b>1,638.4</b>	<b>11,589.8</b>	<b>+0.7%</b>	<b>+20.3%</b>	<b>+3.1%</b>
aged 51 and over	900.8	99.9	1,000.6	898.5	98.1	996.6	660.8	66.4	727.2	-26.5%	-32.3%	-27.0%
31–50 years old	4,909.0	649.8	5,558.8	4,667.1	589.3	5,256.4	4,485.6	697.0	5,182.6	-3.9%	+18.3%	-1.4%
under 30 years of age	4,838.8	840.8	5,679.5	4,315.6	674.1	4,989.7	4,805.0	875.0	5,680.0	+11.3%	+29.8%	+13.8%
<b>Employees at all levels of the structure</b>												
aged 51 and over	971.2	120.9	1,092.0	967.5	111.1	1,078.6	737.6	78.4	816.0	-23.8%	-29.4%	-24.3%
31–50 years old	6,199.6	834.1	7,033.7	5,968.5	796.0	6,764.6	5,862.3	948.0	6,810.2	-1.8%	+19.1%	+0.7%
under 30 years of age	5,378.3	898.8	6,277.1	4,810.1	716.1	5,526.2	5,268.8	968.0	6,236.8	+9.5%	+35.2%	+12.9%
<b>Total for all levels of the structure</b>	<b>12,549.1</b>	<b>1,853.7</b>	<b>14,402.8</b>	<b>11,746.1</b>	<b>1,623.2</b>	<b>13,369.3</b>	<b>11,868.6</b>	<b>1,994.4</b>	<b>13,863.0</b>	<b>+1.0%</b>	<b>+22.9%</b>	<b>+3.7%</b>
– of which employed full time	8,703.0	1,640.0	10,343.0	8,238.0	1,497.0	9,735.0	8,779.0	1,810.0	10,589.0	+6.6%	+20.9%	+8.8%
– including part-time employees	5,020.0	245.0	5,265.0	4,377.0	209.0	4,586.0	4,454.0	338.0	4,792.0	+1.8%	+61.7%	+4.5%

TABLE Z1.2: EMPLOYEES WITH EMPLOYMENT CONTRACTS IN CCC S.A.

FTE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>4.8</b>	<b>1.0</b>	<b>5.8</b>	<b>3.8</b>	<b>2.0</b>	<b>5.8</b>	<b>5.0</b>	<b>2.0</b>	<b>7.0</b>	<b>+33.3%</b>	<b>0.0%</b>	<b>+21.7%</b>
aged 51 and over	0.0	0.0	0.0	1.0	0.0	1.0	2.0	0.0	2.0	+100.0%	-	+100.0%
31–50 years old	4.8	1.0	5.8	2.8	2.0	4.8	3.0	2.0	5.0	+9.1%	0.0%	+5.3%
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
<b>Managers and supervisors, including:</b>	<b>901.6</b>	<b>53.0</b>	<b>954.6</b>	<b>830.1</b>	<b>50.2</b>	<b>880.3</b>	<b>832.0</b>	<b>71.0</b>	<b>903.0</b>	<b>+0.2%</b>	<b>+41.4%</b>	<b>+2.6%</b>
aged 51 and over	22.0	3.0	25.0	23.0	3.0	26.0	21.0	2.0	23.0	-8.7%	-33.3%	-11.5%
31–50 years old	645.0	41.0	686.0	634.5	42.2	676.7	622.0	54.0	676.0	-2.0%	+28.0%	-0.1%
under 30 years of age	234.6	9.0	243.6	172.6	5.0	177.6	189.0	15.0	204.0	+9.5%	+200.0%	+14.8%
<b>Other employees including:</b>	<b>4,435.4</b>	<b>488.0</b>	<b>4,923.4</b>	<b>3,874.2</b>	<b>383.0</b>	<b>4,257.2</b>	<b>4,156.0</b>	<b>405.0</b>	<b>4,561.0</b>	<b>+7.3%</b>	<b>+5.7%</b>	<b>+7.1%</b>
aged 51 and over	206.0	12.8	218.8	208.5	14.0	222.5	219.0	15.0	234.0	+5.0%	+7.1%	+5.2%
31–50 years old	2,043.9	190.3	2,234.1	1,873.8	176.3	2,050.0	1,981.0	182.0	2,163.0	+5.7%	+3.3%	+5.5%
under 30 years of age	2,185.5	285.0	2,470.5	1,791.9	192.8	1,984.7	1,956.0	208.0	2,164.0	+9.2%	+7.9%	+9.0%
<b>Employees at all levels of the structure</b>												
aged 51 and over	228.0	15.8	243.8	232.5	17.0	249.5	242.0	17.0	259.0	+4.1%	0.0%	+3.8%
31–50 years old	2,693.6	232.3	2,925.9	2,511.0	220.5	2,731.5	2,606.0	238.0	2,844.0	+3.8%	+8.0%	+4.1%
under 30 years of age	2,420.1	294.0	2,714.1	1,964.6	197.8	2,162.3	2,145.0	223.0	2,368.0	+9.2%	+12.8%	+9.5%
<b>Total for all levels of the structure</b>	<b>5,341.8</b>	<b>542.0</b>	<b>5,883.8</b>	<b>4,708.1</b>	<b>435.2</b>	<b>5,143.3</b>	<b>4,993.0</b>	<b>478.0</b>	<b>5,471.0</b>	<b>+6.1%</b>	<b>+9.8%</b>	<b>+6.4%</b>
– of which employed full time	3,609.0	494.0	4,103.0	3,334.0	398.0	3,732.0	3,604.0	434.0	4,038.0	+8.1%	+9.0%	+8.2%
– including part-time employees	2,568.0	77.0	2,645.0	2,031.0	60.0	2,091.0	2,042.0	72.0	2,114.0	+0.5%	+20.0%	+1.1%

**TABLE Z1.3: EMPLOYEES ON PERMANENT EMPLOYMENT CONTRACTS IN THE CCC GROUP [GRI 2-7]**

FTE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>29.1</b>	<b>39.3</b>	<b>68.4</b>	<b>23.0</b>	<b>34.3</b>	<b>57.3</b>	<b>28.0</b>	<b>47.0</b>	<b>75.0</b>	<b>+21.7%</b>	<b>+37.2%</b>	<b>+31.0%</b>
aged 51 and over	3.0	7.0	10.0	3.0	5.0	8.0	5.8	3.0	8.8	+91.7%	-40.0%	+9.4%
31-50 years old	26.1	32.3	58.4	20.0	28.3	48.3	22.3	43.0	65.3	+11.3%	+52.2%	+35.2%
under 30 years of age	0.0	0.0	0.0	0.0	1.0	1.0	0.0	1.0	1.0	-	0.0%	0.0%
<b>Managers and supervisors, including:</b>	<b>1,642.5</b>	<b>194.0</b>	<b>1,836.5</b>	<b>1,640.0</b>	<b>185.0</b>	<b>1,825.0</b>	<b>1,641.2</b>	<b>224.0</b>	<b>1,865.2</b>	<b>+0.1%</b>	<b>+21.1%</b>	<b>+2.2%</b>
aged 51 and over	66.4	12.0	78.4	65.1	7.0	72.1	69.0	4.0	73.0	+6.0%	-42.9%	+1.2%
31-50 years old	1,129.6	134.0	1,263.6	1,163.4	144.0	1,307.4	1,181.4	156.0	1,337.4	+1.5%	+8.3%	+2.3%
under 30 years of age	446.6	48.0	494.6	411.5	34.0	445.5	390.8	64.0	454.8	-5.0%	+88.2%	+2.1%
<b>Other employees including:</b>	<b>6,650.6</b>	<b>867.6</b>	<b>7,518.1</b>	<b>6,723.5</b>	<b>831.6</b>	<b>7,555.1</b>	<b>6,048.7</b>	<b>865.5</b>	<b>6,914.2</b>	<b>-10.0%</b>	<b>+4.1%</b>	<b>-8.5%</b>
aged 51 and over	747.9	78.1	826.0	807.0	79.1	886.1	576.4	49.4	625.8	-28.6%	-37.5%	-29.4%
31-50 years old	3,433.2	406.6	3,839.8	3,586.2	422.3	4,008.5	3,199.1	456.2	3,655.3	-10.8%	+8.0%	-8.8%
under 30 years of age	2,469.5	382.9	2,852.3	2,330.3	330.2	2,660.5	2,273.2	359.9	2,633.1	-2.4%	+9.0%	-1.0%
<b>Employees at all levels of the structure</b>												
aged 51 and over	817.3	97.1	914.4	875.1	91.1	966.3	651.2	56.4	707.6	-25.6%	-38.1%	-26.8%
31-50 years old	4,588.8	572.9	5,161.7	4,769.6	594.5	5,364.1	4,402.8	655.2	5,058.0	-7.7%	+10.2%	-5.7%
under 30 years of age	2,916.0	430.9	3,346.9	2,741.8	365.2	3,107.0	2,664.0	424.9	3,088.9	-2.8%	+16.3%	-0.6%
<b>Total for all levels of the structure</b>	<b>8,322.1</b>	<b>1,100.9</b>	<b>9,423.0</b>	<b>8,386.5</b>	<b>1,050.9</b>	<b>9,437.3</b>	<b>7,717.9</b>	<b>1,136.5</b>	<b>8,854.4</b>	<b>-8.0%</b>	<b>+8.2%</b>	<b>-6.2%</b>
- of which employed full time	6,139.0	963.0	7,102.0	6,144.0	971.0	7,115.0	6,163.0	1,060.0	7,223.0	+0.3%	+9.2%	+1.5%
- including part-time employees	2,494.0	131.0	2,625.0	2,533.0	130.0	2,663.0	1,810.0	100.0	1,910.0	-28.5%	-23.1%	-28.3%

**TABLE Z1.4: EMPLOYEES WITH PERMANENT EMPLOYMENT CONTRACTS IN CCC S.A. [GRI 2-7]**

FTE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>4.8</b>	<b>1.0</b>	<b>5.8</b>	<b>3.8</b>	<b>2.0</b>	<b>5.8</b>	<b>5.0</b>	<b>2.0</b>	<b>7.0</b>	<b>+33.3%</b>	<b>0.0%</b>	<b>+21.7%</b>
aged 51 and over	0.0	0.0	0.0	1.0	0.0	1.0	2.0	0.0	2.0	+100.0%	-	+100.0%
31-50 years old	4.8	1.0	5.8	2.8	2.0	4.8	3.0	2.0	5.0	+91%	0.0%	+5.3%
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
<b>Managers and supervisors, including:</b>	<b>806.6</b>	<b>46.0</b>	<b>852.6</b>	<b>774.1</b>	<b>44.2</b>	<b>818.3</b>	<b>757.0</b>	<b>54.0</b>	<b>811.0</b>	<b>-2.2%</b>	<b>+22.2%</b>	<b>-0.9%</b>
aged 51 and over	22.0	3.0	25.0	23.0	3.0	26.0	21.0	2.0	23.0	-8.7%	-33.3%	-11.5%
31-50 years old	598.0	36.0	634.0	600.5	37.2	637.7	574.0	43.0	617.0	-4.4%	+15.6%	-3.2%
under 30 years of age	186.6	7.0	193.6	150.6	4.0	154.6	162.0	9.0	171.0	+7.6%	+125.0%	+10.6%
<b>Other employees including:</b>	<b>1,904.4</b>	<b>204.5</b>	<b>2,108.9</b>	<b>2,052.9</b>	<b>228.0</b>	<b>2,280.9</b>	<b>2,300.0</b>	<b>270.0</b>	<b>2,570.0</b>	<b>+12.0%</b>	<b>+18.4%</b>	<b>+12.7%</b>
aged 51 and over	125.0	8.0	133.0	154.5	10.0	164.5	186.0	13.0	199.0	+20.4%	+30.0%	+21.0%
31-50 years old	1,191.6	129.0	1,320.6	1,271.8	136.5	1,408.3	1,392.0	159.0	1,551.0	+9.5%	+16.5%	+10.1%
under 30 years of age	587.8	67.5	655.3	626.7	81.5	708.2	722.0	98.0	820.0	+15.2%	+20.2%	+15.8%
<b>Employees at all levels of the structure</b>												
aged 51 and over	147.0	11.0	158.0	178.5	13.0	191.5	209.0	15.0	224.0	+17.1%	+15.4%	+17.0%
31-50 years old	1,794.4	166.0	1,960.4	1,875.0	175.7	2,050.7	1,969.0	204.0	2,173.0	+5.0%	+16.1%	+6.0%
under 30 years of age	774.4	74.5	848.9	777.3	85.5	862.8	884.0	107.0	991.0	+13.7%	+25.1%	+14.9%
<b>Total for all levels of the structure</b>	<b>2,715.8</b>	<b>251.5</b>	<b>2,967.3</b>	<b>2,830.8</b>	<b>274.2</b>	<b>3,105.0</b>	<b>3,062.0</b>	<b>326.0</b>	<b>3,388.0</b>	<b>+8.2%</b>	<b>+18.9%</b>	<b>+9.1%</b>
- of which employed full time	2,367.0	247.0	2,614.0	2,449.0	268.0	2,717.0	2,701.0	319.0	3,020.0	+10.3%	+19.0%	+11.2%
- including part-time employees	491.0	7.0	498.0	543.0	10.0	553.0	516.0	11.0	527.0	-5.0%	+10.0%	-4.7%

**TABLE Z1.5: EMPLOYEES WITH FIXED-TERM EMPLOYMENT CONTRACTS IN THE CCC GROUP [GRI 2-7]**

FTE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>26.0</b>	<b>39.3</b>	<b>65.3</b>	<b>2.0</b>	<b>9.0</b>	<b>11.0</b>	<b>-92.3%</b>	<b>-77.1%</b>	<b>-83.1%</b>
aged 51 and over	0.0	1.0	1.0	3.0	6.0	9.0	0.0	4.0	4.0	-100.0%	-33.3%	-55.6%
31-50 years old	0.0	0.0	0.0	23.0	32.3	55.3	2.0	1.0	3.0	-91.3%	-96.9%	-94.6%
under 30 years of age	0.0	0.0	0.0	0.0	1.0	1.0	0.0	4.0	4.0	-	+300.0%	+300.0%
<b>Managers and supervisors, including:</b>	<b>229.0</b>	<b>29.0</b>	<b>258.0</b>	<b>1,838.9</b>	<b>222.5</b>	<b>2,061.4</b>	<b>246.0</b>	<b>76.0</b>	<b>322.0</b>	<b>-86.6%</b>	<b>-65.8%</b>	<b>-84.4%</b>
aged 51 and over	1.0	1.0	2.0	66.0	7.0	73.0	2.0	1.0	3.0	-97.0%	-85.7%	-95.9%
31-50 years old	135.0	18.0	153.0	1,278.4	174.5	1,452.9	171.0	51.0	222.0	-86.6%	-70.8%	-84.7%
under 30 years of age	93.0	10.0	103.0	494.5	41.0	535.5	73.0	24.0	97.0	-85.2%	-41.5%	-81.9%
<b>Other employees including:</b>	<b>3,998.0</b>	<b>722.9</b>	<b>4,720.9</b>	<b>9,881.2</b>	<b>1,361.5</b>	<b>11,242.7</b>	<b>3,902.7</b>	<b>772.8</b>	<b>4,675.6</b>	<b>-60.5%</b>	<b>-43.2%</b>	<b>-58.4%</b>
aged 51 and over	152.9	21.8	174.6	898.5	98.1	996.6	84.4	17.0	101.4	-90.6%	-82.7%	-89.8%
31-50 years old	1,475.8	243.3	1,719.1	4,667.1	589.3	5,256.4	1,286.5	240.8	1,527.3	-72.4%	-59.1%	-70.9%
under 30 years of age	2,369.3	457.9	2,827.2	4,315.6	674.1	4,989.7	2,531.8	515.1	3,046.9	-41.3%	-23.6%	-38.9%
<b>Employees at all levels of the structure</b>												
aged 51 and over	153.9	23.8	177.6	967.5	111.1	1,078.6	86.4	22.0	108.4	-91.1%	-80.2%	-89.9%
31-50 years old	1,610.8	261.3	1,872.1	5,968.5	796.0	6,764.6	1,459.5	292.8	1,752.3	-75.5%	-63.2%	-74.1%
under 30 years of age	2,462.3	467.9	2,930.2	4,810.1	716.1	5,526.2	2,604.8	543.1	3,147.9	-45.8%	-24.2%	-43.0%
<b>Total for all levels of the structure</b>	<b>4,227.0</b>	<b>752.9</b>	<b>4,979.9</b>	<b>11,746.1</b>	<b>1,623.2</b>	<b>13,369.3</b>	<b>4,150.7</b>	<b>857.8</b>	<b>5,008.6</b>	<b>-64.7%</b>	<b>-47.2%</b>	<b>-62.5%</b>
- of which employed full time	2,564.0	677.0	3,241.0	2,094.0	526.0	2,620.0	2,616.0	750.0	3,366.0	+24.9%	+42.6%	+28.5%
- including part-time employees	2,526.0	114.0	2,640.0	1,844.0	79.0	1,923.0	2,649.0	238.0	2,887.0	+43.7%	+201.3%	+50.1%

**TABLE Z1.6: EMPLOYEES WITH FIXED-TERM EMPLOYMENT CONTRACTS IN CCC S.A. [GRI 2-7]**

FTE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.8</b>	<b>2.0</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0%</b>	<b>-100.0%</b>	<b>-100.0%</b>
aged 51 and over	0.0	0.0	0.0	1.0	0.0	1.0	0.0	0.0	0.0	-100.0%	-	-100.0%
31-50 years old	0.0	0.0	0.0	2.8	2.0	4.8	0.0	0.0	0.0	-100.0%	-100.0%	-100.0%
under 30 years of age	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
<b>Managers and supervisors, including:</b>	<b>95.0</b>	<b>7.0</b>	<b>102.0</b>	<b>830.1</b>	<b>50.2</b>	<b>880.3</b>	<b>75.0</b>	<b>17.0</b>	<b>92.0</b>	<b>-91.0%</b>	<b>-66.1%</b>	<b>-89.5%</b>
aged 51 and over	0.0	0.0	0.0	23.0	3.0	26.0	0.0	0.0	0.0	-100.0%	-100.0%	-100.0%
31-50 years old	47.0	5.0	52.0	634.5	42.2	676.7	48.0	11.0	59.0	-92.4%	-73.9%	-91.3%
under 30 years of age	48.0	2.0	50.0	172.6	5.0	177.6	27.0	6.0	33.0	-84.4%	+20.0%	-81.4%
<b>Other employees including:</b>	<b>2,531.0</b>	<b>283.5</b>	<b>2,814.5</b>	<b>3,874.2</b>	<b>383.0</b>	<b>4,257.2</b>	<b>1,856.0</b>	<b>135.0</b>	<b>1,991.0</b>	<b>-52.1%</b>	<b>-64.8%</b>	<b>-53.2%</b>
aged 51 and over	81.0	4.8	85.8	208.5	14.0	222.5	33.0	2.0	35.0	-84.2%	-85.7%	-84.3%
31-50 years old	852.3	61.3	913.5	1,873.8	176.3	2,050.0	589.0	23.0	612.0	-68.6%	-87.0%	-70.1%
under 30 years of age	1,597.8	217.5	1,815.3	1,791.9	192.8	1,984.7	1,234.0	110.0	1,344.0	-31.1%	-42.9%	-32.3%
<b>Employees at all levels of the structure</b>												
aged 51 and over	81.0	4.8	85.8	232.5	17.0	249.5	33.0	2.0	35.0	-85.8%	-88.2%	-86.0%
31-50 years old	899.3	66.3	965.5	2,511.0	220.5	2,731.5	637.0	34.0	671.0	-74.6%	-84.6%	-75.4%
under 30 years of age	1,645.8	219.5	1,865.3	1,964								

**TABLE Z1.7: NUMBER OF EMPLOYEES NEWLY HIRED IN THE PERIOD 01.02.2021.-31.01.2022. IN THE CCC GROUP**

IN NUMBER OF PEOPLE	INDEFINITELY			FIXED			TOGETHER		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>6</b>	<b>9</b>	<b>15</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>18</b>
aged 51 and over	0	0	0	0	0	0	0	0	0
31-50 years old	6	9	15	2	1	3	8	10	18
under 30 years of age	0	0	0	0	0	0	0	0	0
<b>Managers and supervisors, including:</b>	<b>104</b>	<b>45</b>	<b>149</b>	<b>209</b>	<b>81</b>	<b>290</b>	<b>313</b>	<b>126</b>	<b>439</b>
aged 51 and over	3	1	4	1	2	3	4	3	7
31-50 years old	79	28	107	148	59	207	227	87	314
under 30 years of age	22	16	38	60	20	80	82	36	118
<b>Other employees including:</b>	<b>1,323</b>	<b>235</b>	<b>1,558</b>	<b>6,173</b>	<b>1,127</b>	<b>7,299</b>	<b>7,496</b>	<b>1,362</b>	<b>8,857</b>
aged 51 and over	50	7	57	176	19	195	226	26	252
31-50 years old	479	70	549	1,738	293	2,031	2,217	363	2 580
under 30 years of age	794	158	952	4,258	815	5,073	5,052	973	6 025
<b>Employees at all levels of the structure</b>									
aged 51 and over	53	8	61	177	21	198	230	29	259
31-50 years old	564	107	671	1,888	353	2,241	2,452	460	2,912
under 30 years of age	816	174	990	4,318	835	5,153	5,134	1,009	6,143
<b>Total for all levels of the structure</b>	<b>1,433</b>	<b>289</b>	<b>1,722</b>	<b>6,384</b>	<b>1,209</b>	<b>7,592</b>	<b>7,817</b>	<b>1,498</b>	<b>9,314</b>

**TABLE Z1.8: NUMBER OF EMPLOYEES NEWLY HIRED IN THE PERIOD 01.02.2021-31.01.2022. IN CCC S.A.**

IN NUMBER OF PEOPLE	INDEFINITELY			FIXED			TOGETHER		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
aged 51 and over	0	0	0	0	0	0	0	0	0
31-50 years old	0	1	1	1	0	1	1	1	2
under 30 years of age	0	0	0	0	0	0	0	0	0
<b>Managers and supervisors, including:</b>	<b>9</b>	<b>5</b>	<b>14</b>	<b>99</b>	<b>26</b>	<b>125</b>	<b>108</b>	<b>31</b>	<b>139</b>
aged 51 and over	0	0	0	0	1	1	0	1	1
31-50 years old	7	5	12	66	13	79	73	18	91
under 30 years of age	2	0	2	33	12	45	35	12	47
<b>Other employees including:</b>	<b>90</b>	<b>20</b>	<b>110</b>	<b>3,008</b>	<b>312</b>	<b>3,320</b>	<b>3,098</b>	<b>332</b>	<b>3,430</b>
aged 51 and over	4	1	5	32	2	34	36	3	39
31-50 years old	49	12	61	687	39	726	736	51	787
under 30 years of age	37	7	44	2,289	271	2,560	2,326	278	2,604
<b>Employees at all levels of the structure</b>									
aged 51 and over	4	1	5	32	3	35	36	4	40
31-50 years old	56	18	74	754	52	806	810	70	880
under 30 years of age	39	7	46	2,322	283	2,605	2,361	290	2,651
<b>Total for all levels of the structure</b>	<b>99</b>	<b>26</b>	<b>125</b>	<b>3,108</b>	<b>338</b>	<b>3,446</b>	<b>3,207</b>	<b>364</b>	<b>3,571</b>

**TABLE Z1.9: NUMBER OF EMPLOYEES WHO LEFT THEIR JOBS IN THE PERIOD 01.02.2021.-31.01.2022. IN THE CCC GROUP**

IN NUMBER OF PEOPLE	INDEFINITELY			FIXED			TOGETHER		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>7</b>	<b>15</b>	<b>22</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>17</b>	<b>24</b>
aged 51 and over	0	1	1	0	0	0	0	1	1
31-50 years old	7	14	21	0	2	2	7	16	23
under 30 years of age	0	0	0	0	0	0	0	0	0
<b>Managers and supervisors, including:</b>	<b>235</b>	<b>56</b>	<b>291</b>	<b>134</b>	<b>47</b>	<b>181</b>	<b>369</b>	<b>103</b>	<b>472</b>
aged 51 and over	13	4	17	0	2	2	13	6	19
31-50 years old	162	43	205	84	25	109	246	68	314
under 30 years of age	60	9	69	50	20	70	110	29	139
<b>Other employees including:</b>	<b>2,027</b>	<b>325</b>	<b>2,352</b>	<b>3,903</b>	<b>696</b>	<b>4,599</b>	<b>5,930</b>	<b>1,021</b>	<b>6,951</b>
aged 51 and over	222	30	252	97	14	111	319	44	363
31-50 years old	886	120	1,006	998	165	1,163	1,884	285	2,169
under 30 years of age	919	175	1,094	2,808	517	3,325	3,727	692	4,419
<b>Employees at all levels of the structure</b>									
aged 51 and over	235	35	270	97	16	113	332	51	383
31-50 years old	1,055	177	1,232	1,082	192	1,274	2,137	369	2,506
under 30 years of age	979	184	1,163	2,858	537	3,395	3,837	721	4,558
<b>Total for all levels of the structure</b>	<b>2,269</b>	<b>396</b>	<b>2,665</b>	<b>4,037</b>	<b>745</b>	<b>4,782</b>	<b>6,306</b>	<b>1,141</b>	<b>7,447</b>

**TABLE Z1.10: NUMBER OF EMPLOYEES WHO LEFT THEIR JOBS IN THE PERIOD 01.02.2021.-31.01.2022. IN CCC S.A.**

IN NUMBER OF PEOPLE	INDEFINITELY			FIXED			TOGETHER		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Senior management, including:</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>
aged 51 and over	0	0	0	0	0	0	0	0	0
31-50 years old	1	1	2	0	1	1	1	2	3
under 30 years of age	0	0	0	0	0	0	0	0	0
<b>Managers and supervisors, including:</b>	<b>121</b>	<b>9</b>	<b>130</b>	<b>71</b>	<b>17</b>	<b>88</b>	<b>192</b>	<b>26</b>	<b>218</b>
aged 51 and over	3	1	4	0	1	1	3	2	5
31-50 years old	87	8	95	44	7	51	131	15	146
under 30 years of age	31	0	31	27	9	36	58	9	67
<b>Other employees including:</b>	<b>343</b>	<b>41</b>	<b>384</b>	<b>2,434</b>	<b>255</b>	<b>2,689</b>	<b>2,777</b>	<b>296</b>	<b>3,073</b>
aged 51 and over	27	2	29	34	0	34	61	2	63
31-50 years old	203	19	222	493	29	522	696	48	744
under 30 years of age	113	20	133	1,907	226	2,133	2,020	246	2,266
<b>Employees at all levels of the structure</b>									
aged 51 and over	30	3	33	34	1	35	64	4	68
31-50 years old	291	28	319	537	37	574	828	65	893
under 30 years of age	144	20	164	1,934	235	2,169	2,078	255	2,333
<b>Total for all levels of the structure</b>	<b>465</b>	<b>51</b>	<b>516</b>	<b>2,505</b>	<b>273</b>	<b>2,778</b>	<b>2,970</b>	<b>324</b>	<b>3,294</b>

**TABLE Z1.11: NUMBER OF EMPLOYEES BY POSITION IN THE CCC GROUP**

IN NUMBER OF PEOPLE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Management	5	19	24	4	18	22	7	18	25	+75.0%	0.0%	+13.6%
Directors	24	37	61	27	34	61	31	45	76	+14.8%	+32.4%	+24.6%
Managers and supervisors	1,853	233	2,086	1,784	231	2,015	1,009	248	1,257	-43.4%	+74%	-37.6%
Store employees	8,961	478	9,439	8,526	489	9,015	9,974	801	10,775	+17.0%	+63.8%	+19.5%
Production workers	761	161	922	591	101	692	7	3	10	-98.8%	-97.0%	-98.6%
Administrative staff	1,567	601	2,168	1,534	525	2,059	1,884	904	2,788	+22.8%	+72.2%	+35.4%
Warehouse and logistics employees	860	587	1,447	859	557	1,416	1,182	541	1,723	+37.6%	-2.9%	+21.7%
<b>In total, all employees</b>	<b>14,031</b>	<b>2,116</b>	<b>16,147</b>	<b>13,325</b>	<b>1,955</b>	<b>15,280</b>	<b>14,094</b>	<b>2,560</b>	<b>16,654</b>	<b>+5.8%</b>	<b>+30.9%</b>	<b>+9.0%</b>

**TABLE Z1.12: NUMBER OF EMPLOYEES BY POSITION IN CCC S.A.**

IN NUMBER OF PEOPLE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Management	0	3	3	0	3	3	0	7	7	-	+133.3%	+133.3%
Directors	6	1	7	6	2	8	6	2	8	0.0%	0.0%	0.0%
Managers and supervisors	905	54	959	833	51	884	37	39	76	-95.6%	-23.5%	-91.4%
Store employees	4,510	144	4,654	4,121	141	4,262	5,248	257	5,505	+27.3%	+82.3%	+29.2%
Production workers	0	0	0	0	0	0	0	0	0	-	-	-
Administrative staff	220	70	290	152	62	214	124	69	193	-18.4%	+11.3%	-9.8%
Warehouse and logistics employees	558	304	862	503	231	734	532	230	762	+5.8%	-0.4%	+3.8%
<b>In total, all employees</b>	<b>6,199</b>	<b>576</b>	<b>6,775</b>	<b>5,615</b>	<b>490</b>	<b>6,105</b>	<b>5,947</b>	<b>604</b>	<b>6,551</b>	<b>+5.9%</b>	<b>+23.3%</b>	<b>+7.3%</b>

**TABLE Z1.13: DATA ON OTHER WORKERS AT THE CCC GROUP [GRI 2–8]**

IN NUMBER OF PEOPLE ON 01/31/2022	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of persons cooperating on the basis of civil law contracts (mandates and contracts for specific work)	1,159	281	1,440	1,510	343	1,853	1,691	447	2,138	+12.0%	+30.3%	+15.4%
Number of people cooperating based on the cooperation agreement (B2B)	16	45	61	18	50	68	25	86	111	+38.9%	+72.0%	+63.2%
Number of persons cooperating on the basis of appointment contracts	4	11	15	2	10	12	2	14	16	0.0%	+40.0%	+33.3%

**TABLE Z1.14: DATA ON OTHER WORKERS IN CCC S.A. [GRI 2–8]**

IN NUMBER OF PEOPLE ON 01/31/2022	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of persons cooperating on the basis of civil law contracts (mandates and contracts for specific work)	21	3	24	251	29	280	407	101	508	+62.2%	+248.3%	+81.4%
Number of people cooperating based on the cooperation agreement (B2B)	3	11	14	3	11	14	0	0	0	-100.0%	-100.0%	-100.0%
Number of persons cooperating on the basis of appointment contracts	0	3	3	0	3	3	0	7	7	-	+133.3%	+133.3%

**TABLE Z1.15: EMPLOYEES WITH DISABILITIES IN THE CCC GROUP**

IN NUMBER OF PERSONS. THOUSAND PLN	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of employees with disabilities	558	73	631	479	61	540	526	65	591	9.8%	6.6%	9.4%
Amount of contributions paid to PFRON	1 468.9			2 349.0			3 382.5					+44.0%

**TABLE Z1.16: EMPLOYEES WITH DISABILITIES IN CCC S.A.**

IN NUMBER OF PERSONS. THOUSAND PLN	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of employees with disabilities	402	23	425	323	14	337	367	21	388	+13.6%	+50.0%	+15.1%
Amount of contributions paid to PFRON	0.0			0.0			0.0			-		

**TABLE Z1.17: GLASS CEILING RATIOS IN THE CCC GROUP**

%	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	41.9%	58.1%		39.8%	60.2%		34.9%	65.1%		-5.0 pp	+5.0 pp	
Managers and supervisors	89.4%	10.6%		89.2%	10.8%		86.3%	13.7%		-2.9 pp	+2.9 pp	
Other employees	87.0%	13.0%		87.9%	12.1%		85.9%	14.1%		-2.0 pp	+2.0 pp	
All employees	87.1%	12.9%		87.9%	12.1%		85.6%	14.4%		-2.2 pp	+2.2 pp	
– senior executives, managers and supervisors	87.8%	12.2%		87.7%	12.3%		84.3%	15.7%		-3.4 pp	+3.4 pp	
GCR2			45.2%			48.0%			50.7%			+2.2 pp
GCR1			2.2%			1.3%			0.7%			-0.9 pp
GCR (senior executives, managers and supervisors)			0.7%			0.2%			1.3%			+1.3 pp

**TABLE Z1.18: GLASS CEILING RATIOS IN CCC S.A.**

%	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	82.6%	17.4%		65.2%	34.8%		71.4%	28.6%		+6.2 pp	-6.2 pp	
Managers and supervisors	94.4%	5.6%		94.3%	5.7%		92.1%	7.9%		-2.2 pp	+2.2 pp	
Other employees	90.1%	9.9%		91.0%	9.0%		91.1%	8.9%		+0.1 pp	-0.1 pp	
All employees	90.8%	9.2%		91.5%	8.5%		91.3%	8.7%		-0.3 pp	+0.3 pp	
– senior executives, managers and supervisors	94.4%	5.6%		94.1%	5.9%		92.0%	8.0%		-2.1 pp	+2.1 pp	
GCR2			8.2%			26.3%			19.8%			-6.5 pp
GCR1			3.7%			2.8%			0.9%			-1.9 pp
GCR (senior executives, managers and supervisors)			3.6%			2.6%			0.7%			-1.9 pp

## 6.2. APPENDIX 2: DATA CONCERNING REMUNERATION



**TABLE Z2.1: AVERAGE MONTHLY GROSS PAY IN THE CCC GROUP**

PLN	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	20,138.9	23,350.6	24,144.1	22,217.3	24,155.0	23,382.9	24,911.0	31,170.4	28,986.9	+12.1%	+29.0%	+24.0%
Managers and supervisors	4,512.6	9,724.1	5,350.5	4,520.0	9,702.1	5,077.1	5,611.7	10,710.6	6,296.2	+24.2%	+10.4%	+24.0%
Other employees	2,778.7	4,012.1	3,140.6	3,060.2	4,831.4	3,274.7	4,060.2	5,129.8	4,211.3	+32.7%	+6.2%	+28.6%
<b>All employees</b>	<b>3,077.5</b>	<b>5,119.6</b>	<b>3,563.1</b>	<b>3,331.2</b>	<b>5,960.3</b>	<b>3,650.4</b>	<b>4,361.5</b>	<b>7,408.9</b>	<b>4,697.9</b>	<b>+30.9%</b>	<b>+24.3%</b>	<b>+28.7%</b>

**TABLE Z2.2: AVERAGE MONTHLY GROSS PAY IN CCC S.A.**

PLN	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	35,478.3	24,121.2	33,503.1	35,236.0	28,365.2	32,846.1	27,412.8	112,788.7	51,805.9	-22.2%	+297.6%	+57.7%
Managers and supervisors	4,532.6	10,012.0	4,836.8	4,207.4	8,880.0	4,473.9	5,033.6	10,618.4	5,472.7	+19.6%	+19.6%	+22.3%
Other employees	2,989.7	4,593.8	3,148.7	3,061.4	4,828.8	3,220.4	3,494.6	4,754.3	3,606.5	+14.2%	-1.5%	+12.0%
<b>All employees</b>	<b>3,279.0</b>	<b>5,159.7</b>	<b>3,452.2</b>	<b>3,289.1</b>	<b>5,404.3</b>	<b>3,468.1</b>	<b>3,775.0</b>	<b>8,918.4</b>	<b>3,976.1</b>	<b>+14.8%</b>	<b>+65.0%</b>	<b>+14.6%</b>

**TABLE Z2.3: RATIO OF AVERAGE FEMALE TO AVERAGE MALE REMUNERATION IN THE CCC GROUP**

%	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
Senior management	86.2%	92.0%	79.9%	-12.1 pp
Managers and supervisors	46.4%	46.6%	52.4%	+5.8 pp
Other employees	69.3%	63.3%	79.2%	+15.8 pp
<b>All employees</b>	<b>60.1%</b>	<b>55.9%</b>	<b>58.9%</b>	<b>+3.0 pp</b>

**TABLE Z2.4: RATIO OF AVERAGE FEMALE TO AVERAGE MALE REMUNERATION OF MEN IN CCC S.A.**

%	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
Senior management	147.1%	124.2%	24.3%	-99.9 pp
Managers and supervisors	45.3%	47.4%	47.4%	0.0 pp
Other employees	65.1%	63.4%	73.5%	+10.1 pp
<b>All employees</b>	<b>63.6%</b>	<b>60.9%</b>	<b>42.3%</b>	<b>-18.5 pp</b>

**TABLE Z2.5. GENDER PAY GAP RATIOS IN CCC GROUP**

%	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
GPGR Senior Management	13.8%	8.0%	20.1%	+12.1 pp
GPGR Managers and Supervisors	53.6%	53.4%	47.6%	-5.8 pp
GPGR Other employees	30.7%	36.7%	20.8%	-15.8 pp
<b>GPGR All employees</b>	<b>39.9%</b>	<b>44.1%</b>	<b>41.1%</b>	<b>-3.0 pp</b>

TABLE Z2.6: GENDER PAY GAP RATIOS IN CCC S.A.

%	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
GPGR Senior Management	47.1%	24.2%	75.7%	51.5 pp
GPGR Managers and Supervisors	54.7%	52.6%	52.6%	+0.0 pp
GPGR Other employees	34.9%	36.6%	26.5%	-10.1 pp
<b>GPGR All employees</b>	<b>36.4%</b>	<b>39.1%</b>	<b>57.7%</b>	<b>+18.5 pp</b>

TABLE Z2.7: HEALTH AND SAFETY INDICATORS IN THE CCC GROUP

	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
<b>ACCIDENTS AMONG EMPLOYEES</b>				
Minor accidents	73.00	32.00	58.00	+81.3%
Severe accidents	3.00	3.00	0.00	-100%
Fatal accidents	0.00	0.00	0.00	-
Collective accidents	0.00	0.00	0.00	-
<b>Total number of accidents</b>	<b>76.00</b>	<b>35.00</b>	<b>58.00</b>	<b>+65.7%</b>
<b>ACCIDENTS AMONG EMPLOYEES OF SUBCONTRACTORS WORKING ON SITE</b>				
Minor accidents	0.00	4.00	7.00	+75.0%
Severe accidents	0.00	0.00	0.00	-
Fatal accidents	0.00	0.00	0.00	-
Collective accidents	0.00	0.00	0.00	-
<b>Total number of accidents</b>	<b>0.00</b>	<b>4.00</b>	<b>7.00</b>	<b>+75.0%</b>
<b>OTHER SAFETY AND HEALTH DATA</b>				
Accident frequency rate (accidents at work per 1000 employees)	5.28	2.92	4.69	60.7%
Accident frequency rate (accidents at work per 200.000 hours worked)	0.52	0.29	0.47	60.7%
Serious accident frequency rate (accidents at work per 1 million hours worked)	0.10	0.11	0.00	-100.0%
Number of days of incapacity for work due to accidents	1,938.00	1,119.00	1,605.00	+43.4%
Accident severity rate (number of days of work disability per accident)	25.50	28.69	24.69	-13.9%
Number of cases of occupational diseases identified during the period	0.00	0.00	0.00	-
Number of employees working in a given year in conditions exceeding maximum admissible concentrations (MAC) or maximum admissible intensities (MAI)	48.00	43.00	43.00	0.0%

TABLE Z2.8: HEALTH AND SAFETY INDICATORS IN CCC S.A.

	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
<b>ACCIDENTS AMONG EMPLOYEES</b>				
Minor accidents	4.00	3.00	8.00	+166.7%
Severe accidents	0.00	0.00	0.00	-
Fatal accidents	0.00	0.00	0.00	-
Collective accidents	0.00	0.00	0.00	-
<b>Total number of accidents</b>	<b>4.00</b>	<b>3.00</b>	<b>8.00</b>	<b>+166.7%</b>
<b>ACCIDENTS AMONG EMPLOYEES OF SUBCONTRACTORS WORKING ON SITE</b>				
Minor accidents	0.00	1.00	0.00	-100.0%
Severe accidents	0.00	0.00	0.00	-
Fatal accidents	0.00	0.00	0.00	-
Collective accidents	0.00	0.00	0.00	-
<b>Total number of accidents</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>	<b>-100.0%</b>
<b>OTHER SAFETY AND HEALTH DATA</b>				
Accident frequency rate (accidents at work per 1000 employees)	0.68	0.78	1.46	+88.0%
Accident frequency rate (accidents at work per 200.000 hours worked)	0.07	0.08	0.15	+88.0%
Incidence rate of severe accidents (accidents at work per 1 million hours worked)	0.00	0.00	0.00	-
Number of days of incapacity for work due to accidents	235.00	297.00	280.00	-5.7%
Accident severity rate (number of days of work disability per accident)	58.75	74.25	35.00	-52.9%
Number of cases of occupational diseases identified during the period	0.00	0.00	0.00	-
Number of employees working in a given year in conditions exceeding maximum admissible concentrations (MAC) or maximum admissible intensities (MAI)	0.00	0.00	0.00	-

TABLE Z2.9: AVERAGE NUMBER OF TRAINING HOURS AT CCC GROUP [GRI 404-1]

NUMBER OF HOURS PER EMPLOYEE IN A GIVEN PERIOD	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	6.2	17.6	12.8	16.3	6.1	10.2	2.9	3.7	3.4	-82.1%	-40.2%	-66.6%
Managers and supervisors	5.5	9.5	5.9	26.3	15.4	25.1	18.2	20.6	18.5	-30.7%	+34.0%	-26.1%
Other employees	4.0	3.2	3.9	16.9	9.4	16.0	13.4	12.8	13.3	-20.9%	+37.0%	-16.9%
<b>All employees</b>	<b>4.2</b>	<b>4.3</b>	<b>4.2</b>	<b>18.4</b>	<b>10.1</b>	<b>17.4</b>	<b>14.1</b>	<b>13.7</b>	<b>14.0</b>	<b>-23.2%</b>	<b>+36.0%</b>	<b>-19.1%</b>
Expenditure on training in the given period (thousand PLN)	2,495.5	458.4	2,995.0	814.4	230.5	1,162.3	1,584.9	548.3	2,341.6	94.6%	+137.9%	+101.5%

**TABLE Z2.10: AVERAGE NUMBER OF TRAINING HOURS AT CCC S.A. [404-1]**

NUMBER OF HOURS PER EMPLOYEE IN A GIVEN PERIOD	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	3.2	10.0	4.3	33.6	42.5	36.7	2.4	4.5	3.0	-92.9%	-89.4%	-91.8%
Managers and supervisors	0.1	0.0	0.1	44.0	29.0	43.1	25.8	25.6	25.7	-41.5%	-11.6%	-40.3%
Other employees	0.7	0.8	0.7	37.5	19.6	35.9	19.8	23.2	20.1	-47.3%	18.0%	-44.1%
<b>All employees</b>	<b>0.6</b>	<b>0.7</b>	<b>0.6</b>	<b>38.7</b>	<b>20.8</b>	<b>37.2</b>	<b>20.8</b>	<b>23.5</b>	<b>21.0</b>	<b>-46.3%</b>	<b>12.7%</b>	<b>-43.5%</b>
Expenditure on training in the given period (thousand PLN)	634.4	58.9	693.3	122.6	11.4	164.8	87.1	7.6	94.7	-29.0%	-33.5%	-42.6%

**TABLE Z2.11: NUMBER OF EMPLOYEES IMPROVING THEIR PROFESSIONAL QUALIFICATIONS IN THE CCC GROUP**

NUMBER OF PEOPLE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	6	8	14	2	2	4	1	2	3	-50.0%	0.0%	-25.0%
Managers and supervisors	47	35	82	23	5	28	26	2	28	+13.0%	-60.0%	0.0%
Other employees	134	67	201	42	21	63	27	11	38	-35.7%	-47.6%	-39.7%
<b>All employees</b>	<b>187</b>	<b>110</b>	<b>297</b>	<b>67</b>	<b>28</b>	<b>95</b>	<b>54</b>	<b>15</b>	<b>69</b>	<b>-19.4%</b>	<b>-46.4%</b>	<b>-27.4%</b>

**TABLE Z2.12: NUMBER OF EMPLOYEES RAISING THEIR PROFESSIONAL QUALIFICATIONS IN CCC S.A.**

NUMBER OF PEOPLE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	0	0	0	1	0	1	0	0	0	-100.0%	-	-100.0%
Managers and supervisors	0	0	0	0	2	2	0	0	0	-	-100.0%	-100.0%
Other employees	0	0	0	4	9	13	20	10	30	+400.0%	+11.0%	+130.8%
<b>All employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>11</b>	<b>16</b>	<b>20</b>	<b>10</b>	<b>30</b>	<b>+300.0%</b>	<b>-9.1%</b>	<b>+87.5%</b>

**TABLE Z2.13: NUMBER OF EMPLOYEES TRAINED IN SELECTED TOPICS IN THE CCC GROUP**

NUMBER OF PEOPLE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Initial training in occupational safety and health	1,713	176	7,387	1,105	120	3,932	7,833	1,570	9,403	+608.9%	+1,208.3%	+139.1%
Periodic training in occupational health and safety	2,372	224	4,199	2,038	193	3,432	4,403	313	4,716	+116.0%	+62.2%	+37.4%
Specialized training in occupational health and safety, including first aid training	107	9	391	862	84	1,022	2,774	353	3,127	+221.8%	+320.2%	+206.0%
Fire protection training	3,096	325	4,076	1,547	202	1,821	4,574	553	5,127	+195.7%	+173.8%	+181.5%
Training in counteracting corruption	0	0	0	0	0	0	2,040	120	2,160	-	-	-
Training in human rights procedures and policies	0	0	0	76	2	78	2,477	206	2,683	+3,159.2%	+10,200.0%	+3,339.7%

**TABLE Z2.14: NUMBER OF EMPLOYEES TRAINED IN SELECTED TOPICS IN CCC S.A.**

NUMBER OF PEOPLE	01.01.2019.–31.12.2019.	01.01.2020.–31.12.2020.	01.02.2021.–31.01.2022.	Y/Y CHANGE
	W+M	W+M	W+M	W+M
Initial training in occupational safety and health	4,203	1,741	4,161	+139.0%
Periodic training in occupational health and safety	976	1,025	724	-29.4%
Specialized training in occupational health and safety, including first aid training	96	0	2,478	-
Fire protection training	24	8	2,508	+31,250.0%
Training in counteracting corruption	0	0	0	-
Training in human rights procedures and policies	0	0	0	-

**TABLE Z2.15: EMPLOYEES WHO HAVE UNDERGONE REGULAR EMPLOYEE EVALUATIONS IN THE CCC GROUP**

NUMBER OF PEOPLE	01.01.2019.–31.12.2019.			01.01.2020.–31.12.2020.			01.02.2021.–31.01.2022.			Y/Y CHANGE		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Senior management	1	3	4	2	3	5	0	0	0	-100.0%	-100.0%	-100.0%
Managers and supervisors	251	30	281	326	31	357	224	117	341	-31.3%	+277.4%	-4.5%
Other employees	735	107	842	738	110	848	690	213	903	-6.5%	+93.6%	+6.5%
<b>All employees</b>	<b>987</b>	<b>140</b>	<b>1,127</b>	<b>1,066</b>	<b>144</b>	<b>1,210</b>	<b>900</b>	<b>330</b>	<b>1,230</b>	<b>-15.6%</b>	<b>+129.2%</b>	<b>+1.7%</b>

**TABLE Z2.16: EMPLOYEES WHO HAVE UNDERGONE REGULAR EMPLOYEE EVALUATIONS AT CCC S.A.**

In 2019, 2020 and 2021 employees of CCC S.A were not subject to regular employee appraisals.

**TABLE Z2.17: DIVERSITY AMONG EMPLOYEES AT CCC S.A. ON WORK CONTRACTS BY GENDER, AGE GROUP AND CLASSIFICATION [GRI 405-1]**

FTE	01.01.2019.–31.12.2019.		01.01.2020.–31.12.2020.		01.02.2021.–31.01.2022.	
	W	M	W	M	W	M
<b>Senior management, including:</b>	<b>82.61%</b>	<b>17.39%</b>	<b>65.22%</b>	<b>34.78%</b>	<b>71.43%</b>	<b>28.57%</b>
aged 51 and over	-	-	100.00%	0.00%	100.00%	0.00%
31-50 years old	82.61%	17.39%	57.89%	42.11%	60.00%	40.00%
under 30 years of age	-	-	-	-	-	-
<b>Managers and supervisors, including:</b>	<b>94.45%</b>	<b>5.55%</b>	<b>94.30%</b>	<b>5.70%</b>	<b>92.14%</b>	<b>7.86%</b>
aged 51 and over	88.00%	12.00%	88.46%	11.54%	91.30%	8.70%
31-50 years old	94.02%	5.98%	93.76%	6.24%	92.01%	7.99%
under 30 years of age	96.31%	3.69%	97.19%	2.81%	92.65%	7.35%
<b>Other employees including:</b>	<b>90.09%</b>	<b>9.91%</b>	<b>91.00%</b>	<b>9.00%</b>	<b>91.12%</b>	<b>8.88%</b>
aged 51 and over	94.17%	5.83%	93.71%	6.29%	93.59%	6.41%
31-50 years old	91.48%	8.52%	91.40%	8.60%	91.59%	8.41%
under 30 years of age	88.46%	11.54%	90.29%	9.71%	90.39%	9.61%
<b>Employees at all levels of the structure</b>	<b>90.79%</b>	<b>9.21%</b>	<b>91.54%</b>	<b>8.46%</b>	<b>91.26%</b>	<b>8.74%</b>
aged 51 and over	93.54%	6.46%	93.19%	6.81%	93.44%	6.56%
31-50 years old	92.06%	7.94%	91.93%	8.07%	91.63%	8.37%
under 30 years of age	89.17%	10.83%	90.85%	9.15%	90.58%	9.42%

### 6.3. APPENDIX 3: ENVIRONMENTAL DATA

TABLE Z3.1: FUEL AND ENERGY CONSUMPTION IN CCC S.A.

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>FUEL USED IN THE COMPANY'S BUILDINGS AND INSTALLATIONS</b>					
Natural gas	MWh	6,067.1	4,198.2	5,983.0	+42.5%
Fuel oil	MWh	0.0	0.0	0.0	-
LPG	MWh	0.0	0.0	0.0	-
Total fuels consumed in buildings and installations	MWh	6,067.1	4,198.2	5,983.0	+42.5%
<b>FUELS USED IN TRANSPORT BY OWN VEHICLES</b>					
Gasoline	MWh	2,112.0	1,082.5	1,148.9	+6.1%
Diesel	MWh	2,885.6	1,009.8	1,170.9	+16.0%
LPG	MWh	0.0	0.0	0.0	-
Total fuels consumed in transport by own vehicles	MWh	4,997.5	2,092.3	2,319.9	+10.9%
<b>ENERGY GENERATED</b>					
Electricity generated from RES	MWh	55.4	82.9	65.9	-20.5%
<b>PURCHASED ENERGY</b>					
Electricity	MWh	49,043.7	36,729.2	40,451.9	+10.1%
- of which at retail stores	MWh	42,434.6	30,896.6	34,363.3	+11.2%
- other	MWh	6,609.1	5,832.6	6,088.6	+4.4%
Thermal energy	MWh	0.0	0.0	0.0	-
<b>Total energy consumption</b>	<b>MWh</b>	<b>60,163.8</b>	<b>43,102.6</b>	<b>48,820.7</b>	<b>+13.3%</b>
<b>Total energy consumption</b>	<b>GJ</b>	<b>216,589.5</b>	<b>155,169.5</b>	<b>175,754.57</b>	<b>+13.3%</b>

TABLE Z3.2: CONSUMPTION OF FUELS AND ENERGY FROM RENEWABLE AND NON-RENEWABLE SOURCES IN CCC S.A.

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
Energy from all renewable sources (from fuel and purchased energy)	MWh	5,279.9	9,756.6	21,462.1	+120.0%
Percentage of energy from renewable sources	%	8.8%	22.6%	44.0%	+21.3 pp
Energy from all non-renewable sources (from fuel and purchased energy)	MWh	54,883.8	33,346.0	27,358.6	-18.0%
Percentage of energy from non-renewable sources	%	91.2%	77.4%	56.0%	-21.3 pp
<b>Total energy from all sources</b>	<b>MWh</b>	<b>60,163.8</b>	<b>43,102.6</b>	<b>48,820.7</b>	<b>+13.3%</b>



TABLE Z3.3: ENERGY INTENSITY RATIO IN CCC S.A.

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
Energy from renewable sources per unit of product	kWh/piece	0.2	0.3	0.6	+119.1%
Energy from renewable sources per 1 million PLN of revenue	MWh/1 mln PLN	2.3	6.1	8.9	+46.2%
Energy from non-renewable sources per unit of product	kWh/piece	1.6	1.0	0.8	-18.3%
Energy from non-renewable sources per PLN 1 million of revenue	MWh/1 mln PLN	24.2	20.8	11.4	-45.5%
<b>Energy from all sources per unit of product</b>	<b>kWh/piece</b>	<b>1.7</b>	<b>1.2</b>	<b>1.4</b>	<b>+12.8%</b>
<b>Energy from all sources per 1 million PLN of revenue</b>	<b>MWh/1 mln PLN</b>	<b>26.5</b>	<b>26.9</b>	<b>20.3</b>	<b>-24.7%</b>

TABLE Z3.4: GREENHOUSE GAS EMISSIONS IN FISCAL YEAR 2021 AT CCC S.A.  
[GRI 305-1, 305-2, 305-4]

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>SCOPE 1</b>					
Emissions from fuel use in buildings and installations	Mg CO <sub>2</sub> e	1,127.6	834.2	1,188.9	+42.5%
Emissions from fuel consumption in transport	Mg CO <sub>2</sub> e	1,298.2	550.1	610.8	+11.0%
Emissions due to leakage of refrigerants	Mg CO <sub>2</sub> e	b.d.	b.d.	400.5	-
Total GHG Scope 1 emissions	Mg CO <sub>2</sub> e	2,425.8	1,384.3	2,200.2	+58.9%
Scope 1 emissions per product unit	kg CO <sub>2</sub> e/piece	0.1	0.0	0.1	+58.3%
Scope 1 emissions per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	1.1	0.9	0.9	+5.7%
<b>SCOPE 2 LOCATION-BASED</b>					
Emissions from purchased electricity	Mg CO <sub>2</sub> e	37,925.5	24,579.2	28,235.4	+14.9%
Emissions from purchased heat	Mg CO <sub>2</sub> e	0.0	0.0	0.0	-
Total GHG Scope 2 location-based emissions	Mg CO <sub>2</sub> e	37,925.5	24,579.2	28,235.4	+14.9%
Scope 2 location-based emissions per product unit	kg CO <sub>2</sub> e/piece	1.1	0.7	0.8	+14.4%
Scope 2 location-based emissions per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	16.7	15.4	11.7	-23.6%
<b>SCOPE 2 MARKET-BASED</b>					
Total GHG Scope 2 market-based emissions	Mg CO <sub>2</sub> e	b.d.	24,865.6	17,163.0	-31.0%
Scope 2 market-based issues per unit of product	kg CO <sub>2</sub> e/piece	b.d.	0.7	0.5	-31.2%
Scope 2 market-based issues per PLN 1 million revenue	Mg CO <sub>2</sub> e/1mln PLN	b.d.	15.5	7.1	-54.1%
<b>SCOPE 1+2 LOCATION-BASED</b>					
Total GHG Scope 1+2 location-based emissions	Mg CO <sub>2</sub> e	40,351.3	25,963.5	30,435.7	+17.2%
Scope 1+2 location-based emissions per product unit	kg CO <sub>2</sub> e/piece	1.2	0.8	0.9	+16.8%
Scope 1+2 location-based issues per PLN 1 million revenue	Mg CO <sub>2</sub> e/1 mln PLN	17.8	16.2	12.6	-22.1%

TABLE Z3.5: MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS IN CCC S.A.

MAIN CATEGORIES OF RAW MATERIALS AND MATERIALS	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
Cardboard	Mg	0.0	0.0	50.0	-
Wood	Mg	0.0	0.0	40.4	-

Consumption of other raw materials is not reported in the case of CCC S.A., because this company does not use other raw materials – they are reported at the level of the entire CCC Group.

TABLE Z3.6: HAZARDOUS AND NON-HAZARDOUS WASTE IN CCC S.A.

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>HAZARDOUS WASTE</b>					
Recycling	Mg	0.2	0.0	1.4	-
Storage at landfills	Mg	0.0	0.0	0.0	-
Disposal	Mg	0.0	1.0	0.0	-100.0%
Reuse	Mg	0.0	0.0	0.0	-
Permanent on-site storage	Mg	0.0	0.0	0.0	-
<b>Total hazardous waste</b>	<b>Mg</b>	<b>0.2</b>	<b>1.0</b>	<b>1.4</b>	<b>+39.8%</b>
Hazardous waste per 1000 product units	1 000 pieces	6.6	29.9	41.6	+39.3%
Hazardous waste per 1 million PLN revenue	kg/1 mln PLN	0.1	0.6	0.6	-7.1%
<b>NON-HAZARDOUS WASTE</b>					
Recycling	Mg	2,285.1	3,137.7	3,272.6	+4.3%
Storage at landfills	Mg	39.4	0.0	31.9	-
Disposal	Mg	0.0	0.0	0.0	-
Reuse	Mg	0.0	0.0	0.0	-
Permanent on-site storage	Mg	0.0	0.0	0.0	-
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>2,324.5</b>	<b>3,137.7</b>	<b>3,400.0</b>	<b>+8.4%</b>
Non-hazardous waste per unit of product	g/szt.	66.6	90.8	98.0	+7.9%
Non-hazardous waste per 1 million PLN revenue	Mg/1 mln PLN	1.0	2.0	1.4	-28.0%

TABLE Z3.7: WATER CONSUMPTION AND DISCHARGED SEWAGE IN CCC S.A.

	UNIT	01.01.2019.– 31.12.2019.	01.01.2020.– 31.12.2020.	01.02.2021.– 31.01.2022.	Y/Y CHANGE
<b>WATER CONSUMPTION</b>					
Water purchased	m <sup>3</sup>	15,218.3	12,051.0	12,455.7	+3.4%
Water from own intakes	m <sup>3</sup>	0.0	0.0	0.0	-
Total water consumption	m <sup>3</sup>	15,218.3	12,051.0	12,455.7	+3.4%
Water consumption per unit of product	l/piece	0.4	0.3	0.4	+3.0%
Water consumption per 1 million PLN of revenue	m <sup>3</sup> /1 mln PLN	6.7	7.5	5.2	-31.3%
<b>WASTEWATER</b>					
Wastewater discharged to the municipal network	m <sup>3</sup>	11,173.6	9,246.0	11,724.2	+26.8%
Wastewater discharged per unit of product	l/1 000 pieces	320.3	267.6	338.0	+26.3%
Wastewater discharged per 1 million PLN of revenue	m <sup>3</sup> /1 mln PLN	4.9	5.8	4.9	-15.7%

## 6.4. APPENDIX 4: EXTERNAL ASSURANCE STATEMENT



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+48 (0) 22 557 70 01  
warszawa@pl.ey.com  
www.ey.com/pl

**Raport z niezależnej usługi atestacyjnej**

**Do Zarządu CCC S.A.**

**Zakres zrealizowanych prac**

Zostaliśmy zaangażowani do przeprowadzenia usługi atestacyjnej dającej ograniczoną pewność w odniesieniu do wybranych informacji niefinansowych zaprezentowanych w „Raporcie Zrównoważonego Rozwoju Grupy Kapitałowej CCC S.A.” („Spółka”) za rok obrotowy 2021 („Raport”) w oparciu o Wytyczne GRI wydane przez Global Reporting Initiative.

Weryfikacji podlegały następujące informacje niefinansowe (wskaźniki GRI) zawarte w Raporcie: wskaźniki z grupy 2- i 3-; 201-2; 201-3; 201-4; 205-3; 206-1; 302-1; 302-3; 303-3; 305-1; 305-2; 305-3 (kategorie, dla których zostały policzone oraz ujawnione emisje); 305-4; 305-5; 308-1; 308-2; 401-3; 402-1; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9; 403-10; 404-2; 405-1; 405-2; 406-1; 407-1; 408-1; 409-1; 410-1; 413-1; 414-2; 415-1; 417-1; 417-2; 417-3; 418-1 („Wybrane Informacje”).

Przedmiotem naszej weryfikacji były jedynie Wybrane Informacje i nie przeprowadziliśmy procedur w stosunku do innych informacji zaprezentowanych w Raporcie. W związku z tym nie wyrażamy wniosku o Raporcie jako całości.

**Odpowiedzialność Zarządu**

Zarząd Spółki jest odpowiedzialny za sporządzenie i prezentację Raportu zgodnie z Wytycznymi GRI we wszystkich istotnych aspektach. Odpowiedzialność ta obejmuje zaprojektowanie i stosowanie odpowiedniego systemu kontroli wewnętrznej oraz dokonanie odpowiednich szacunków umożliwiających sporządzenie i prezentację Raportu, zgodnie z Wytycznymi GRI, wolnego od istotnych zniekształceń spowodowanych oszustwem lub błędem.

**Nasza odpowiedzialność**

Naszym zadaniem było sformułowanie wniosku o ograniczonej pewności na temat Wybranych Informacji niefinansowych podlegających usłudze atestacyjnej zaprezentowanych w Raporcie na podstawie uzyskanych przez nas dowodów.

Nasze zlecenie przeprowadziliśmy zgodnie z Międzynarodowym Standardem Usług Atestacyjnych 3000 (zmienionym) *Usługi atestacyjne inne niż badania lub przeglądy historycznych informacji finansowych*. Standard ten nakłada na nas obowiązek postępowania zgodnie z wymogami etyki oraz zaplanowania i przeprowadzenia procedur w taki sposób, aby móc wyrazić wniosek dający ograniczoną pewność, że Wybrane Informacje podlegające weryfikacji nie zawierają istotnych nieprawidłowości i są zgodne z Wytycznymi GRI we wszystkich istotnych aspektach.

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+48 (0) 22 557 70 01  
warszawa@pl.ey.com  
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Uważamy, że uzyskane przez nas dowody są wystarczające i odpowiednie do wydania wniosku o ograniczonej pewności.

**Nasza niezależność i kontrola jakości**

Stosujemy Międzynarodowy Standard Kontroli Jakości 1 (MSKJ 1), zgodnie z którym prowadzimy kompleksowy system kontroli jakości obejmujący udokumentowane polityki i procedury dotyczące zgodności z odpowiednimi wymogami etycznymi oraz standardami zawodowymi, jak i obowiązującymi wymogami prawa i wymogami regulacyjnymi.

Spełniamy wymogi dotyczące niezależności oraz inne wymogi etyki zawodowej zgodnie z postanowieniami Międzynarodowego kodeksu etyki zawodowych księgowych wydanego przez Radę Międzynarodowych Standardów Etycznych dla Księgowych (IESBA - *International Ethics Standards Board for Accountants*), w którym określono kluczowe zasady uczciwości, obiektywizmu, kompetencji zawodowych, należytej staranności oraz poufności i profesjonalnego postępowania.

**Podsumowanie przeprowadzonych procedur**

Przeprowadzone przez nas procedury w odniesieniu do Wybranych Informacji zaprezentowanych w Raporcie zostały zaprojektowane tak, aby uzyskać zapewnienie dające ograniczoną pewność i polegały na:

- analizie i identyfikacji Wybranych Informacji ujętych w Raporcie;
- przeprowadzeniu rozmów z osobami odpowiedzialnymi za raportowanie informacji niefinansowych zawartych w Raporcie;
- porównaniu Wybranych Informacji ujętych w Raporcie z otrzymaną dokumentacją Spółki.

Zastosowane procedury zostały przez nas wybrane według własnego uznania i obejmują ocenę ryzyka istotnego zniekształcenia Wybranych Informacji zawartych w Raporcie. Zakres procedur wykonywanych w ramach usługi dającej ograniczoną pewność jest istotnie węższy niż w przypadku usługi dającej racjonalną pewność. W związku z tym poziom zapewnienia uzyskany przy usłudze dającej ograniczoną pewność jest istotnie niższy niż poziom zapewnienia jaki byłby uzyskany, gdyby przeprowadzono usługę dającą racjonalną pewność.

Usługa atestacyjna dająca ograniczoną pewność polega na kierowaniu zapytań, przede wszystkim do osób odpowiedzialnych za przygotowanie Raportu oraz na przeprowadzaniu procedur analitycznych i innych odpowiednich procedur. W ramach prac, bierzemy pod uwagę kontrolę wewnętrzną w celu oceny ryzyka i zaplanowania naszych procedur, ale nie w celu wyrażenia opinii na temat skuteczności jej działania.

*EY*



Ernst & Young Audyt Polska  
spółka z ograniczoną odpowiedzialnością sp. k.  
Rondo ONZ 1  
00-124 Warszawa

+48 (0) 22 557 70 00  
+48 (0) 22 557 70 01  
warszawa@pt.ey.com  
www.ey.com/pl

**Wniosek**

Na podstawie przeprowadzonych procedur i uzyskanych dowodów nie stwierdziliśmy niczego, co wskazywałoby, że Wybrane Informacje niefinansowe zawarte w Raporcie, wymienione w punkcie Zakres zrealizowanych prac, nie są we wszystkich istotnych aspektach zgodne z Wytycznymi GRI.

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Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.

Warszawa, dnia 20 kwietnia 2022 roku

## APPROVAL FOR PUBLICATION

This report on non-financial information of CCC S.A. and CCC S.A. Capital Group for the financial year 2021 has been approved by the Board of Directors of CCC S.A.

**Marcin Czyczerski**  
President  
of the Management Board

**Adam Marciniak**  
Vice-President  
of the Management Board

**Igor Matus**  
Vice-President  
of the Management Board

**Karol Póttorak**  
Vice-President  
of the Management Board

**Adam Holewa**  
Vice-President  
of the Management Board

**Kryspin Derejczyk**  
Vice-President  
of the Management Board

Polkowice, April 20, 2022.



Projekt i sklad:



