CCC EXPERIENCE

CCC GROUP
SUSTAINABILITY REPORT

for the financial year from 1 February 2023 to 31 January 2024

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2023 SUMMARY

AA
MSCI ESG Rating

15.4
SUSTAINALYTICS ESG Risk Rating

B
CDP Climate Change

-56%
reduction in Scope 1+2 market-based GHG emissions compared with the base year (2019)

-33%
reduction in Scope 1+2 market-based GHG emissions compared with 2022

-27%
reduction in Scope 3 GHG emissions compared with the base year (2021)

-14%
reduction in Scope 3 GHG emissions compared with 2022

95%
of the materials in packaging leaving the CCC Group were recyclable

100%
stores in Poland participating in footwear collection efforts

4
foreign markets where pilot collections have begun

15,478
CCC Group employees

70%
employees based in Poland

86%
of all employees are women

LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Ladies and Gentlemen,

I would like to extend my heartfelt gratitude to all our stakeholders for your steadfast determination and dedication to our shared goals. In the face of challenging macroeconomic conditions, notably the significant surge in raw material prices, high inflation, currency fluctuations, and the erosion of consumer purchasing power, your exceptional flexibility and resilience have been truly commendable.

These dynamics necessitated swift adjustments to our strategies, impacting the pace of our Group's growth and expansion. Some of our objectives had to be temporarily sidelined as we prioritised key areas of our operations. But even amidst these headwinds, our long-term vision of sustainable development remains unwavering. I am proud to say that, through our collaborative endeavours, the CCC Group continues its steadfast pursuit of sustainability goals. Our efforts in social and environmental responsibility stand as a testament that it is possible to act for the betterment of society and the environment even in challenging times.

Our actions have garnered international recognition, as evidenced by our stellar ESG ratings. Attaining an AA rating from MSCI and an exceptional rating from Morningstar Sustainalytics underscores our steadfast dedication to responsible business practices. We made notable strides in the CDP Climate Change ranking, and for the first time, provided full CDP Water Security and CDP Forests disclosures. These accomplishments are a source of both pride and motivation, propelling us forward in our mission.

Faced with new sustainability reporting regulations, we encountered challenges that demanded not only a thorough grasp of the reporting standards but an identification of areas for improvement. Last year, we embarked on the journey of adapting to these new standards, opting to produce an European Sustainability Reporting Standard-compliant report for 2023, a year ahead of the mandated 2024 deadline. This proactive step establishes a robust groundwork for further enhancement of our sustainability practices and transparency in reporting.

Yet, our aspirations extend further – we have strategically pursued green financing, a definitive signal of our unwavering dedication to creating value for all stakeholders. The key performance indicators (KPIs) integrated into our application process reflect the critical environmental challenges faced by the fashion industry, demonstrating our readiness to address them.

We maintain our commitment to mitigating the environmental footprint of our operations. In 2023, we achieved a notable reduction of over 15% year on year in greenhouse gas emissions across Scopes 1, 2, and 3. This is a big step forward, but we are far from complacent. We have signed a commitment letter with the Science Based Targets Initiative (SBTi) and are currently finalising our reduction targets. Our upcoming initiatives include bolstering energy efficiency measures, curbing energy consumption, transitioning towards renewable energy sources, and collaborating closely with our suppliers to achieve our set reduction targets.

A next step in our sustainability efforts involves recalibrating our procurement strategy to decrease the reliance on leather products and favour low-carbon raw materials. This strategic shift is not just a response to stakeholder expectations, but also a demonstration of our concern for the planet. To realise this ambition, we are optimising our order levels, introducing new brands of footwear and accessories crafted from alternative materials, and rigorously researching and testing innovative materials to ensure our products maintain the high quality and durability our customers expect. We are confident that these initiatives will yield dual benefits – both for the environment and our company.

Combining our environmental mission with practical benefits, our expanded used shoe collection programme, set to launch across all our stores in Poland and internationally, aims not only to reduce waste but also give the collected shoes a second life. Looking ahead, we aspire to scale up the Give Your Shoes a Second Life project significantly, transcending its current charitable scope. Our aim is to transform it into a robust solution that tangibly reduces landfill waste. We are pioneers in this endeavour, and we hope to inspire similar action within the retail sector.

The path we have embarked on presents challenges that require continuous development and improvement. I look forward to working together and hearing new ideas to help us reach our goals. Together, we can create a brighter future for everyone.

Sincerely,
Dariusz Miłek
President of the Management Board

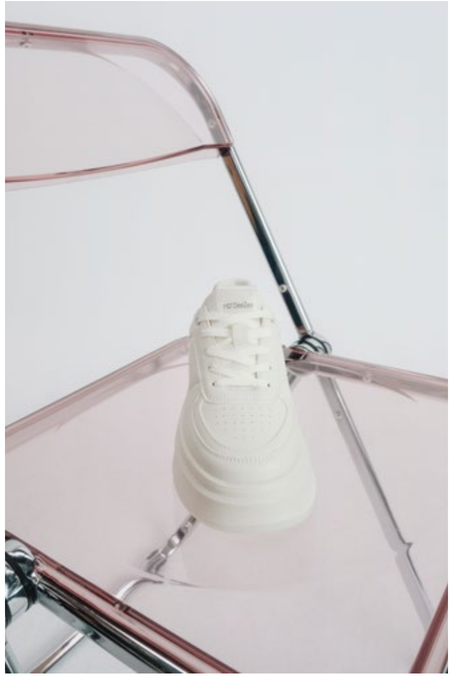
GENERAL INFORMATION

1.1. BASIS FOR PREPARATION

BP-1 **BP-2**

This report has been prepared in accordance with Art. 49b of the Accounting Act of 29 September 1994 for CCC S.A. and in accordance with Art. 55.2b–2c of the Accounting Act for the CCC Group, as well as in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. The content of this report is aligned with the ESRS standards, as introduced by Commission Delegated Regulation (EU) 2023/2772, which will become mandatory for the CCC Group starting from the financial year 2024.

Information, data, metrics, and statements included in this report relate to the parent CCC S.A. and the CCC Group, unless otherwise specified. When specific data was unavailable, estimations were used. This report provides sustainability insights for CCC S.A. and the CCC Group, covering the period from 1 February 2023 to 31 January 2024. The consolidation scope in this report is the same as in the consolidated financial statements for the previous financial year. The GHG emissions data presented in this report covers the CCC Group and its upstream and downstream value chain. Section 2.1.6 outlines the methodology used to estimate a portion of Scope 3 GHG emissions.



As at 31 January 2024 and as at the date of authorisation of this report for issue, the CCC Group comprised CCC S.A. as the parent and its subsidiaries:

Subsidiary	Registered office, country	Principal business	Equity interest as at 31 January 2024
CCC.eu Sp. z o.o.	Polkowice, Poland	procurement and sale	100%
CCC Shoes & Bags Sp. z o.o.	Polkowice, Poland	investments	100%
CCC Czech s.r.o.	Prague, Czech Republic	trade	100%
CCC Slovakia s.r.o.	Bratislava, Slovakia	trade	100%
CCC Hungary Shoes Kft.	Budapest, Hungary	trade	100%
CCC Obutev d.o.o	Maribor, Slovenia	trade	100%
CCC Hrvatska d.o.o	Zagreb, Croatia	trade	100%
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	trade	100%
CCC Shoes & Bags d.o.o. Beograde	Belgrade, Serbia	trade	100%
Shoe Express S.A.	Bucharest, Romania	trade	100%
OU CCC Estonia	Tallinn, Estonia	trade	100%
UAB CCC Lithuania	Vilnius, Lithuania	trade	100%
SIA CCC Shoes Latvia	Riga, Latvia	trade	100%
CCC Ukraina Sp. z o.o.	Lviv, Ukraine	trade	100%

Subsidiary	Registered office, country	Principal business	Equity interest as at 31 January 2024
Modivo S.A.	Zielona Góra, Poland	trade	75%
Modivo S.R.L.	Alme, Italy	services	75%
eobuwie.pl Logistics Sp. z o.o.	Zielona Góra, Poland	logistics	75%
eschuhe.de GmbH	Frankfurt am Oder, Germany	trade	75%
Branded Shoes and Bags sp. z o.o.	Zielona Góra, Poland	services	75%
eschuhe.CH GmbH	Zug, Switzerland	trade	75%
Modivo.cz s.r.o.	Prague, Czech Republic	trade	75%
epantofi modivo s.r.l.	Bucharest, Romania	logistics	75%
Modivo.lv SIA	Riga, Latvia	logistics	75%
Modivo.sk s.r.o.	Bratislava, Slovakia	trade	75%
HalfPrice Sp. z o.o.	Polkowice, Polska	handlowa	100%
OFP Austria GmbH	Graz, Austria	handlowa	100%
C-AirOP Ltd.	Douglas, Wyspa Man	usługowa	50%

The CCC Group runs franchise operations in Oman, United Arab Emirates, Saudi Arabia, Kosovo, and Moldova.

The CCC Group does not disclose information on intellectual property, know-how or results of innovation. Details on value chain estimates and the sources of estimation and outcome uncertainty are provided alongside each ESRS topic. This is the CCC Group's first report prepared based on ESRS standards. Consequently, no changes in the preparation or presentation of the sustainability statement nor any prior-period errors are reported by the Group.

The information presented in this report also meets the requirements outlined in the TCFD (Taskforce on Climate-related Financial Disclosures) Recommendations, as detailed in sections 1.2, 1.3, and 2.1.

This report has undergone external assurance conducted by the audit firm Grant Thornton Polska PSA in accordance with the National Standard for Assurance Services 3000 Assurance Engagements Other Than Audit or Reviews of Historical Financial Information.

1.2. GOVERNANCE STRUCTURE

GOV-1

The Supervisory Board exercises oversight of the process to manage material impacts, risks and opportunities, and evaluates the adequacy and effectiveness of the process through the Audit Committee. The Supervisory Board holds responsibility for overseeing the risk management process across the CCC Group.

The Management Board is tasked with organising and ensuring the functioning of the risk, impact, and opportunity management system, enacting policies for risk identification and assessment, approving risk thresholds, and managing strategic risks. At the level of individual Group companies, the Management Boards assume responsibility for risk management within their respective companies. The role of risk owners falls to managers of organisational units or other individuals designated by the Management Board. They are responsible for managing the risks identified within their areas of responsibility. The Company's Management Board holds the final responsibility for approving the risk acceptability threshold, the Risk Register, the Corporate Risk Map, and the plans for addressing unacceptable risks – those that require immediate mitigation actions. Risk reviews are carried out by the Management Board depending on the risk level: once a month as a minimum or once a quarter as a minimum. The Manager of the Internal Audit Department is responsible for reporting the CCC Group's risks to the Management Board at least every six months and to the Supervisory Board on a quarterly basis or as requested by these bodies. Moreover, the Management and Supervisory Boards conduct reviews of the economic, environmental and social impacts and opportunities of the CCC Group at least once a year.

Management Board

As at 31 January 2024 and as at the date of issue of this report, the Management Board of CCC S.A. comprised the following three members:

Dariusz Miłek	President of the Management Board
Karol Półtorak	Vice President of the Management Board
Igor Matus	Vice President of the Management Board

Employees and other workers have no representation on the Management Board.

During the reporting period from 1 February 2023 to 31 January 2024, all members of the Management Board were men aged between 30 and 60 years old.

The Management Board's responsibilities encompass managing all of the Company's activities, representing the Company in its dealings with third parties, conducting all of the Company's affairs, and managing its assets.

Division of responsibilities among Management Board members

Dariusz Miłek
President of the Management Board

- Oversight of the Management Board's work
- Finance and Accounting
- Marketing
- HR
- Management Board's Office (Audit, OHS)
- Procurement
- Investor Relations, Corporate Communication
- Sustainability
- Expansion
- Investments

Karol Półtorak
Vice President of the Management Board, Development, Customer and Digital

- Strategy
- E-commerce
- CRM
- Sales (Poland, international markets)
- Legal Department
- Digitisation, Technology, Digital Transformation and Cyber Security

Igor Matus
Vice President of the Management Board, Supply Chain Management

- Retail Logistics
- Offprice Logistics
- E-commerce Logistics
- Overall supply chain responsibility across the Group

During the reporting period, the Management Board addressed the following topics relating to its operations:
- Reduction targets as part of the Green CCChallenge team (a working team operating at CCC S.A., dedicated to maximising energy efficiency within the Company);
- Management of product categories and adjustments to the procurement structure (product mix change);
- Risk management;
- Analysis of the financial market with a focus on green financing;
- Commitment to having targets approved by SBTi, as indicated in the commitment letter signed with SBTi;
- Engagement with landlords to achieve common climate goals.

Supervisory Board
As at 31 January 2024 and as at the date of authorisation of this report for issue, the Supervisory Board comprised the following members:

Wiesław Oleś	Chair of the Supervisory Board
Mariusz Gnych	Deputy Chair of the Supervisory Board
Filip Gorczyca	Member of the Supervisory Board
Zofia Dzik	Member of the Supervisory Board
Piotr Kamiński	Member of the Supervisory Board
Marcin Stańko	Member of the Supervisory Board

The percentage of independent members on the Supervisory Board stood at 67%. Supervisory Board members do not belong to underrepresented social groups. The chair of the supervisory body is not a member of the management personnel.

As at 31 January 2024

17%
of the Supervisory Board members were women

83%
of the Supervisory Board members were men

33%
of the Supervisory Board members belonged to the age group of 30-50

67%
of the Supervisory Board members belonged to the age group of over 50

Audit Committee
The Audit Committee serves as a permanent consultative and advisory body for CCC S.A. and its Supervisory Board. The Audit Committee comprises:

Filip Gorczyca	Chair of the Audit Committee
Zofia Dzik	Member of the Audit Committee
Mariusz Gnych	Member of the Audit Committee

The Supervisory Board exercises continuous oversight of the Company's activities. Its powers include appointing and removing members of the Management Board, assessing financial statements, selecting an auditor, and presenting a concise assessment of the Company's situation to the Annual General Meeting. This assessment includes an evaluation of the internal control and risk management systems.

During its meetings in 2023, the Audit Committee addressed the following ESG topics:
- Materiality assessment and top-priority matters outlined by stakeholders, including climate change, circular economy, equality and diversity, human rights and labour rights, and supply chain monitoring and assessment;
- Regulatory environment, the dynamics of change, and the steps taken to comply with non-financial reporting requirements;
- Reporting scope and underlying assumptions.

Furthermore, in 2023, the Audit Committee passed a resolution concerning the provision of a non-audit service for CCC S.A. by the auditor, as stipulated in Art. 136.2.7 of the aforementioned act. This service specifically pertained to the voluntary assurance of CCC S.A.'s non-financial report (sustainability report) for 2022.

For detailed information on the expertise and experience of the Management and Supervisory Board members, please refer to the Directors' Report on the Group's operations in 2023 or visit the Company's website at **https://corporate.ccc.eu/en/ccc-management**.

General Meeting
The powers of the General Meeting include appointing and removing members of the Supervisory Board and establishing remuneration policies for its members.

Remuneration of Management and Supervisory Board members

GOV-3

The remuneration of the Supervisory Board members comprises solely fixed components that are not linked to sustainability matters.

The remuneration of the Management Board members comprises:

- Fixed components;
- Variable components, which encompass individual short-term bonuses, short-term team bonuses, and long-term bonuses.

The criteria for awarding these variable remuneration components are financial performance and non-financial performance. The Management Board members may be assigned individual targets that may include ESG-related performance. The non-financial performance criteria comprise achieving targets set individually or collectively for Management Board members by the Supervisory Board, stemming from a business strategy adopted by the Company but not directly linked to financial metrics, particularly strategic tasks tailored to the Company's current circumstances, taking into account corporate social responsibility goals. Targets are set every six months and are approved by the Supervisory Board through formal resolutions. The level of achievement for specific non-financial criteria is assessed using data disclosed by the Company in its annual sustainability report or other non-financial documents and reports of the CCC Group. Bonuses are granted when targets are met, with a minimum threshold of 80%. The remuneration system is structured to ensure that variable remuneration ranges from 65% to 150% of fixed remuneration. There were no tasks involving ESG-related matters assigned in 2023.

During the reporting period, the Company exercised the option to temporarily waive the application of the Remuneration Policy, as permitted under Art. 90f of the Public Offering Act and Section 9 of the Remuneration Policy. Authorised by a resolution of the Supervisory Board, the waiver specifically pertains to the portion of the Remuneration Policy governing the allocation of variable remuneration components to Management Board members, including individual short-term bonuses and short-term team bonuses, and it took effect from the second half of the 2022 financial year.

The rationale behind the waiver is the need to align remuneration and bonus payment practices with the prevailing market conditions, ensuring adequate incentivisation for the Management Board members.

The Supervisory Board recognised the need for a stronger correlation between individual short-term bonuses and the Company's current performance, especially in meeting budget targets. As per the existing Remuneration Policy, the individual short-term bonus is tied to the completion of tasks assigned to each Management Board member, encompassing both financial and non-financial targets.

Emphasising the financial stability of the Company, the Supervisory Board, in consultation with the Management Board, determined the need to adjust the policy regarding individual short-term bonus awards. This adjustment aims to closely link bonuses to the achievement of additional financial targets set for the Management Board, particularly minimum targets for profitability, represented by the EBITDA-to-revenue ratio.

The Remuneration Policy for the Management and Supervisory Board members is subject to approval by the General Meeting.

1.3. SUSTAINABILITY MANAGEMENT

ESG activities of the highest governance bodies

GOV-1 GOV-2 GOV-3

Sustainability matters fall within the remit of the Company's Management Board, Supervisory Board, Audit Committee, and management personnel. Oversight of ESG matters lies within the responsibility of the Director of Investor Relations, reporting directly to the President of the Management Board, who oversees sustainability and climate-related matters. The Director of Investor Relations directs the work of the Sustainability Department, which is tasked with executing operational activities. As sustainable development concerns all areas of activity of the CCC Group, management personnel and employees across departments and organisational levels (including Product, Administration, OHS, Fire Safety, Logistics, HR) are involved in the process by providing expert guidance and organisational support in the execution of sustainable development tasks. Cooperation with stakeholders is delegated to subordinate units. The frequency and form of stakeholder engagement are different for different organisational units. Business unit heads and managers are responsible for implementing and following due diligence policies, regularly reporting on the findings to the Management Board.

Table 1-1. ESG management structure at the CCC Group

	Supervisory Board/Audit Committee	Management Board	Management Personnel
Who	Members of the Management Board / Audit Committee	President of the Management Board	- Director of Investor Relations - Sustainability Department - Management personnel and employees from various organisational units
Role	Consultation and opinion giving	Strategic leadership and oversight	Operational role
Engagement	- Consultation and giving opinions on the content of ESG reports and planned ESG activities - All Supervisory Board members receive the Sustainability Report for consultation prior to its publication - Audit Committee regularly conducts reviews of ESG activities and reporting	- Giving opinions and providing oversight of the integration of sustainability activities with business goals - Approval of directions and scope of activities - Monitoring the progress of sustainability work - Managing objectives and targets outlined in the Sustainability Strategy - Periodic meetings with people responsible for individual ESG areas - Actively participating in the preparation of ESG reports by approving their structure and main assumptions, including with regard to the materiality of topics included in the report - Actively participating in materiality assessments conducted every few years to determine materiality and increase the Company's ESG commitment - All Management Board members receive the Sustainability Report for consultation prior to its publication	**Director** - Responsible for implementing ESG activities - Reporting results and progress of work to the Management and Supervisory Boards **Sustainability Department** - Coordinating Sustainability Strategy implementation - Cooperation with various organisational units - Managing ESG work and implementing planned ESG activities - Monitoring results and progress against strategic objectives - Reporting results to the Director and the Management Board responsible for implementing particular ESG activities - Internal and external reporting **Management personnel and employees** - Participating in strategy development - Expert and organisational support in implementing sustainability tasks and activities - Progress reporting **Subsidiaries** - Monitoring strategy execution within the organisation - Non-financial reporting - Established a separate Corporate PR, CSR & ESG Department responsible for ESG matters at MODIVO S.A.
Separate committees	No separate committees have been appointed	No separate committees have been appointed	**Green CCChallenge working team** - Aiming to maximise energy efficiency - Comprising employees from diverse areas of expertise, led by the Vice President of the Management Board responsible for overseeing the team's activities - Regularly reporting to other Management Board members
Performance assessments and their frequency	Periodic reporting to the Supervisory Board. Both the Management Board and the Supervisory Board (through the Audit Committee) exercise ESG oversight without appointing separate committees	- Regular monitoring of progress against targets and verification of whether organisational units deliver on their commitments in line with the stated objectives and timeframes. - Ongoing monitoring	- Sustainability Department reports its activities to the Management Board every two weeks - ESG reporting frequency is different for different organisational units - Progress against strategic objectives is accounted for every six months

In the financial year 2023, no ESG training was provided to Management and Supervisory Board members, but the members participated individually in various ESG-related events. Additionally, members of the Management and Supervisory Boards obtained their insights directly from reports provided by the Sustainability Department, which covered regulatory changes, new reporting requirements, and other relevant matters.

Statement on due diligence

GOV-4

Table 1-2. Ethics and due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a. Embedding due diligence in governance, strategy and business model	3.1., 3.2., 3.4.1., 4.1.
b. Engaging with affected stakeholders in all key steps of the due diligence	3.1.1., 3.2., 3.4.2., 4.1., 4.2.
c. Identifying and assessing adverse impacts	3.1.1., 3.2., 3.4.2., 4.1., 4.2.
d. Taking actions to address those adverse impacts	3.1.1., 3.2., 4.2.
e. Tracking the effectiveness of these efforts and communicating	3.1.1., 3.2., 4.1.

1.4. BUSINESS MODEL

SBM-1 SBM-2 SBM-3

The CCC Group's business model is built around an omnichannel platform comprising:

Business lines:
Four robust, mutually complementary business lines: CCC, HalfPrice, eobuwie, and Modivo, which collectively enhance the Group's reach by offering a broad spectrum of products, engaging consumers through multiple sales channels, and targeting a wide range of price points.

Channels:
A blend of own offline and online channels, targeting both the full-price and off-price market segments and enabling customers to select their preferred shopping method and price range for a wide variety of products.

Products:
A diverse product mix, comprised of an extensive selection of footwear, clothing, accessories, and more (including homewares, health and beauty) from private label, licensed, and third-party brands.

Platform foundations:
These include primarily product procurement and sourcing, supply chain management, technology, partnerships with external stakeholders (such as suppliers, brand owners, and lessors), communications, finance, sustainability initiatives, and organisational culture.

The CCC Group's principal business is the retail sale of footwear and other products including clothing, handbags, shoe care accessories, and homewares. The parent of the CCC Group, CCC S.A., has its head office in Polkowice, Poland. Customers are individuals who make purchases through online and offline channels. The main product that customers buy in CCC stores is footwear, which represents 54% of total sales. CCC offers both private label and third-party brands.

CUSTOMERS

We serve our customers
where, how and when they want it...

PRODUCTS

private label brands, strong third-party brands purchased as 1P and 3P (marketplace)

...offering them fashion products, including footwear, apparel and related categories...

ONLINE AND OFFLINE CHANNELS

through their preferred channels...

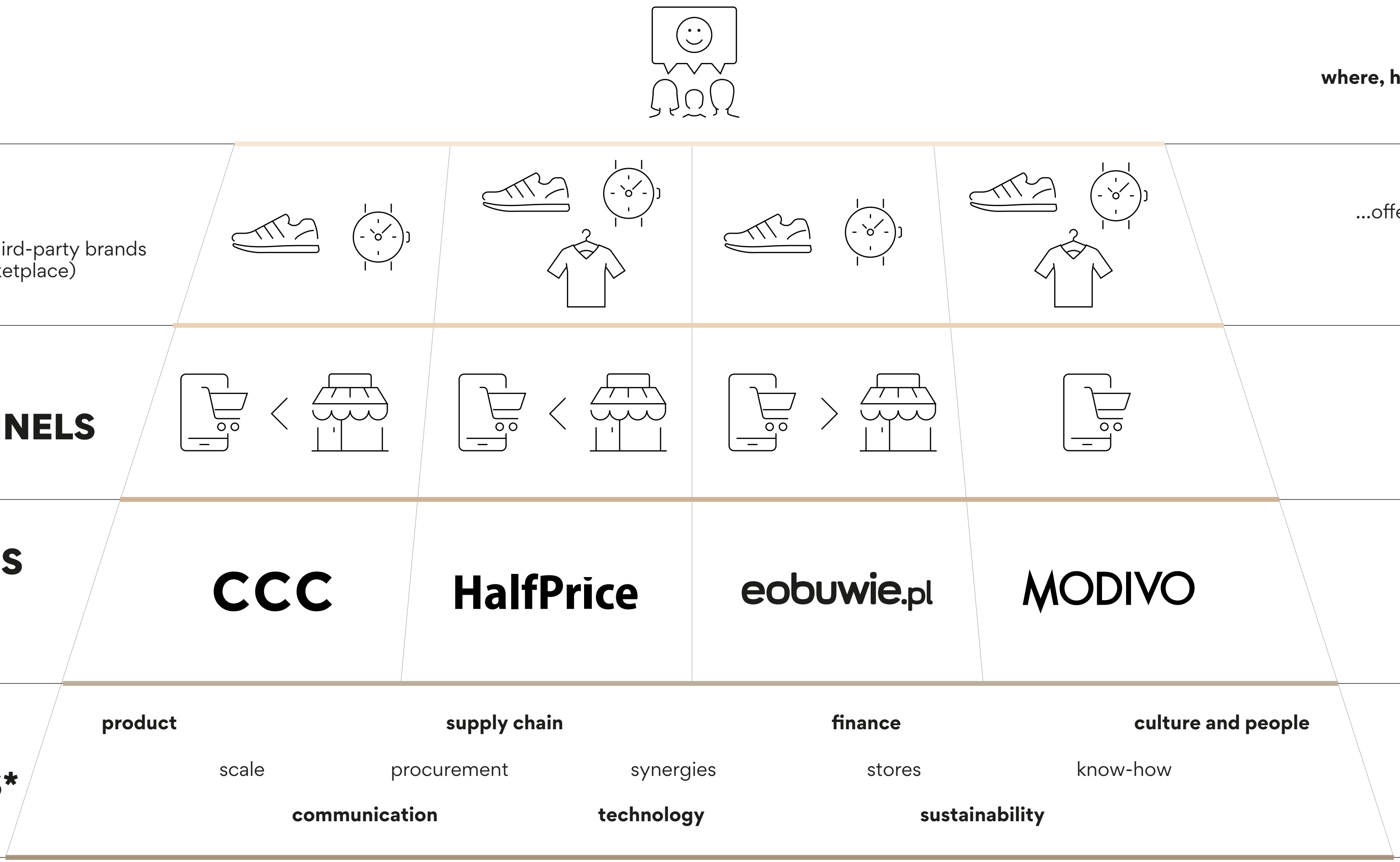
BUSINESS LINES

+ for selected private labels: external marketplace

... under business lines tailored to their segment ...

PLATFORM FOUNDATIONS*

... delivering immense benefits from the common foundations of our platform



footwear accessories clothing

* Preserving the unique identity of eobuwie.pl and Modivo. The IPO of the Modivo Group is planned for 2024/2025.

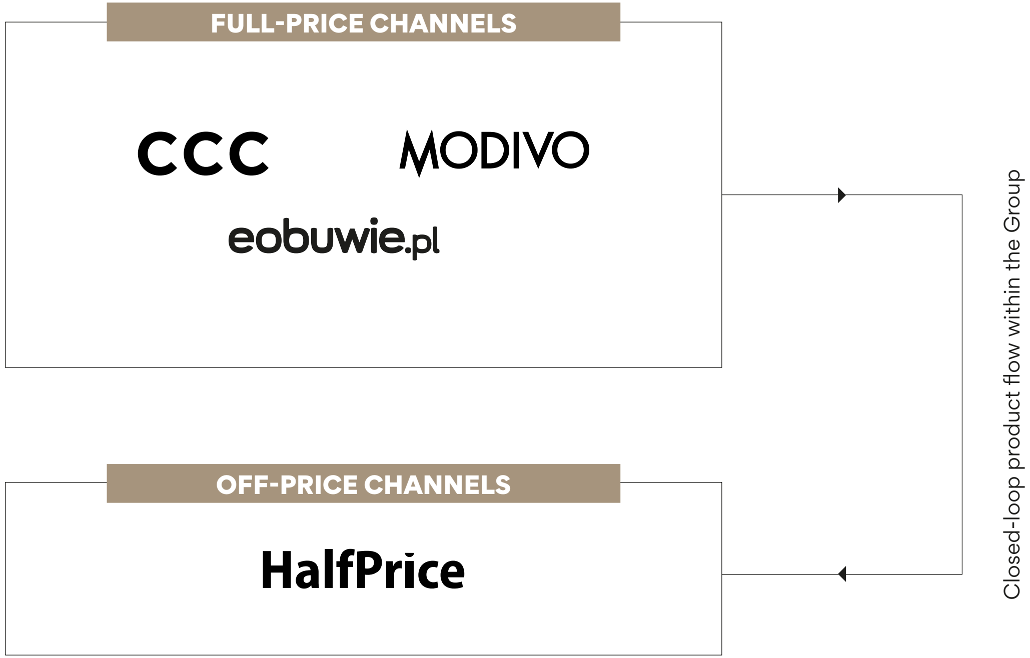


Table 1-3. 2023 sales structure

Product	Contribution to sales	Percentage of revenue
Footwear	54%	69%
Bags	7%	7%
Clothing	15%	17%
Other	23%	7%
TOTAL	100%	100%

Revenue in the period from 1 February 2023 to 31 January 2024, by operating segments:

[PLNm]	CCC	Eobuwie	Modivo	HalfPrice	DeeZee	Total for operating segments
Revenue from sales to external customers*	CCC	Eobuwie	Modivo	HalfPrice	DeeZee	Total for operating segments
	4,000.1	2,840.9	1,091.0	1,418.0	90.3	9,440.3

*Source: Note 'SEGMENTS AND REVENUE' in the consolidated financial statements for the 12 months from 1 February 2023 to 31 January 2024.

Revenue in the period from 1 February 2023 to 31 January 2024, by geographical markets and headcount:

[PLNm]	Poland	Central and Eastern Europe	Western Europe	CCC Group
Revenue from sales to external customers*	5,131.7	3,438.9	869.7	9,440.3
Headcount	10,758	4,562	158	15,478

*Source: Note 'SEGMENTS AND REVENUE' in the consolidated financial statements for the 12 months from 1 February 2023 to 31 January 2024.

1.5. CCC GROUP VALUE CHAIN

SBM-1

The CCC Group has developed its value chain model based on material flow analysis. The core part of the value chain are operational processes within the CCC Group, encompassing all activities from the moment of merchandise purchase to its delivery to customers. The upstream value chain comprises all preceding activities carried out by other entities, from the procurement of raw materials, manufacture of materials, components, products, and packaging, inbound transport to the CCC Group, to the generation of electricity purchased by the Group and the supply of water necessary for production. The downstream value chain covers all processes that occur to a product after it leaves the CCC Group, including outbound transport, distribution, sale, use, and the end-of-life phase.

This value chain model is used in calculating greenhouse gas emissions, analysing the mutual impacts of the CCC Group and its external environment, analysing processes in line with the circular economy model, and analysing the resilience of the Group's business model to climate change.

There were no significant changes in the supply chain during 2023.

<table>
<tr><th colspan="8">CCC GROUP VALUE CHAIN</th></tr>
<tr><td colspan="8">identified material stakeholders exposed to value chain processes</td></tr>
<tr><td colspan="3">suppliers of merchandise, other suppliers (service providers and suppliers of non-commercial goods),</td><td colspan="3">CCC Group employees, business partners (franchisees, logistics operators, online platforms, retail space lessors), investors, financial institutions, government bodies, media, consumers</td><td colspan="2">consumers</td></tr>
<tr><th colspan="3">UPSTREAM</th><th colspan="3">CCC GROUP</th><th colspan="2">DOWNSTREAM</th></tr>
<tr><th colspan="3">SUPPLIES</th><th colspan="2">PROCESSES WITHIN THE GROUP</th><th>SALES</th><th>USE</th><th>WASTE</th></tr>
<tr><td>Suppliers of raw materials (TIER 3)</td><td>Suppliers of processed materials (TIER 2)</td><td>Manufacturing plants (TIER 1)</td><td colspan="2">All Group entities conducting operational processes and support processes</td><td>Sales are made through offline stores, online platforms and hybrid stores</td><td rowspan="4">Consumer is any person who purchases and uses a CCC product bought at an offline or online store of the Group</td><td rowspan="2">Waste is a product that ceases to meet the quality expectations or other needs of customers as a result of its use by customers. There are two types of waste:
- used products,
- packaging waste.</td></tr>
<tr><td rowspan="3">Suppliers of primary raw materials that are used to make processed materials or other production inputs.

Primary raw materials:
- animal skins
- cotton, flax, other plants

Energy resources:
- gas
- electricity
- motor fuels</td><td rowspan="3">Suppliers providing finished materials such as leather, textiles, materials that are the main components of CCC products.

Raw materials for the manufacture of footwear, bags, accessories and other products:
- synthetic leather
- materials made of natural, artificial, or synthetic fibres
- rubber
- metal pieces
- paints, varnishes
- adhesives
- plastic film
- other

Raw materials for the production of packaging and marketing materials:
- paper, cardboard
- plastic film
- adhesives
- other</td><td>Suppliers manufacturing CCC products (footwear, bags, accessories, clothing, and other products). These include our long-term partners from Europe, Asia and South America.

Services necessary for the Group's operations:
- utilities
- maintenance
- IT systems
- telecommunications
- advisory services</td><td>Operational processes:
- design
- procurement
- R&D
- quality control
- marketing and promotion
- sale
- services for the distribution centre
- logistics
- management
- communication and PR
- investor relations
- legal services
- internal IT support</td><td>Support processes:
- management
- administration
- HR
- OHS
- training
- finance
- accounting
- management control</td><td>After-sales service
- handling of customer complaints and returns
- - two-year warranty
- - post-warranty services</td></tr>
<tr><th colspan="2">DELIVERY LOGISTICS</th><th colspan="2">RETAIL CHAIN AND E-COMMERCE LOGISTICS</th><td rowspan="2">Waste is generated as a result of logistics processes</td></tr>
<tr><td colspan="2">- logistics behind the delivery of goods from suppliers to the CCC Group</td><td colspan="2">- logistics behind the delivery to customers of products ordered in the CCC retail chain and stores, handled by the CCC Group
- logistics behind the delivery of products purchased via the e-commerce channel handled by third parties (postal company, courier companies, etc.)</td></tr>
<tr><th colspan="8">ESG TOPICS MATERIAL FROM THE IMPACT AND/OR FINANCIAL PERSPECTIVE ALONG THE ENTIRE VALUE CHAIN</th></tr>
</table>

1.6. CCC GROUP STRATEGY

The GO.25 Business Strategy defines our core values serving as the blueprint for the CCC Group's operations, ambitions, and development objectives. It is centred around maximising the Group's value by meeting the evolving needs of our existing and future customers. The commitment to sustainable development is central to our business practice and ingrained as a foundational element within the GO.25 Strategy.

IRO-1

The CCC Group is committed to aligning its operations strategy with stakeholder expectations, improving the quality of its processes, and disclosing sustainability information and data. Our sustainability endeavours, strategic decisions and objectives are all rooted in materiality, as identified and evaluated through our 2021 materiality assessment and its 2023 update.

Context and key strategic assumptions

SBM-1

The CCC Group tailors its sustainability initiatives based on international and EU directions and strategies and emerging laws and regulations. The strategy is underpinned by the Paris Agreement, the EU's European Green Deal, the TCFD Recommendations on climate-related financial disclosures, and the EU's new Circular Economy Action Plan.

The GO.25 Sustainability Strategy is consistently implemented across all operating segments and geographical markets where the CCC Group operates. The initiatives driven by the Strategy primarily focus on footwear and clothing, our main product categories, but are also applicable to other product lines.

The GO.25 Sustainability Strategy is built around three pillars supporting the main goal related to CCC products.

PRODUCT
Circularity

We provide customers with transparent information on our products, we offer sustainable collections, and we deploy circular solutions

ENVIRONMENT
Low emissions intensity

We reduce greenhouse gas emissions and we manage our environmental footprint across all scopes along the entire value chain

EMPLOYEES
Diversity

We aim to eliminate inequality factors across the Group and achieve zero accidents

SOCIETY
Transparency in the supply chain

We require all our suppliers to comply with the Code of Conduct and we perform audits

GO.25 Sustainability Strategy achievements and activities

2025 goal	Baseline	2023 status
I. Product		
Sustainable raw materials		
100% products with labels containing information on the materials and manufacturing method used	2020 – mapping material flows for 40% of goods	- Full mapping of material flows - Introduction of QR code for product information - Development of additional customer communications detailing exact material compositions – ongoing
100% product categories containing sustainable collections	2020 – first 'Go for Nature' products	- WeCare products accounted for 17.4% of all products - Nearly 60% of leather products sourced from certified tanneries
Launch recyclable product lines	No action taken	- Analysis of the EU Taxonomy technical screening criteria in terms of compliance with conditions for products to qualify as environmentally sustainable
Sustainable packaging		
100% recycled and recyclable packaging	- Plastic bags eliminated from offline stores - All CCC and MODIVO e-commerce bags and packaging with FSC certification	- Transitioned cardboard packaging material in HP to paper without coating - Transition from paper shipping bags to 80% PCR plastic shipping bags (fully recyclable) - Streamlined available sizes in CCC, reducing the use of cardboard boxes in favour of paper shipping bags (reducing paper consumption)
Launch of single cardboard packaging in e-commerce	No action taken	- Packaging audit to examine packaging functionality and waste reduction
Used footwear management		
Used footwear collection – roll out the programme across all stores in Poland and abroad	2020 – pilot project to collect footwear in 20 stores in Poland	- Footwear collection across all stores in Poland - Trial used shoe collections launched in four international markets - Collaboration with external partners to explore innovative footwear processing methods

2025 goal	Baseline	2023 status
II. Environment		
GHG emissions reduction		
-40% in Scope 1+2 emissions	2019 – 65,030.9 Mg CO_2e – baseline	- 56% reduction of CO_2 emissions within Scopes 1+2 relative to the base year (2019) - 100% renewable electricity purchased for offices, logistics centres in Polkowice, and CCC, HalfPrice, and Modivo stores with individual electricity supply contracts - Construction of a solar PV farm to power eobuwie's logistics centre in Zielona Góra - Green CCChallenge: ongoing monitoring and analysis of fuels and energy usage, along with development of Group-level reduction plans - Work on a decarbonisation strategy
-10% in Scope 3 emissions	Base year (2021)	- 27% reduction of Scope 3 emissions relative to the base year - Development of a procurement strategy focused on reducing the use of carbon-intensive materials - Decrease in the number of purchase orders through implementation of inventory and turnover management measures
Circular economy		
Reduce waste generated by the CCC Group by 30% versus baseline	2019 – 7,591.9 Mg	- Total waste at CCC S.A. down by 24% year on year - Waste recycled or otherwise recovered at 95% - Trials of lower-weight packaging
Set waste reduction targets in the supply chain with Tier 1 suppliers	No action taken	- Supplier surveys developed to collect ESG data; the data will be analysed and used as input to set reduction targets
Water conservation		
Identify the impact of the CCC Group and our value chain on water resources and develop a water efficiency management approach for the CCC Group	No action taken	- Full Water disclosure to CDP - Detailed analysis scheduled for 2024
Biodiversity conservation		
Measure the impact of the CCC Group and its value chain on biodiversity	No action taken	- Full Forests disclosure to CDP - Detailed analysis scheduled for 2024
III. Employees		
Protecting employees' life and health		
Zero workplace accidents	2019 – 5.28	2023 – 3.23 - Analysis conducted on near misses and accidents - Documentation fully compliant with legal requirements for occupational safety and fire protection - Implementation of safety standards for internal transport and storage

2025 goal	Baseline	2023 status
Workforce diversity		
Reduce the Glass Ceiling Ratio (GCR) to 5%	2019 – 45.2% (GCR2)	2023 GCR for the Group: - 52.0% for senior executives - 1.1% for managers - 2.1% for all managerial positions - Established a mapping of positions within the organisation and developed a method for ratio calculation
100% of CCC Group employees trained on diversity	Development and implementation of a diversity policy	- 87% of CCC and HalfPrice employees trained on diversity
Equal pay for equal work		
Reduce the Gender Pay Gap Ratio (GPGR) to 5%	39.9% GPGR for all employees	- 33.22% GPGR for all employees - Updated the rules for employee remuneration and bonuses
IV. Society		
Responsibility in the supply chain		
100% of suppliers covered by the Supplier Code of Conduct	100% of merchandise suppliers required to comply with the Supplier Code of Conduct	- 87% of suppliers committed to adhere to the updated Code. The dialogue with suppliers and the process of obtaining compliance statements in progress
Engage with Tier 1 suppliers to provide non-financial data	No action taken	- Supplier surveys developed to collect ESG data
100% of high-risk suppliers undergoing audits	65% of suppliers undergoing external audits	- Wdrożenie audytów wewnętrznych - Opracowanie wewnętrznego systemu oceny dostawców
Ethics		
100% of violation reports analysed	- Update and Group-wide implementation of the Code of Ethics - Appointment of an Ethics Officer - Launch of a whistleblowing hotline	- Prompt review of all incoming reports - Analysis and improvement of the existing ethics system

Our activities support the achievement of Sustainable Development Goals (SDGs):

1.7. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

1.7.1. MATERIALITY ASSESSMENT

IRO-1

In 2021, we conducted a materiality assessment to identify key stakeholder groups and material impacts, risks and opportunities related to sustainability topics for CCC S.A. and the Group as a whole. The assessment was updated in 2023 to fully align with the requirements of the CSRD and ESRS.

The materiality assessment, carried out between September and December 2021 in collaboration with the consulting firm MATERIALITY, followed the MAX® - MATERIALITY ASSESSMENT MATRIX basic+ methodology and was tailored to meet the needs of the upcoming CSRD.

The 2021 materiality assessment process was divided into the following steps:

- Source data analysis
- Comparative analysis of 19 peer companies
- Comprehensive questionnaire survey among 35 representatives of the CCC Group's senior executive and senior management personnel and seven external experts
- Questionnaire survey and structured interviews with representatives of 11 key internal and external stakeholder groups: financial institutions, public administration, industry organisations, suppliers, companies cooperating with the CCC Group, consumers, universities, beneficiaries of community programmes, and local communities
- Plotting the results onto the matrix
- Preparation of the final report.

The CCC Group's key stakeholders were identified through a questionnaire survey of senior executives, senior management personnel, and external experts. The survey assessed two parameters for each of the 18 stakeholder groups:
- Scale of the CCC Group's impact on the stakeholders
- Scale of the stakeholders' impact on the CCC Group.

The assessment resulted in the identification of **9** key stakeholder groups

An impact materiality assessment was conducted for 29 sustainability topics, considering:
- Four impact materiality parameters:
  - scale of impact
  - scope of impact
  - likelihood of impact
  - remediability of impact;
- Evaluation of impact from the perspective of external stakeholders
- Percentage of peers deeming the impact as material.

After the assessment, a list of 23 sustainability topics with material impacts from the CCC Group was established.

A financial materiality assessment was conducted for the same group of 29 sustainability topics. Each topic was evaluated based on one materiality parameter:
- impact of the topic on the CCC Group (positive/negative impact and its scale).

Additionally, 38 risks related to the sustainability topics were assessed as part of the financial materiality assessment.

The assessment resulted in a list of 15 material risks related to sustainability topics.

Each risk was evaluated based on two parameters:

likelihood of the risk materialising

scale of financial impact in the event of the risk materialising

For each materiality perspective, sustainability topics related to the CCC Group's operations and value chain (including the supply chain and the use of products and goods by consumers and end users up to the end of the product life cycle) were analysed.

The double materiality principle was applied so that each sustainability topic giving rise to a material impact, material risk or material opportunity was considered material from a double materiality perspective and therefore reportable in compliance with relevant disclosure standards and requirements.

Between September and October 2023, we updated and deepened the materiality assessment of ESG topics with input from the CCC Group's Sustainability Department and external experts from MATERIALITY. The list of topics was aligned with ESRS requirements, specifically the list published in ESRS 1 AR 16, resulting in the identification of 44 material sustainability topics.

The Management Board actively participates in these materiality assessments, receives updates on the assessment results, and sets strategic directions. The Supervisory Board provides its opinions on the strategy and actions taken. Material risks related to sustainability topics have been integrated into the risk register maintained by the CCC Group.

The 2021 materiality assessment is valid for three years, with the current validity period expiring in December 2024. The assessment was conducted following the GRI Standards 2021 and also took into consideration the requirements of the proposed CSRD, particularly the double materiality principle. The results of the 2021 assessment, updated in 2023, served as the basis for selecting ESRS standards and individual disclosure requirements for this report. Another materiality assessment is scheduled for 2024, following a new methodology.

1.7.2. MATERIAL STAKEHOLDERS

SBM-2

The CCC Group's key stakeholders were identified during the materiality assessment process conducted in 2021. The Group actively engages with these key stakeholders to continuously monitor their views and better understand their needs, as well as to communicate the Group's activities. Insights gathered from these engagement processes were used in the development of the GO.25 Strategy, and will also inform the process of creating the CCC Group's next growth strategy. The Management and Supervisory Boards receive regular updates on stakeholder feedback.

We assessed the materiality of each stakeholder by analysing the two-way impact perspective:

- scale of the CCC Group's impact on the stakeholder,
- scale of the stakeholder's impact on the CCC Group.

We grow our business by fostering lasting partnerships with our stakeholders.

Table 1-4. CCC Group's relationships with material stakeholders

Material stakeholders	Engagement method	Topics addressed and purpose of stakeholder engagement
Consumers	Satisfaction surveys, Customer Service Office, social media, sustainability reporting.	Access to information, active and transparent communication, excellent customer service, product safety.
Employees	Development conversations and satisfaction surveys, internal intranet, newsletter, information mailings, training and workshops, town hall meetings, sustainable reporting.	Working conditions, professional development and education, safety standards.
Suppliers of merchandise	Regular collaborative communication, meetings and other forms of direct communication with employees.	Favourable terms of business, timely payments, fair and transparent business relationships.
Other suppliers	Regular collaborative communication, meetings and other forms of direct communication with employees.	Favourable terms of business, timely payments, fair and transparent business relationships.
Business partners	Regular collaborative communication with business partners, face-to-face meetings, industry events, newsletters, sustainability reports.	Fair and transparent business relationships.
Public administration	Face-to-face meetings, participation in local events, conferences, sustainability reports.	Legal compliance, timely and quality reporting, CCC Group's Strategy.
Investors	Investor relations and communications published on **https://corporate.ccc.eu/en/investor-relations** and via ir@ccc.eu, earnings conferences, General Meetings, current and periodic reports, sustainability reports.	Financial performance, business strategy execution, ESG ratings, sustainability activities.
Financial institutions	Communication via the corporate website, face-to-face meetings and teleconferences. Earnings conferences, current and periodic reports, sustainability reports.	Financial performance, regulatory compliance, CCC Group's Strategy.
Media	Press office and ongoing communication, correspondence via the mailbox on **https://corporate.ccc.eu/en/for-the-media**, press releases posted on the website, press conferences	CCC Group's Strategy, financial performance, corporate events.

1.7.3. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Materiality assessment results for the CCC Group:

9 material stakeholder groups

- Consumers
- Employees
- Public administration
- Other suppliers
- Financial institutions
- Business partners
- Media
- Investors
- Suppliers of merchandise

44 material ESG topics

ESG topic in ESRS	Impact description	Where the impact takes place within the value chain
E1 Climate change - Climate change adaptation - Climate change mitigation - Energy	The CCC Group's impact on climate change can be seen mainly in the following areas: - operations (greenhouse gas emissions from fuel and energy used in retail stores and suppliers' manufacturing plants); - logistics (greenhouse gas emissions from outbound transport of products to retail stores and e-commerce customers and from inbound transport of goods to the CCC Group); - raw and processed materials (greenhouse gas emissions from production of raw materials needed for footwear production, including natural leather and fabrics, which entail plant cultivation and livestock farming). Climate change has a low impact on the CCC Group today, but the scope of physical risks is material and their impact is expected to increase in the future. Climate change topics are managed primarily through the targets and objectives outlined in the GO.25 Sustainability Strategy, as well as through the policies established within the CCC Group (please refer to section 2.1).	- Own operations - Upstream - Downstream
E2 Pollution - Substances of concern - Substances of very high concern - Microplastics	The CCC Group's impact in this area is related mainly to pollution arising from chemicals in its products. Pollution is addressed in our Environmental Policy, the CCC Group Supplier Code of Conduct, and the relevant procedures for monitoring chemical substances.	- Upstream - Downstream

ESG topic in ESRS	Impact description	Where the impact takes place within the value chain
E3 Water - Water consumption - Water withdrawals - Water discharges	Water and marine resources hold significant importance for the CCC Group's operations, particularly within its value chain. A comprehensive impact assessment has not been conducted yet, although water and marine resources were identified as key topics during the materiality assessment. The CCC Group uses water primarily for sanitary and drinking purposes. The water is sourced from third-party suppliers.	- Upstream - Own operations
E4 E4 Circular economy - Resources inflows, including resource use - Resource outflows related to products and services - Waste	The CCC Group creates impacts related to the circular economy in its operations and value chain, especially in raw material sourcing and processing, product manufacturing, waste generation in logistics, and product end-of-life waste. To address this, we take measures to minimise our negative impact through recycling initiatives, a circular economy roadmap, the development of more sustainable packaging, and collaboration with trusted suppliers.	- Own operations - Upstream - Downstream
E5 Biodiversity and ecosystems	Biodiversity holds significant importance for the CCC Group, particularly within our value chain. A comprehensive impact assessment has not been conducted yet, although biodiversity was identified as a key topic during the materiality assessment.	- Upstream - Own operations
S1 Own workforce - Secure employment - Working time - Adequate wages - Social dialogue - Health and safety - Gender equality and equal pay for work of equal value - Training and skills development - Employment and inclusion of persons with disabilities - Measures against violence and harassment in the workplace - Diversity - Privacy	The CCC Group has a significant direct impact on its employees. The Group diligently fulfils its responsibilities as an employer, ensuring ongoing focus on topics such as equality and diversity, providing a safe and comfortable work environment, safeguarding workers' rights, preventing discrimination, upholding employees' freedom of association, and ensuring a safe and healthy workplace. This is realised through the implementation of relevant processes, policies, and procedures, including the Code of Ethics, HR policies, OHS policies, and whistleblowing procedures.	- Own operations

ESG topic in ESRS	Impact description	Where the impact takes place within the value chain
S2 Workers in the value chain - Secure employment of workers in the value chain - Working time of workers in the value chain - Adequate wages of workers in the value chain - Freedom of association, the existence of works councils and the information, consultation and participation rights of workers in the value chain - Health and safety of workers in the value chain - Gender equality and equal pay for work of equal value of workers in the value chain - Measures against violence and harassment in the workplace with respect to workers in the value chain - Child labour in the value chain - Forced labour in the value chain	We recognise the interdependencies and extensive environmental and social impacts stemming from our operations across various foreign markets and collaborations with multiple partners throughout the entire value chain. The impact on workers in the value chain is a reflection of our approach and practices with regard to due diligence in the supply chain. We adhere to standards that ensure strict compliance with requirements related to product safety and quality, timely production and deliveries, as well as the observance of human rights and adherence to social and environmental criteria.	- Own operations - Upstream - Downstream
S3 Affected communities	The CCC Group has a direct impact on local communities, engaging in local community projects, nationwide charity campaigns and global assistance to those in need. We also collaborate with schools and universities, providing young people with opportunities for career and professional development. Our impact on affected communities along the value chain has not yet been assessed.	- Own operations - Upstream
S4 Consumers and end-users - Privacy - Access to quality information - Health and safety - Responsible marketing practices	With our customer-centric approach, we recognise our power to influence people’s behaviour, awareness and ethical attitudes. Our product communications can exert positive or negative impacts on responsible consumption patterns in society, so responsible marketing communication and addressing any reported irregularities is one of the key topics we aim to focus on in the coming years.	- Own operations - Downstream

ESG topic in ESRS	Impact description	Where the impact takes place within the value chain
G1 Business conduct - Corporate culture - Protection of whistleblowers - Animal welfare - Management of relationships with suppliers including payment practices - Corruption and bribery - Prevention and detection including training - Incidents	Business conduct is a significant area of impact for the CCC Group. We enhance our impact in terms of business conduct and corporate governance through our established governance model. This is demonstrated in our adopted policies, which provide a framework for conducting business in accordance with ethical standards, particularly in the management of sustainability and supplier relationships.	- Own operations - Upstream

15 material ESG risks

- Risk of loss, significant deterioration in quality or lower availability of key raw materials
- Risk related to the prices of raw and other materials
- Risk of water constraints
- Risk of pay pressure
- Risk related to customer experience
- Risk of shifts in consumer preferences and trends
- Risk related to perception of the fast fashion industry
- Risk of changes in the global economic climate
- Risk related to economic implications of COVID-19
- Risk related to regulatory decisions or changes in regulations applicable to the fashion industry and/or retail trade
- Cybersecurity risk and risk related to personal data protection
- Risk of IT inefficiencies or ICT system malfunctions
- Risk of limited supplier availability
- Risk related to transport (rail, port or warehouse) infrastructure constraints and random events occurring in land transport
- Risk related to a shipowner's conduct

Year-on-year changes in materiality

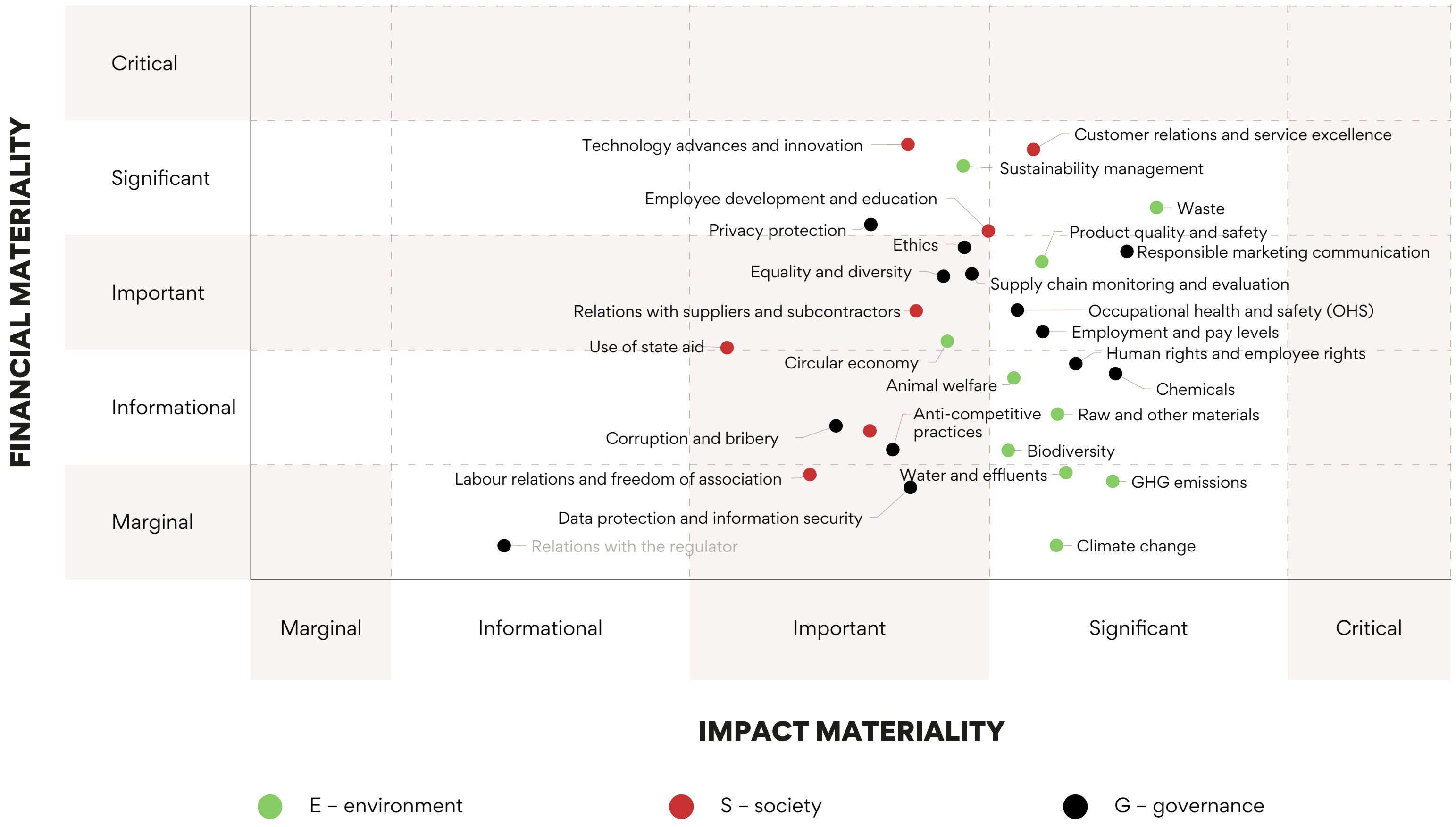
The list of material stakeholders and ESG risks remained unchanged from the previous year. The list of material topics was updated in late October and early November 2023 to align with ESRS requirements, taking into account the list published in ESRS 1 AR 16. The update identified 44 material sustainability topics.

Material ESG topics

Sustainability topics were analysed against four impact materiality criteria: scale, scope, likelihood and remediability of impact.

In the case of financial materiality, the impact of an ESG topic on the Group's growth, performance and business was examined.

Material sustainability topics: an internal and expert perspective*



*The matrix presents the results of the materiality assessment conducted between September and December 2021 following the MAX® (MATERIALITY ASSESSMENT MATRIX) basic+ methodology. The 2023 materiality assessment identified 23 topics where the Company and the Group have material impacts on the external environment or where the external environment has a material impact on the Company and the Group. The matrix does not reflect the changes resulting from updating the material topics in 2023 against the list published in ESRS 1 AR 16.

Material ESG risks

The 2021 materiality assessment examined 38 sustainability risks, of which 15 were rated as material. The list of material risks was updated in 2022 as part of the CCC Group's risk management process improvement and the assessment of potential financial effects of climate-related risks and opportunities. The extended risk assessment was intended to raise awareness of the importance of material ESG risks within the organisation. The process enabled the adoption of a more effective risk management method using strategies in place, helped to improve the risk quantification process, and generated added value by unlocking additional potential to seize opportunities in the future.

In addition, the following risks were considered immaterial as a result of regular risk assessments:

- Risk of changes in the global economic climate
- Risk related to economic implications of COVID-19.

The risks listed in the table below have remained unchanged from the previous reporting period.

Table 1-5. Material sustainability risks

	Environment	
E	Risk of water constraints	Material impacts encompass potential disruptions in the supply chain, arising from shortages of water needed for production and processing. The risk could materialise due to climate change, water resource pollution, or political and social conflicts over water access. Current business effects may include increased operating costs, the need to invest in alternative water sources or water-efficient technologies, and potential losses due to production interruptions. Anticipated effects include operational restructuring or business relocation, entailing significant capital expenditure. The impact could also manifest in rising water prices, directly affecting margins and profitability. In the long term, the CCC Group might have to incur higher operating costs to secure water access, which could affect its ability to compete in the market. In addition, the risk could diminish the CCC Group's attractiveness to investors, who increasingly consider sustainability in their investment decisions. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. Examples of the CCC Group's strategy and business model resilience to the risk of water constraints include supplier audits and relevant provisions in the Supplier Code of Conduct emphasising the rational use of water resources. The CCC Group plans to conduct an in-depth analysis of its impact on water resources in the coming years.
E	Risks related to climate change	Identified material climate-related risks are outlined in section 2.1.2.
	Labour	
S	Risk of pay pressure	Pay pressure can stem from various factors, such as rising costs of living, employee expectations, labour market competition, or legislative changes. Material impacts include potential increases in employee wage demands, leading to higher operating costs for the organisation. Related opportunities include investments in automation and training to boost labour productivity and reduce reliance on labour costs. The current business effects of pay pressure include the need to review salary structure and potentially implement pay raises to stay competitive in the labour market. Anticipated effects may include long-term financial planning and budgeting to accommodate expected pay increases. These financial effects may result in higher labour costs in the present, while anticipated effects could involve securing additional funds for pay raises. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. To enhance the resilience of its strategy and business model, the CCC Group undertakes various measures aimed at: - Creating an appealing and employee-friendly workplace, - conducting regular job satisfaction surveys, - offering financial incentives and wage supplements, - providing clear paths for employee development through internal recruitment.

S	Risk of human resources and skilled labour shortages	The risk can have material impacts on the organisation, limiting its ability to carry out key projects, innovate, and remain competitive in the market. It may arise from various factors, including demographic shifts, intense competition for talent in the labour market, and inadequate human resource management strategies. Current business effects may include project delays, decreased product or service quality, and potential loss of customers and revenue. Anticipated effects could be more severe, potentially leading to a long-term weakening of the organisation's market position and a decline in its overall value. From a financial perspective, the shortage of skilled workers can result in increased costs related to recruitment, training, and hiring of temporary staff, as well as lost revenue due to delays or the inability to fulfil orders. Anticipated financial effects may include potential losses resulting from the need to reduce the organisation's growth rate or abandon certain business initiatives. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. To enhance the resilience of its strategy and business model, the CCC Group implements planned recruitment processes, engages in employer branding activities, and invests in upskilling its workforce. The Group actively seeks talent in the market and invests in the development of potential future employees through: - Partnerships with universities and vocational schools, - internship and apprenticeship programmes, - developing competencies through job rotation - internal promotions, and fostering employee engagement.
S	Risk of key employee knowledge loss	The risk of losing employees with key knowledge is material for any organisation, as these employees often possess valuable knowledge, experience, and business relationships that are not easily replaceable. Material impacts include the potential loss of project continuity or delays in deliveries. The risk can arise from various factors such as natural attrition, competitive job offers, or company restructuring. Current business effects may include operational disruptions, while anticipated effects can lead to a loss of competitive advantage and delays in innovation. The financial effects are also substantial, as the costs of recruiting and training new employees are high, and the departure of key employees can negatively impact the organisation's revenue and profits. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. Risk management measures taken by the CCC Group: - strengthening the organisational culture - enhancing employee satisfaction - providing continuous employee development opportunities - training - employee benefits - ensuring management continuity.

	Supply chain	
S	Risk of loss, significant deterioration in quality or lower availability of key raw materials	The risk of losing access to key raw materials, or experiencing a decline in their quality or availability, can significantly impact business operations. Material impacts affect primarily those areas where the organisation heavily relies on specific raw materials in its upstream value chain and operations. If the risk materialises, the organisation may face increased production costs, potentially leading to higher final product prices or reduced profit margins. Long-term disruptions or loss of access to raw materials could result in production delays, negatively impacting the organisation's business continuity and its ability to fulfil orders. The CCC Group may face difficulties in maintaining its competitive advantage if it is unable to promptly secure alternative sources of raw materials or substitute them with other materials. Consequently, managing the risk becomes a pivotal aspect of strategy, necessitating meticulous procurement planning, supplier diversification, and supply chain monitoring to mitigate potential disruptions. Current financial effects could be material, affecting the organisation's financial position, financial performance and cash flows. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. With the resilience of its strategy and business model in mind, the CCC Group conducts product quality and safety inspections, ensuring suppliers adhere to the procedures, schedules, and standards outlined in the Supplier Code of Conduct and product quality and safety requirements. The CCC Group ensures that its products are made of certified materials meeting OHS and environmental requirements. For example, WeCare products are made of leathers sourced from tanneries certified in accordance with the Leather Working Group Protocol.
S	Risk related to the prices of raw and other materials	The risk related to the prices of raw and other materials is a critical factor affecting the financial and operational stability of an organisation. Its impacts on the business model are primarily concentrated in procurement and logistics, where price fluctuations directly influence production costs, transport costs, and profit margins. The risk is primarily associated with own operations and the upstream value chain. Material impacts encompass global price volatility, driven by factors such as fluctuations in supply and demand, exchange rate movements, and unforeseen geopolitical events. The risk can materialise at any time, posing the potential to significantly disrupt business operations. The current and anticipated business effects of the price risk may include the need to redesign the procurement strategy, seek alternative suppliers, or adjust the production cost structure. Financial effects could be even more severe, as unfavourable changes in raw material prices can lead to reduced margins and, consequently, to a decline in profits and company value. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. Managing the price risk requires a comprehensive approach and continuous market monitoring to respond effectively to market changes. The resilience of the business model is achieved by: - avoiding reliance on any single supplier, - diversifying both geographically and among suppliers, - partnering with suppliers in regions less exposed to civil unrest.

S	Risk of limited supplier availability	The risk of limited supplier availability is a material factor that may affect any organisation, both its own operations and its upstream and downstream value chain. The risk can arise from various factors, such as natural disasters, political instability, regulatory changes, or pandemics, all of which can disrupt supply chains. Business effects can be far-reaching, ranging from production delays to loss of customer trust and declining sales. From a financial perspective, it may result in increased costs as the organisation seeks alternative sources of supply or pays higher prices for switching suppliers. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The Group takes steps to mitigate the effects of the risk associated with the limited availability of suppliers by diversifying carriers and suppliers, planning and using different transport routes, introducing carrier policies and performing service quality control (transport prices).
S	Risk related to transport (rail, port or warehouse) infrastructure constraints and random events occurring in land transport	The risk related to transport (rail, port or warehouse) infrastructure constraints could significantly impact the CCC Group's operations. Material effects include delays in deliveries, increased transport costs and potential revenue loss due to the inability to swiftly adapt to changing market conditions. The risk could materialise due to various factors, including obsolete infrastructure, inadequate investment in modernisation, and unforeseen events such as natural disasters and accidents. The risk is associated with the upstream value chain and own operations. Current business effects may include reduced competitiveness, as delays in the supply chain could lead to customer dissatisfaction and lost orders. Anticipated effects could be more severe if the organisation does not take steps to mitigate the risk, potentially causing long-term damage to its reputation and market position. From a financial perspective, current effects may include increased operating costs due to the need to seek alternative transportation modes or pay higher rates for express shipments. Anticipated financial effects could involve potential revenue loss and the need to bolster financial reserves to cover unforeseen expenses related to supply chain disruptions. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. To enhance the resilience of its strategy and business model, the Group takes steps to mitigate the effects of the risk by diversifying its carriers, using different transport routes, and flexibly switching to road transport.

S	Risk related to a shipowner's conduct	The risk related to a shipowner's conduct may encompass various factors affecting an organisation's stability and profitability. Material impacts could arise from market instability, regulatory changes, and environmental risks such as natural disasters or accidents. The risk could materialise as a result of unpredictable events disrupting maritime operations, like fluctuations in fuel prices or strikes by port workers. The risk is associated with the upstream value chain and own operations. Business effects can be far-reaching, from revenue loss to delays in deliveries, potentially affecting relationships with customers and business partners. Anticipated effects may include adjustments in business strategy, increased insurance costs, and potential losses due to business disruptions. Financial effects may result in direct financial losses, increased debt, and a threat to liquidity. Anticipated financial effects may include a decline in asset value, increased operating costs, and the need to set aside additional funds to cover potential losses. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The Group takes steps to minimise the risk by fine-tuning contracts with shipowners and forwarders, and creating options to redirect freight of products to land transport. The CCC Group regularly reviews its business model and strategy to maintain resilience against the risk.
S	Risk of entering into business relationships with unreliable suppliers	Engaging with an unreliable supplier may give rise to material impacts and risks due to inadequate verification of the supplier's reliability, regulatory non-compliance, or potential issues with the quality of products or services provided. The risk may materialise when the supplier selection process is not conducted properly, resulting in collaboration with an entity that fails to meet business or ethical expectations. The risk is primarily associated with the upstream value chain and own operations. Current business effects may include reputational damage, supply chain disruptions, and potential legal disputes. Anticipated effects may include long-term reputational damage, erosion of trust from customers and business partners, and exposure to potential financial or legal sanctions. From a financial perspective, the risk could lead to direct losses caused by the need to change suppliers, delays in production delays, or even suspension of sales. Anticipated financial effects may include increased operating costs, reduced revenue and profits, and potential costs associated with legal actions. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The Group mitigates the impacts of the risk by: - partnering with suppliers who have endorsed the Supplier Code of Conduct, - evaluating suppliers against ESG criteria before establishing partnerships. Through these measures, the CCC Group safeguards its business model and strategy against current and future risks, while also building a reputable image as a responsible and reliable business partner.

S	Risk of fraud	The risk of fraud can have material impacts including reputational damage, legal sanctions, and operational disruptions. The risk may arise from inadequate internal procedures, insufficient controls, or an organisational culture lacking transparency and ethics. The risk is primarily associated with own operations. Current business effects may include a loss of trust from customers and business partners, potentially resulting in reduced revenue. Anticipated effects include restricted access to capital and credit markets, along with increased costs of implementing additional control and compliance measures. From a financial perspective, fraud can lead to direct financial losses resulting from fines, penalties, and compensation payouts. Current and future financial impacts may also involve higher operating costs related to fraud prevention and monitoring, as well as potential effects on the company value. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The CCC Group's strategy and business model are resilient to the risk. The CCC Group has implemented several measures to mitigate the risk of fraud, requiring: - employees and contractors to adhere to relevant policies and counteract corruption in accordance with the CCC Group Code of Ethics, the CCC Group Anti-Corruption Code, and anti-corruption procedures; - regularly identifying corruption risks; establishing robust internal controls to ensure process transparency to eliminate corruption; - integrating anti-corruption clauses into project orders; providing tools and mechanisms for anonymous reporting of violations; - conducting anti-corruption training for employees.
	Product and customer service	
S	Risk related to customer experience	The risk related to customer experience risk directly impacts customer satisfaction and loyalty. Material impacts may extend to product or service interactions, customer service and the overall brand experience. The risk arises when customer expectations are not met due to inadequate product quality, failure to align offerings with customer expectations, errors in customer service, or ineffective communication. The risk is primarily associated with own operations (sales) and the downstream value chain. Current business effects may include declining sales and negative reviews that could discourage potential customers. Anticipated effects include the loss of long-term customer value and difficulty in attracting new customers. Financial effects can be direct, such as reduced revenue, and indirect, such as increased costs associated with corrective measures and marketing. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The CCC Group places a strong emphasis on the customer, ensuring its strategy and business model are resilient to changes in customer-related factors. The Group has introduced new value-added services, for example CCC Express and online and offline deferred payments. Further store digitalisation, regular NPS surveys (to measure customer satisfaction rates) among CCC customers, marketing investments and our customer loyalty programme help us minimise the risk and leverage it as an opportunity to innovate and improve our offerings.

	Governance	
G	Risk of shifts in consumer preferences and trends	The risk of shifts in consumer preferences and trends is a significant factor that could impact the Group's business model, operations and value chain. Material impacts are associated with own operations and the upstream and downstream value chain. Such shifts can have significant effects on revenue, margins, and cash flows. Organisations capable of swiftly responding to changes in consumer preferences can capitalise on these opportunities for growth and competitive advantage. On the other hand, a lack of response or an inadequate response can lead to a loss of market share and a deterioration in financial performance. Therefore, anticipating financial effects and developing a resilience strategy is crucial for long-term success and financial stability. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. During the reporting period, there were no financial effects associated with the risk of shifts in consumer preferences and trends. The CCC Group is diversifying its product offerings and adjusting its marketing strategy to better respond to changing trends. Examples include our entry into the off-price segment with the HalfPrice business line, strong growth of key private labels and the development of third-party brands. The Group is constantly monitoring trends in consumer choices and preferences. The CCC Group's strategy and business model are highly resilient to the risk and can withstand potential changes while capitalising on new opportunities. With a strong focus on customers, our business model, built around the omnichannel platform, integrates complementary business lines across various sales channels (online/offline), product categories (footwear, clothing, new categories), segments (full-price/off-price), and price points. This approach enables the CCC Group to capitalise on new market opportunities and drive growth.
G	Risk related to perception of the fast fashion industry	The fast fashion industry is facing image challenges stemming from its considerable environmental and social impacts. Material risks involve adverse environmental impacts arising from intensive production cycles and short product life cycles, resulting in substantial waste and greenhouse gas emissions. Furthermore, violations of human rights within the supply chain may give rise to negative impacts on workers in the value chain and affected communities, as well as reputational risks and financial losses. The risk is primarily associated with the upstream value chain and own operations. As a result, the CCC Group could experience direct financial effects, such as reduced sales due to shifting consumer preferences and new environmental and social regulations. The risk also impacts key aspects of the CCC Group's business model, particularly as the majority of collections are sourced from suppliers operating in different regions of the world, mainly Asia. Anticipated financial effects include the need to invest in sustainable practices and technologies, which could result in higher operating costs and increased product prices. On the other hand, this situation could also present new market opportunities and enhance brand image. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The resilience of our strategy and business model hinges on our ability to adapt to changing market conditions and societal expectations. The CCC Group is actively integrating sustainability into its own operations and value chain. Our strategy involves working closely with suppliers to meet sustainability goals and making gradual changes to our product sourcing. For instance, we aim to shift from high-carbon to low-carbon materials and expand our line of WeCare products, which are made using more sustainable technologies and materials.

G	Risk related to regulatory decisions or changes in regulations applicable to the fashion industry and/or retail trade	Regulatory risk is a major concern in the fashion and retail industry, as regulatory decisions and legislative changes can impact every aspect of a business, from product design to sales and distribution. Material regulatory impacts and risks are mainly associated with own operations, although they are also present in the upstream and downstream value chain. Business and financial effects are significant, leading to changes in core business processes, operating costs, profit margins, and cash flows. One example is the EU Strategy for Sustainable and Circular Textiles, which aims to transform the European textile sector by requiring brands to make their products more durable, repairable and recyclable, and free of harmful substances. Companies are also required to prioritise transparency and accountability when communicating their sustainability efforts in compliance with greenwashing regulations. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The CCC Group's strategy and business model are resilient to the risk. We acknowledge that non-compliance could result in significant societal, financial, and legal repercussions. Continuous analysis of regulatory changes is conducted across all relevant areas of expertise (departments), including the legal and sustainability departments. Moreover, the CCC Group has appointed a Compliance Officer to continuously monitor legislative changes across all areas of our operations and proactively adjust to new requirements.
G	Cybersecurity risk and risk related to personal data protection	Cybersecurity risk has become a key consideration for every organisation in the context of its business model, operations, and value chain. Material impacts and risks include data breaches and phishing attacks. The impacts are associated with own operations (trade secrets and employee data) and the downstream value chain (customer data). The impact on the business model can be profound, influencing the organisation's strategy and decision-making processes. Current financial effect may include losses stemming from business disruptions, costs of system repairs, and compensation payouts. Security breaches may erode trust from customers and business partners, exerting a lasting impact on the organisation's reputation and financial performance. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The CCC Group acknowledges the need to constantly advance its cybersecurity efforts in order to maintain the resilience of its strategy and business model against cyber threats. The Group adheres to data protection laws and regulations, including the GDPR, and has implemented data protection and information security policies. We perform audit and supervisory activities. We develop safeguards and security measures, deploying complex technology solutions. The Group also engages in activities such as: - Training employees on personal data processing, - optimising processes to minimise the likelihood of employee errors, - updating its security systems and procedures to enhance the protection of its assets and data.

G	Risk of IT inefficiencies or ICT system malfunctions	Inefficiencies in IT infrastructure and failure in ICT systems can significantly disrupt the operations of any organisation. Material impacts are primarily associated with critical areas of the CCC Group's operations, including data security and service continuity. Should the risk materialise, it could result in outages, data loss, or breaches in information security, ultimately impacting the organisation's reputation and financial performance. In the event of a data security breach, there is a risk of confidential information being leaked, posing a threat to privacy and organisational security. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. By monitoring trends and anticipating potential threats, the organisation can continuously adjust its strategy and business model to the changing environment, enhancing its resilience to unexpected events. To ensure the efficient operation of IT systems and mitigate the risk of system failure or malfunction, the Group ensures the presence of appropriate technological backups for its IT processes and emergency power supply for key components of its IT infrastructure.
G	Risk related to compliance with regulatory changes	The risk may significantly impact the CCC Group's business model, operations, and value chain. Regulatory changes may require the CCC Group to review and update its policies, adjust its business processes, and allocate dedicated resources, thereby affecting its own operations and all levels of the value chain. To address both current and anticipated effects of the risk, the CCC Group responds by adjusting its strategy and business model based on current analyses to better adapt to new requirements. These measures not only serve to minimise adverse financial effects, such as fines for non-compliance, but also to seize opportunities to sharpen competitive advantage and enhance stakeholder value through early adaptation to change. From a financial perspective, material risks and opportunities can significantly impact an organisation's financial position, financial performance, and cash flows. For instance, organisations might encounter financial performance volatility due to the costs associated with complying with new regulations. We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them. The Group is constantly analysing legislative processes, responding to all changes and recommendations. The Compliance function established within the Group is responsible for monitoring legal developments across the organisation, proactively tracking changes in law, and ensuring the Group's compliance with new requirements.

1.7.4. ESG RISK MANAGEMENT

GOV-5

Risk management system at the CCC Group

The risk management system in place at CCC S.A. was designed relying on the guidance provided in the international standard ISO 31000:2012 Risk management – principles and guidelines.

Risk assessment covers both the internal and external environment. The context assessment includes such elements as social and cultural conditions, political and legal environment, regulations applicable to the organisation, technological conditions, economic situation, natural environment, and other economic operators and their activities. Furthermore, key trends and factors that are likely to affect the objectives of the organisation are also considered, and so are stakeholder relations. The internal environment of the organisation is evaluated mainly in terms of corporate governance, structure and culture (including but not limited to roles and responsibilities, accountability), policies, objectives and strategies established to deliver such objectives, available resources and expertise (e.g. capital, time, people, processes, systems and technologies), IT systems, information flows, decision-making processes (formal and informal), relations with internal stakeholders, their perceptions and values, standards, guidelines and models adopted by the organisation, as well as the form and extent of contractual relationships. Additionally, the organisational environment provides the basis for defining the adopted and approved business objectives and for determining the risk appetite level and tolerance for individual risk categories. The definition of those elements makes it possible to specify the strategic framework of the risk management process throughout the organisation.

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

Role of the Supervisory and Management Boards in the sustainability risk identification and management system

SUPERVISORY BOARD

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

MANAGEMENT BOARD

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

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

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

In 2023, as part of the risk management system in place, the Manager of the Internal Audit Department identified no need to update the risk management regulations or methodology. The review enabled a risk identification exercise with key stakeholders, who evaluated the identified risks and the effectiveness of relevant controls in a self-assessment process. A list of key risks was submitted to the Management Board and the Audit Committee. Response plans were prepared for all unacceptable risks. They are monitored on an ongoing basis and updated as necessary to effectively adjust the related risk mitigation strategies.

1.8. COMPLIANCE TABLES

Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

IRO-2

Table 1-6. ESRS compliance table

Disclosure number	Disclosure name	Section in this report
ESRS 2 General disclosures		
BP-1	General basis for preparation of the sustainability statements	1.1.
BP-2	Disclosures in relation to specific circumstances	1.1.
GOV-1	The role of the administrative, management and supervisory bodies	1.2., 1.3.
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.3.
GOV-3	Integration of sustainability-related performance in incentive schemes	1.2., 1.3.
GOV-4	Statement on due diligence	1.3.
GOV-5	Risk management and internal controls over sustainability reporting	1.7.4.
SBM-1	Strategy, business model and value chain	1.4., 1.5., 1.6.
SBM-2	Interests and views of stakeholders	1.4., 1.7.2., 3.1.1., 3.2., 3.3., 3.4.,
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4., 1.7.3, 3.1.1., 3.2., 3.3., 3.4.3.
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.6., 1.7.1.
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	1.8.
ESRS E1 Climate change		
E1-1	Transition plan for climate change mitigation	2.1.1.
E1-2	Policies related to climate change mitigation and adaptation	2.1.1.
E1-3	Actions and resources in relation to climate change policies	2.1.3., 2.1.4.
E1-4	Targets related to climate change mitigation and adaptation	2.1.4.
E1-5	Energy consumption and mix	2.1.5.
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.6.
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.1.6
E1-8	Internal carbon pricing	2.1.6
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	2.1.2.

Disclosure number	Disclosure name	Section in this report
ESRS E2 Pollution		
E2-1	Policies related to pollution	2.3.
E2-2	Actions and resources related to pollution	2.3.
E2-3	Targets related to pollution	2.3.
E2-4	Pollution of air, water and soil	2.3.
E2-5	Substances of concern and substances of very high concern	2.3.
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Not material
ESRS E3 Water and marine resources		
E3-1	Policies related to water and marine resources	2.4.
E3-2	Actions and resources related to water and marine resources	2.4.
E3-3	Targets related to water and marine resources	2.4.
E3-4	Water consumption	2.4.
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	2.4.
ESRS E4 Biodiversity and ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.5.
E4-2	Policies related to biodiversity and ecosystems	2.5.
E4-3	Actions and resources related to biodiversity and ecosystems	2.5.
E4-4	Targets related to biodiversity and ecosystems	2.5.
E4-5	Impact metrics related to biodiversity and ecosystems change	2.5.
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not material
ESRS E5 Resource use and circular economy		
E5-1	Policies related to resource use and circular economy	2.2.
E5-2	Actions and resources in relation to resource use and circular economy	2.2.
E5-3	Targets related to resource use and circular economy	2.2.
E5-4	Resource inflows	2.2.1.
E5-5	Resource outflows	2.2.2., 2.2.3.
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not material

Disclosure number	Disclosure name	Section in this report
ESRS S1 Own workforce		
S1-1	Policies related to own workforce	3.1.1., 3.1.5.
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	3.1.1.
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	3.1.1.
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.1.
S1-6	Characteristics of the undertaking's employees	3.1.2.
S1-7	Characteristics of non-employees in the undertaking's own workforce	3.1.2.
S1-8	Collective bargaining coverage and social dialogue	3.1.2.
S1-9	Diversity metrics	3.1.5.
S1-10	Adequate wages	3.1.3.
S1-11	Social protection	3.1.3
S1-12	Persons with disabilities	3.1.5.
S1-13	Training and skills development metrics	3.1.4.
S1-14	Health and safety metrics	3.1.6
S1-15	Work-life balance metrics	3.1.3.
S1-16	Compensation metrics (pay gap and total compensation)	3.1.3.
S1-17	Incidents, complaints and severe human rights impacts	3.1.1
ESRS S2 Workers in the value chain		
S2-1	Policies related to value chain workers	3.2.
S2-2	Processes for engaging with value chain workers about impacts	3.2.
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.

Disclosure number	Disclosure name	Section in this report
ESRS S3 Affected communities		
S3-1	Policies related to affected communities	3.3.
S3-2	Processes for engaging with affected communities about impacts	3.3.
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	3.3.
S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3.
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.
ESRS S4 Consumers and end-users		
S4-1	Policies related to consumers and end-users	3.4.1., 3.4.3.
S4-2	Processes for engaging with consumers and end-users about impacts	3.4.
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4.2.
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4.2., 3.4.4.
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4.
ESRS G1 Business conduct		
G1-1	Business conduct policies and corporate culture	4.1., 4.2.
G1-2	Management of relationships with suppliers	4.3.
G1-3	Prevention and detection of corruption or bribery	4.1., 4.2.
G1-4	Confirmed incidents of corruption or bribery	4.2.
G1-5	Political influence and lobbying activities	4.4.
G1-6	Payment practices	4.3.

Table 1-7. List of datapoints in cross-cutting and topical standards that derive from other eu legislation

Disclosure requirement and related datapoint	SFDR reference (section in this report)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	1.2.
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	1.2.
ESRS 2 GOV-4 Statement on due diligence paragraph 30	1.3.
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	2.1.1.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Not material
ESRS E1-4 GHG emission reduction targets paragraph 34	2.1.4.

Disclosure requirement and related datapoint	SFDR reference (section in this report)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	2.1.5.
ESRS E1-5 Energy consumption and mix paragraph 37	2.1.5.
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	2.1.5.
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	2.1.6.
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	2.1.6.
ESRS E1-7 GHG removals and carbon credits paragraph 56	2.1.6.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	2.1.2.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	2.1.2.

Disclosure requirement and related datapoint	SFDR reference (section in this report)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	2.1.2.
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	2.1.2.
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	2.3.
ESRS E3-1 Water and marine resources paragraph 9	2.4.
ESRS E3-1 Dedicated policy paragraph 13	2.4.
ESRS E3-1 Sustainable oceans and seas paragraph 14	2.4.
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	2.4.
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	2.4.
ESRS 2 IRO-1 E4 paragraph 16 (a) i	Not material
ESRS 2 IRO-1 E4 paragraph 16 (b)	Not material
ESRS 2 IRO-1 E4 paragraph 16 (c)	Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material

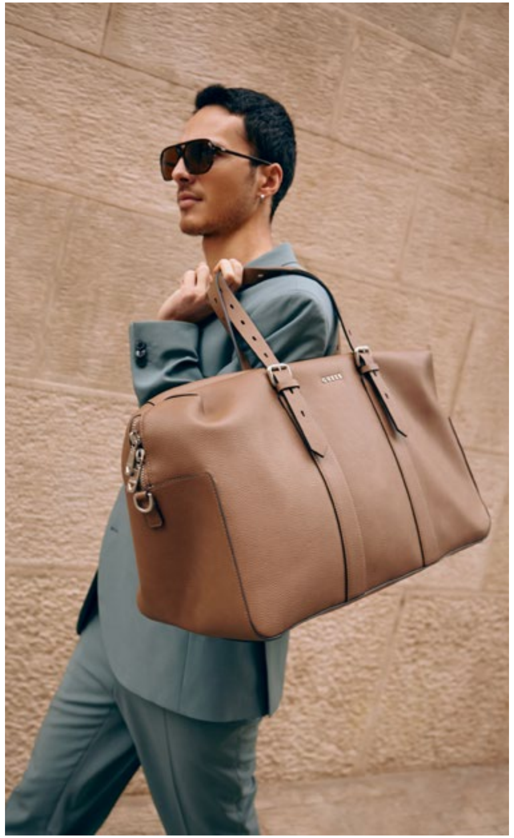
Disclosure requirement and related datapoint	SFDR reference (section in this report)
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	2.2.3.
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	2.2.3.
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14 (f)	3.1.
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14 (g)	3.1.
ESRS S1-1 Human rights policy commitments paragraph 20	3.1.1., 4.1.
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	3.1.1., 4.1.
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	3.1.6.
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	3.1.1., 4.1.
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	3.1.6.

Disclosure requirement and related datapoint	SFDR reference (section in this report)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	3.1.6.
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	3.1.3.
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	3.1.3.
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	3.1.1.
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	3.1.1.
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	3.2.
ESRS S2-1 Human rights policy commitments paragraph 17	3.2.
ESRS S2-1 Policies related to value chain workers paragraph 18	3.2.
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	3.1.1.
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	3.2.
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	3.2.
ESRS S3-1 Human rights policy commitments paragraph 16	3.3.
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	3.3.
ESRS S3-4 Human rights issues and incidents paragraph 36	3.3.
ESRS S4-1 Policies related to consumers and end-users paragraph 16	3.4.1., 3.4.2., 3.4.3.
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	3.4.3.
ESRS S4-4 Human rights issues and incidents paragraph 35	3.4.2.
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	4.2.
SRS G1-1 Protection of whistleblowers paragraph 10 (d)	4.1.
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	4.2.
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	4.2.

Table 1-8. Table of compliance with the accounting act

Requirement under the Accounting Act	Section
Business model (Art. 49b.2.1)	1.4.
Key non-financial performance indicators (Art. 49b.2.2)	1.6., 2.1.4, 3.1.3., 3.1.6
Non-financial policies and their results (Art. 49b.2.3), including	
- Environmental policy	2.1.1., 2.2, 2.3., 2.4, 2.5.
- Social policy	3.2., 3.3., 3.4.1.
- Human rights policy	4.1., 3.1.1.
- Anti-corruption policy	4.1., 4.2.
- Labour policy	3.1.1., 3.1.3., 3.1.4., 3.1.5., 3.1.6.
Due diligence procedures (Art. 49b.2.4)	1.3., 4.1., 4.2.
Material non-financial risks and risk management (Art. 49b.2.5)	1.7.3., 1.7.4.

NATURAL ENVIRONMENT



2.1. CLIMATE CHANGE

The CCC Group's climate-related impacts are present primarily in the following areas:

OPERATIONS
Greenhouse gas emissions from fuel and energy used in retail stores and suppliers' manufacturing plants

LOGISTICS
Greenhouse gas emissions from outbound transport of products to retail stores and e-commerce customers and from inbound transport of goods to the CCC Group

RAW AND OTHER MATERIALS
Greenhouse gas emissions from production of raw materials needed for footwear production, including:
- animal husbandry – to produce natural leather
- plant cultivation – to produce natural fabrics
- extraction, petrochemical and chemical industries – to produce synthetic leather and fabrics, rubber, adhesives, varnishes and paints

E1-1 E1-2 E1-3

Environmental Policy

In order to grow its business, the CCC Group uses various types of capital, including natural capital. Natural capital is the world's natural resources, including minerals, soil, air, water and all living creatures. In order to define the priorities and key principles to guide the CCC Group in governing its relationship with the natural environment and using natural capital, the CCC Group updated and implemented its Environmental Policy in 2022.The Policy was aligned with current regulations and environmental targets set out in the GO.25 Sustainability Strategy. Its purpose was to define a framework for governing the CCC Group's relationship with the natural environment and using natural capital.

Our Environmental Policy sets the following priorities for using natural capital:

- We reduce environmental damage and the use of natural resources, primarily non-renewable resources.
- We compensate for environmental damage where it cannot be reduced.
- We support our business partners, suppliers throughout the supply chain, and customers to empower them to optimise their use of natural resources through their engagement with us and the utilisation of our products.

Climate change mitigation

Climate change adaptation

Protection of water and marine resources

Transition to a circular economy

Pollution prevention and control

Protection and restoration of biodiversity and ecosystems

Our climate change mitigation efforts primarily focus on:

- Generating and storing energy from low- and zero-carbon sources.
- Enhancing energy efficiency.
- Advancing climate-neutral mobility.
- Transitioning to renewable materials from sustainable sources.
- Preventing deforestation and promoting forest restoration, afforestation, sustainable management of arable and grassland areas, and regenerative agriculture practices.

Our climate change adaptation efforts primarily focus on:

- Implementing solutions to mitigate the risk of negative climate impacts.

Energy efficiency and renewable energy initiatives are fundamental aspects of our strategy to mitigate climate change.

Additionally, the CCC Group Environmental Policy elaborates on the application of these principles and showcases the initiatives undertaken by various organizational units. The commitments outlined in the Environmental Policy are formulated in consideration of Regulation (EU) 2020/852 of the European Parliament and of the Council (the 'Taxonomy Regulation') and the Technical Screening Criteria established thereunder.

The Policy applies to all CCC Group companies, regardless of their business profile. It can be adopted and developed by individual CCC Group companies, which are free to further improve the best practices, tailored to their own business profile.

The Environmental Policy was ratified by a formal internal order issued by the President of the Management Board. Annually, the Management Board evaluates the practical implementation of the Policy based on information provided by departments overseeing environmental matters and reports to the Supervisory Board of the CCC Group on the status of Policy implementation.

The Environmental Policy was adopted by the Management Board on 31 January 2023 and is available here: :
https://corporate.ccc.eu/raporty-i-polityki

Environmental strategy
Our environmental strategy sets ambitious and specific targets relating to greenhouse gas emission reduction, waste reduction, water conservation, and biodiversity protection. It is part of the GO.25 Sustainability Strategy.

Decarbonisation strategy
In 2022, the CCC Group initiated the development of a decarbonisation strategy aimed at outlining the pathway and specific measures to achieve net-zero emissions.

As of now, no separate transition plan for climate change mitigation has been formulated. Instead, our Decarbonisation Strategy will serve as the primary framework for transition.

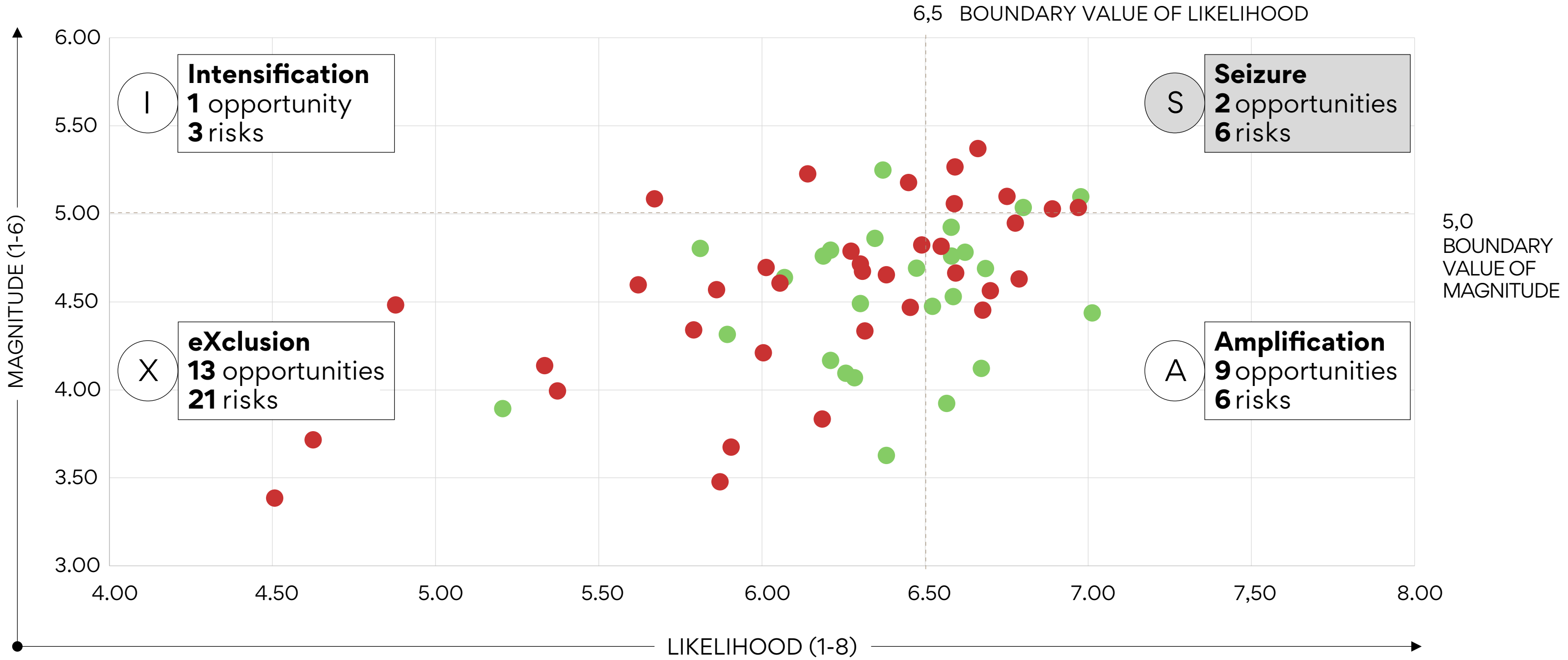
2.1.2.CLIMATE CHANGE RISKS

SBM-3 **IRO-1**

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

- Analysis of material climate risks in the comparative group.
- Questionnaire survey of a CCC expert group comprising 68 representatives of 26 expert areas, including Management Board representatives.
- Calculation of results and classification of identified risks, threats and opportunities.

The study assessed 32 physical and transitional risk factors, encompassing a total of 36 climate change risks and 25 climate change opportunities. According to the methodology employed, those risks and opportunities were considered significant if their likelihood or severity exceeded specific threshold values. The risks and opportunities were examined across three dimensions: likelihood, severity (potential negative or positive impacts), and time horizon.



All risks and opportunities were classified into four categories (A – Amplification, X – eXclusion, I – Intensification, or S – Seizure), depending on whether their scores exceeded the threshold values for likelihood and severity.

Based on the methodology used, two S opportunities and six S risks were classified as material to the CCC Group and need to be actively managed. I and A risks and opportunities are monitored and, in some cases, managed. X risks and opportunities are monitored only. The conclusions from the analysis were incorporated into the risk management system operated at the CCC Group. New climate change risks and opportunities are monitored and identified periodically as part of risk reviews.

Table 2-1. MATERIAL RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE IN CCC GROUP

IRO-1 TCFD

Risk / Opportunity	Time horizon	Management method
Chronic physical risks		
Risk of increased volatility in demand for footwear due to increasingly variable weather patterns	**Medium-long**	Adjust collections to the blurring seasons by properly managing the seasonal product mix.
Risk of increased incidence of epidemic and pandemic outbreaks	**Medium-long**	Implement crisis management procedures and business continuity plans for the Group. Leverage experience gained from the 2020/2021 COVID-19 pandemic. Expand the e-commerce business.
Policy and regulatory/legislative risks		
Risk of having to meet new legal requirements for products or product packaging	**Short-medium**	Implement the circular economy elements of the Sustainability Strategy and monitor legislative processes at the EU level.
Technology risks and opportunities		
Opportunity from reuse of packaging	**Short**	Implement the circular economy elements of the Sustainability Strategy, including where they pertain to packaging.
Risk of rising energy prices due to the reliance on a high-carbon electricity mix in Poland or other countries	**Short-medium**	Focus on energy efficiency improvements, particularly in stores (LED lighting, smart energy management systems, etc.), and plan the implementation or use of some features of the ISO 50001 Energy Management standard.
Opportunity to use advanced analytics and artificial intelligence to develop and optimise purchasing, manufacturing and sales processes with a view to reducing materials consumption and climate impacts	**Short-medium-long**	Continue innovation projects and implement new R&D programmes, expand the CCC R&D centre, foster collaboration with business partners, etc.
Market risks		
Risk of increased costs of raw and other materials caused by other climate-related risks	**Medium-long**	Reduce volumes of raw and other materials sourced from regions that are most vulnerable to climate change. Diversify the geographical supplier base and partner with suppliers in regions less exposed to civil unrest, migration and wars associated with climate change (e.g. Europe).
Risk of no access or limited access to finance due to failure to meet expectations of banks, investment funds or insurers on addressing climate crisis	**Short-medium**	Adapt to expectations of financial institutions on reporting climate change issues, ensure that ESG ratings are maintained and upgraded, and maintain an open dialogue with representatives of financial institutions about their expectations.

E1-9

Anticipated financial effects from material climate-related risks

Fluctuations in weather patterns may disrupt demand for footwear, affecting sales projections and inventory management. Epidemics and pandemics have the potential to disrupt supply chains and inflate operating costs. New legal requirements mandating product or packaging adjustments may entail additional costs but also present opportunities for innovations like packaging reuse. Rising energy prices can significantly impact operational budgets. However, advanced analytics and artificial intelligence offer avenues for process optimisation and cost reduction. Adverse shifts in raw material prices may squeeze margins, leading to reduced profits and overall company value. Limited access to financing poses challenges in securing capital for climate change adaptation and mitigation efforts.

We plan to conduct a more in-depth analysis of the anticipated financial effects in the future in order to quantify them.

2.1.3. SCENARIO ANALYSIS

SBM-3 IRO-1 TCFD

To address climate change risks, the CCC Group conducted a scenario analysis in 2022 to evaluate the resilience of its business model and strategy across different climate change scenarios.

Methodology and assumptions

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

Scenario 1: Paris-aligned

the scenario assumes that the Paris Agreement will be implemented, i.e. climate change will be halted at a level relatively safe for humanity. The scenario is a combination of IPCC's SSP1-1.9 scenario and IEA's Net Zero Emissions by 2050 (NZE) Scenario.

Scenario 2: Paris-missed

according to the scenario, the GHG emissions reduction rate will be in line with the current commitments of the UN member states, as a result of which climate change in the mid-21st century will reach the level predicted by science. The scenario is a combination of IPCC's SSP5-8.5 scenario and IEA's Stated Policies Scenario (STEPS).

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

- Strategic targets/assumptions for business growth, product mix and sales structure by 2025 as set forth in the new GO.25 business strategy.
- Physical climate change impacts related to global surface temperature, water levels, precipitation, extreme weather events, drought, flooding, etc.
- Legal, regulatory, technological and market impacts related to climate change including tariffs, taxes and other carbon levies, energy demand, mobilisation of investment and finance, decarbonisation, technology and innovation advances.
- Other carbon levies, energy demand, mobilisation of investment and finance, decarbonisation, technology and innovation advances.

Nine topic categories were analysed, corresponding to the key steps in the CCC Group's value chain:

Raw materials of animal and plant origin	Retail chain and e-commerce logistics	Manufacture of footwear by suppliers	Offline retail chain	
Energy and fuels	Delivery logistics	Mineral resources	Consumers	Waste

The analysis covered the Group's core operations, which is the footwear segment. The analysis was conducted for three time horizons: short term (2022–2025), medium term (2026–2035) and long term (2036–2050). The analysis focused on the geographic regions of key importance to the CCC Group's value chain (Europe, East Asia, Southeast Asia).

The exercise was conducted in collaboration with MATERIALITY, an external consultancy, using the SA:CCR Scenario Analysis: Climate-Change Resilience qualitative methodology. In the coming years, the CCC Group plans to implement an in-depth quantitative analysis for selected steps of the value chain.

Findings and conclusions

The analysis produced a map showing the severity of the impact under each scenario over the specified time horizon on the CCC Group's resilience, along with the directions of change in the severity of impact over time. Detailed findings of the scenario analysis, including extensive descriptions of the impact under each scenario on the individual steps of the value chain will be used to strengthen the CCC Group's resilience in selected strategic areas and to deepen the analysis for the steps in the value chain characterised by lower medium-term resilience.

Scenario analysis findings:

	Value chain stages	Raw materials of animal and plant origin	Mineral resources	Manufacture of footwear by suppliers	Delivery logistics	Energy and fuels	Offline retail chain	Retail chain and e-commerce logistics	Consumers	Waste
S1 Paris-aligned	short term 2022-2025	△	△	△	△		△	△	▲	△
	medium term 2026-2035	▲	▲	△		▽	▲		△	△
	long term 2036-2050									
S2 Paris-missed	short term 2022-2025	△		△	△	△	△	△	△	△
	medium term 2026-2035	▲	△	▲	▲		△	▲	▲	△
	long term 2036-2050									

Impact intensity

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

Impact change intensity

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

The key findings of the resilience analysis of the CCC Group's business model:

Materialisation of S1: Paris-aligned

- High resilience in the short term
- A relatively safe level of resilience over the medium term, provided that appropriate adaptation measures are taken
- A medium level of resilience over the long term (with the biggest challenges related to raw and other materials, the retail store chain and alignment of the product mix with consumer needs)

Materialisation of S2: Paris-missed

- High resilience in the short term
- A relatively safe level of resilience over the medium term, with a sharp increase in challenges (related mainly to logistics, raw materials of animal and plant origin and manufacturing activities at suppliers)
- Low resilience over the long term, with critical challenges in several areas (logistics, manufacturing activities at suppliers, raw materials of animal and plant origin, and demand for goods)

2.1.4. TARGETS AND ACTIONS RELATED TO CLIMATE CHANGE POLICIES

E1-4

As part of its sustainability strategy, the CCC Group has established emissions reduction targets across all three scopes. These targets include:

- 40% reduction in Scope 1+2 emissions
- 10% reduction in Scope 3 emissions.

The Scope 1 and 2 reduction target encompasses all operations and the entire CCC Group, while the Scope 3 reduction target extends to actions within the value chain. The targets align closely with the Environmental Policy, which outlines the key focus areas and specific measures aimed at achieving the emission reduction levels outlined in the strategy..

E1-3

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

Climate change mitigation actions undertaken by the CCC Group include:

- Eliminating unnecessary energy consumption in retail stores.
- Continuously improving energy efficiency in retail stores and store equipment.
- Using energy efficiency criteria to select retail store locations, prioritising new buildings that meet the Technical Screening Criteria of the EU Taxonomy, and expecting lessors to bring existing buildings into compliance.
- Constructing and renovating owned buildings to meet the Technical Screening Criteria of the EU Taxonomy.
- Applying low-carbon transport criteria for logistics partners.
- Prioritising low- and zero-carbon transport modes for the delivery of goods from suppliers to the CCC Group.
- Encouraging low-carbon travel options for employee business travel, particularly public transport or hybrid vehicles.
- Prioritising low-carbon materials in product design and selection.
- Monitoring raw materials of plant and animal origin to ensure business partners use materials from regenerative agriculture, and avoiding materials from businesses contributing to deforestation.

Climate change adaptation measures undertaken by the CCC Group include:

- Constructing new and renovating existing buildings owned by the CCC Group to withstand sudden and long-term effects of climate change (such as increased incidence of abrupt weather shifts, prolonged heatwaves, and droughts).
- Managing product categories based on changing weather patterns.

2.1.5. FUELS AND ENERGY

E1-5

Total energy consumption (fuel, electricity, heat, and cooling) by the CCC Group in 2023 was 95,380.9 MWh, of which 70,696.0 MWh was from fossil sources, and 24,684.8 MWh, or 25.9% (including 24,574.65 MWh of energy purchased and 110.2 MWh of energy generated) was from renewable sources.

85%

Purchased, acquired, or generated electricity, heat, steam, and cooling accounted for 85% of the total energy consumption.

15%

The remaining 15% was fuel consumption from coal and coal products, crude oil and petroleum products, and natural gas.

Total energy consumption in 2023 decreased by 8.43% year on year.

Table 2-2. Total energy consumption and mix in the CCC Group

E1-5

Energy consumption and mix	Unit	2022	2023	YoY change
Fuel consumption from coal and coal products	MWh	0.00	0.00	-
Fuel consumption from crude oil and petroleum products	MWh	10,365.8	9,709.93	-6.33%
Fuel consumption from natural gas	MWh	5,651.5	4,755.46	-15.86%
Fuel consumption from other fossil sources	MWh	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	55,138.96	56,230.63	+1.98%
Total fossil energy consumption	**MWh**	**71,156.30**	**70,696.02**	**-0.65%**
Share of fossil sources in total energy consumption	**%**	**68.31%**	**74.12%**	**+5.81**
Total energy consumption from nuclear sources	**MWh**	**0.00**	**0.00**	**-**
Share of consumption from nuclear sources in total energy consumption	**%**	**0.00%**	**0.00%**	**-**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, hydrogen from renewable sources, etc.)	MWh	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	32,929.6	24,574.65	-25.37%
Consumption of self-generated non-fuel renewable energy	MWh	76.16	110.20	+44.69%
Total renewable energy consumption	**MWh**	**33,005.75**	**24,684.8**	**-25.21%**
Share of renewable sources in total energy consumption	**%**	**31.69%**	**25.88%**	**-5.81pp**
Total energy consumption	**MWh**	**104,162.05**	**95,380.87**	**-8.43%**

Table 2-3. Total energy consumption from fossil sources in the CCC Group as an undertaking with operations in a high climate impact sector

E1-5

Energy intensity per net revenue	Unit	2022	2023	YoY change
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/PLN 1m	11.42	10.10	-11.51%

2.1.6. GREENHOUSE GAS EMISSIONS

E1-6 E1-7 E1-8

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

Organisational boundaries for reported emissions

- Data for CCC S.A. covers the CCC Group's parent only (100% of emissions)
- Data for the Group covers the parent and all subsidiaries of the CCC Group based on the operational control approach (100% of each subsidiary's emissions) Consolidation encompasses all Group levels.

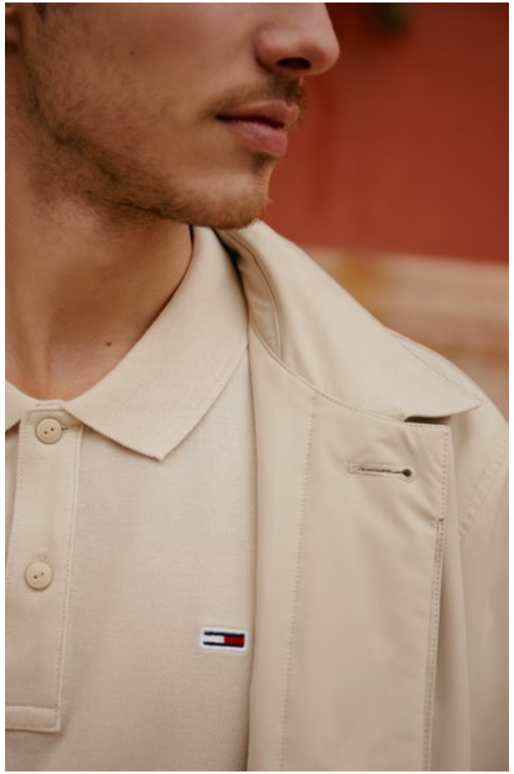
Scope of reported emissions (operational boundaries):

The emissions reported for the parent and the Group comprise:

- Scope 1 emissions (direct emissions)
- Scope 2 emissions (indirect emissions from purchased energy)
- Scope 3 emissions (indirect emissions)

In this report, we are disclosing Scope 1 and 2 emissions for the fifth time, calculated according to the revised Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and Scope 3 emissions for the third time, following the Greenhouse Gas Protocol Value Chain (Scope 3) Accounting and Reporting Standard.

2019 was selected as the base year for CCC S.A.'s and the CCC Group's Scope 1 and 2 emissions, and 2021 was selected as the base year for Scope 3 emissions. The reported Scope 1 emissions are fully comparable to the base year emissions. In the base year, Scope 2 emissions were calculated using the location-based method only, with market-based emissions considered equivalent to the location-based emissions. Starting from the subsequent year, Scope 2 emissions have been calculated separately using both methods.



Methodology and assumptions:

- Emissions were calculated using tools provided by the GHG Protocol (**https://ghgprotocol.org/calculation-tools**), for the six greenhouse gases covered by the GHG Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, SF6), with emission values reported in tonnes (Mg) of carbon dioxide equivalent (CO_2e).
- Scope 1 emissions were calculated using the emission intensity factors for various fuels according to the 2023 DEFRA database.
- Scope 2 location-based emissions were calculated using country-average emission factors for electricity generation provided by the International Energy Agency (IEA) (for countries where the CCC Group operates excluding Poland) and the National Centre for Emissions Balancing and Management (for Poland). Emission factors for countries other than Poland were based on the IEA's 2023 forecasts. For heat, the emission factor was based on data from the Energy Regulatory Office (2022). In the case of the market-based method, emissions factors provided by energy suppliers were used; if none were available, average factors per country were applied.

- Scope 3 emissions were calculated using emission factors derived from ADEME (2020), DEFRA (2023), and ecoquery 3.9.1 databases, the Route Scanner tool, and relevant scientific publications.

Scope 1, 2, and 3 GHG emissions

GHG emissions by scope and as percentage of total emissions in the CCC Group in 2023

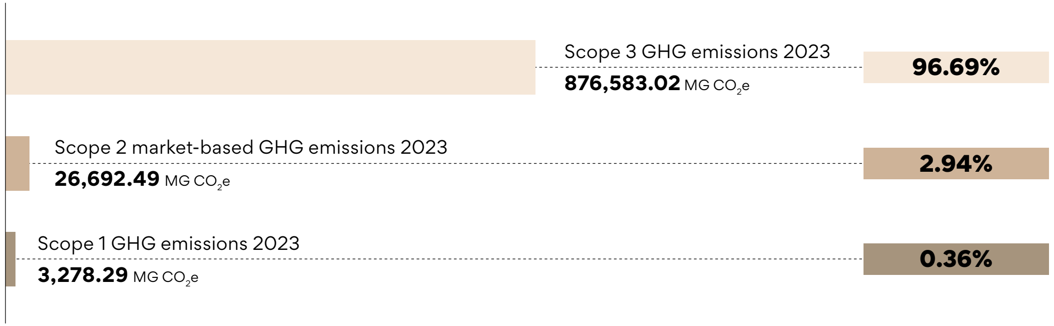


Table 2-4. GHG emissions in the CCC Group

E1-6

		Retrospective				Milestones and target years			
	Unit	Base year 2019	2022	2023	YoY change (%)	2025	2030	2050	YoY change (%)
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions	Mg CO2e	4,295.1	3,858.25	3,278.29	-15.03%	2,577.06			-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	-	-	-	-	-	-	-	-
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions	Mg CO2e	63,665.6	53,140.30	40,579.87	-23.64%	-	-	-	-
Gross market-based Scope 2 GHG emissions*	Mg CO2e	63,665.6	39,690.65	26,692.49	-32.75%	38,199.36	-	-	-
Significant Scope 3 GHG emissions									
Total gross indirect (Scope 3) GHG emissions	Mg CO2e	-	1,024,694.02	876,583.02	-14.45%	922,224.62	-	-	-
1 Purchased goods and services	Mg CO2e	-	824,442.64	688,210.56	-16.52%	-	-	-	-
2 Capital goods	Mg CO2e	-	74,358.45	43,519.89	-41.47%	-	-	-	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Mg CO2e	-	18,157.89	18,157.89	0.00%	-	-	-	-
4 Upstream transportation and distribution	Mg CO2e	-	54,172.01	72,342.12	+33.54%	-	-	-	-
5 Waste generated in operations	Mg CO2e	-	207.08	207.08	0.00%	-	-	-	-
6 Business travel	Mg CO2e	-	1,713.91	1,713.91	0.00%	-	-	-	-
7 Employee commuting	Mg CO2e	-	1,245.39	1,245.39	0.00%	-	-	-	-
8 Upstream leased assets	Mg CO2e	-	emissions included in Scope 1 and 2	emissions included in Scope 1 and 2	-	-	-	-	-
9 Downstream transportation and distribution	Mg CO2e	-	1,015.20	4,815.07	+374.30%	-	-	-	-
10 Processing of sold products	Mg CO2e	-	emissions not present due to specific nature of CCC Group's operations	emissions not present due to specific nature of CCC Group's operations	-	-	-	-	-

		Retrospective				Milestones and target years			
	Unit	Base year 2019	2022	2023	YoY change (%)	2025	2030	2050	YoY change (%)
11 Use of sold products	Mg CO2e	-	not available	not available	-	-	-	-	-
12 End-of-life treatment of sold products	Mg CO2e	-	42,609.35	39,599.01	-7.06%	-	-	-	-
13 Downstream leased assets	Mg CO2e	-	emissions included in Scope 1 and 2	emissions included in Scope 1 and 2	-	-	-	-	-
14 Franchises	Mg CO2e	-	6,772.1	6,772.1	0.00%	-	-	-	-
15 Investments	Mg CO2e	-	negligible emissions	negligible emissions	-	-	-	-	-
Total GHG emissions									
Total Scope 1+2 GHG emissions (location-based)	Mg CO2e	67,960.76	56,998.55	43,858.16	-23.05%	-	-	-	-
Total Scope 1+2 GHG emissions (market-based)*	Mg CO2e	67,960.76	43,548.90	29,970.79	-31.18%	40,776.46	-	-	-
Total Scope 1+2 (location-based) + Scope 3 GHG emissions	Mg CO2e	-	1,081,692.57	920,441.18	-14.91%	-	-	-	-
Total Scope 1+2 (market-based) + Scope 3 GHG emissions	Mg CO2e	-	1,068,242.92	906,553.80	-15.14%	-	-	-	-

* Scope 2 market-based emissions for 2019 were assumed to be the same as location-based emissions.
** 2022 and 2023 Scope 3 emissions were calculated for CCC S.A., CCC.eu Sp. z o.o., HalfPrice Sp. z o.o., DeeZee Sp. z o.o., MODIVO S.A., Eobuwie Logistics Sp. z o.o., and selected categories were calculated for certain other CCC Group companies based on the principle of true and fair representation.
*** Reduction targets are defined in the GO.25 Sustainability Strategy. The 2025 target values for Scope 1 and Scope 2 emissions are indicative because the reduction target set in the strategy at -40% applies to the combined Scope 1 and Scope 2 market-based emissions.

Scope 2 emissions were calculated using the market-based and location-based methods. The data in the table covers the entire Group. Data on CCC S.A. is provided in Appendix 2.
Gross Scope 1 GHG emissions in 2023 totalled 3,278.29 Mg CO2e, 15.0% less than in the previous year. Market-based Scope 2 emissions totalled 26,692.49 Mg CO2e, marking a 32.8% decrease from 2022, while location-based Scope 2 emissions totalled 40,579.87 Mg CO2e, a 23.6% decrease from the previous year. Scope 3 emissions totalled 876,583.02 Mg CO2e in 2023, which was 14.5% lower than in the previous year.

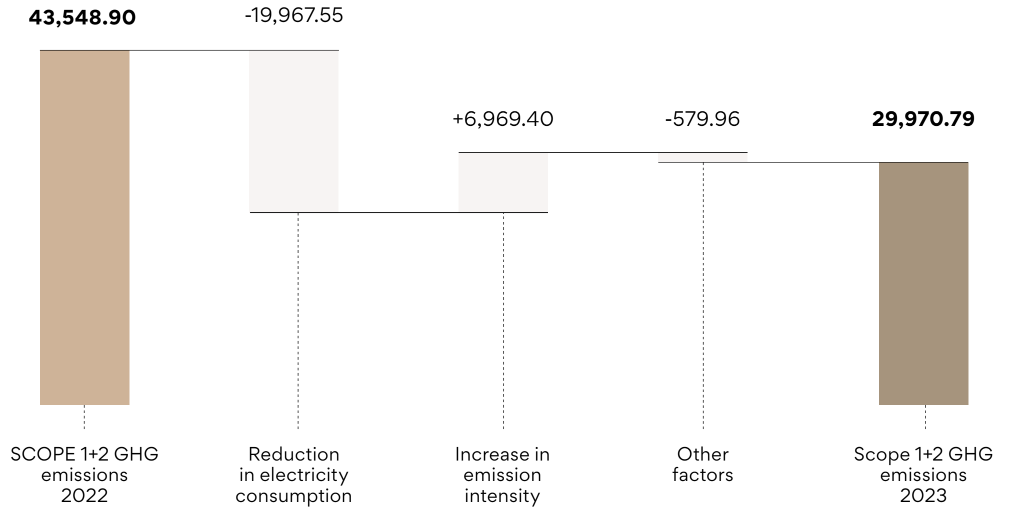
In 2023, total Scope 1+2 (location-based) + 3 GHG emissions reached 920,441.18 Mg CO2e, while Scope 1+2 (market-based) + 3 emissions totalled 906,553.80 Mg CO2e.

In 2023, Scope 1 and Scope 2 market-based emissions accounted for approximately 3.3% of the CCC Group's total emissions. The vast majority (89.1%) of the CCC Group's GHG emissions are Scope 2 emissions, i.e. indirect emissions from the generation of purchased electricity and heat. The vast majority of those emissions (94.8% of Scope 2 emissions) were attributable to purchased electricity, with the remaining 5.2% attributable to purchased heat. More than a half (70.0%) of Scope 1 emissions resulted from fuel consumption by vehicles used by the CCC Group. Additionally, 29.4% of Scope 1 emissions were produced by fuel combustion for building heating. The balance of 0.6% were refrigerant leaks.

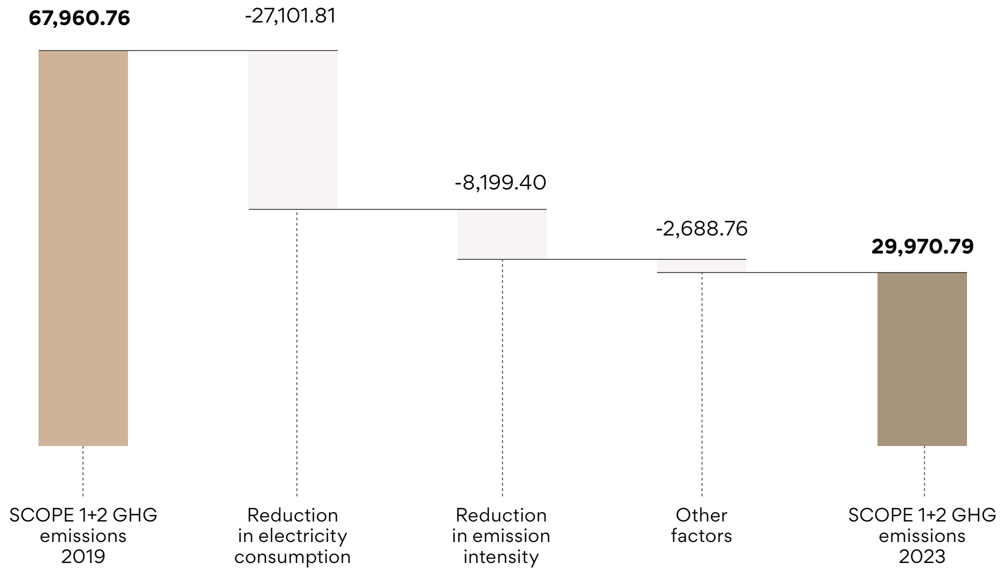
The emissions structure discussed above highlights the importance of measures taken to increase energy efficiency and switch to renewable energy sources. In particular, efforts made with a view to reducing electricity consumption and obtaining it from renewable sources may have the greatest impact on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

Measures implemented by the CCC Group to reduce Scope 1 and 2 emissions:
- Installation of 162 energy consumption analysers in offline stores to enable real-time monitoring and identify causes of excessive energy use.
- Reducing the brightness of LED displays by 45%.
- Educating staff about new air conditioning regulations in retail and administrative spaces and their direct impact on greenhouse gas emissions.
- Discontinuing the use of an office building in Polkowice.

Drivers of year-on-year change in Scope 1+2 market-based GHG emissions in the CCC Group in 2023



Drivers of change in Scope 1+2 market-based GHG emissions in the CCC Group in 2023 versus base year



Structure of Scope 3 GHG emissions and year-on-year change

- As much as 96.7% of the CCC Group's total 2023 emissions were Scope 3 emissions (all indirect emissions along the value chain), with Category 1 emissions (purchased materials and raw materials used in footwear production) accounting for the largest share of total Scope 3 emissions. In 2023, they accounted for as much as 78.5% of Scope 3 emissions and for 75.9% of the CCC Group's total emissions (Scope 1+2 market-based + +3). In 2023, Category 1 emissions totalled 688,210.56 Mg CO2e, marking a 16.5% decrease compared to the previous year. The decrease was driven primarily by lower volumes of leather ordered and used in production. In response to inventory accumulation resulting from decreased demand during the Covid-19 pandemic in 2020 and 2021, the CCC Group implemented a working capital optimisation programme in 2022 and 2023. As a result, fewer products were ordered over the last two years, leading to an excessive reduction in the amount of leather used in merchandise production during this period. The reduction was a one-time measure triggered by the pandemic. Under normal business conditions, the reduction in leather usage should follow a linear trend.
- Category 4 emissions from downstream transportation and distribution accounted for 8.3% of Scope 3 emissions and 8.0% of total emissions. In 2023, Category 4 emissions totalled 72,342.12 Mg CO2e, which was a 33.5% increase from the previous year.
- Category 2 emissions from the purchase of capital goods accounted for 5.0% of Scope 3 emissions and 4.8% of total emissions. These emissions stood at 43,519.9 Mg CO2e, a 41.5% decrease from the previous year, driven by lower capital expenditure year on year.
- Category 12 emissions from end-of-life treatment of sold products accounted for 4.5% of Scope 3 emissions and 4.4% of total emissions. These emissions amounted to 39,599.0 Mg CO2e, a 7.1% decrease from the previous year.
- Categories 3, 5, 6, 7, 9, and 14 combined represented 3.8% of Scope 3 emissions and 3.6% of total emissions. The significant difference between Category 9 emissions in 2023 vs 2022 is attributed to the expanded scope of data sourced from a larger number of Group companies compared to 2022.

In 2023, Scope 3 GHG emissions were calculated for material categories 1, 2, 4, 9, and 12 only. For Categories 8, 10, 11, 13, and 15, emissions were either non-existent or estimated as negligible, and therefore will not be recalculated. For Categories 3, 5, 6, 7, and 14, emissions were calculated for 2022 or 2021 but were deemed immaterial. As a result, the emission values for these categories were carried forward to 2023 and will not be recalculated for the next two reporting cycles. In 2023, the CCC Group established a materiality threshold for Scope 3 emissions at 2% of the 2022 Scope 3 GHG emissions.

Scope 3 GHG emissions for 2023 amounted to 876,583.02 Mg CO_2e, marking a 27.3% decrease from 1,205,421.9 Mg CO_2e in the base year (2021).

Scope 3 emissions were calculated based on the following assumptions:

Category 1
calculations were derived from data on materials and raw materials used to manufacture approximately 36.6 million units of private label products in 2023, representing approximately 88.1% of all private label products. This is compared to data for approximately 38.5 million units of product in 2022 and 34.2 million units in 2021. The calculation method used was the average-data method. The volume of materials used (by weight) was converted using cradle-to-gate LCA IPCC 2021 GWP100 emission factors sourced from the ecoquery database (version 3.9.1) and, if relevant factors were not available, from research studies.

Category 2
calculations based on a complete list of fixed assets purchased during the financial year 2023 by nine Group companies and subsequently allocated to sectoral categories. The calculations were made using the spend-based method and ADEME (2020) emission factors.

Category 3
calculations made in 2022 based on the CCC Group's fuel and energy consumption data and DEFRA (2021, 2022) and IEA (2022) emission factors. Well-To-Tank emissions (for fossil fuels) and emissions associated with energy transmission and distribution losses (direct and Well-To-Tank emissions) were taken into account. The calculation method used was the average-data method.

Category 4
calculations based on data on the transport of goods purchased by the CCC Group (number of transported containers, mode of transport, origin and destination), using emission factors sourced from the DEFRA (2023) database. The calculation method used was the distance-based method.

Category 5
calculations made in 2022 based on waste data for the CCC Group. The average-data method was applied, and a general conversion factor for office and industrial waste derived from DEFRA (2021, 2022) was used.

Category 6
calculations made in 2022 based on data sourced from the CCC Group's central business travel system. Transport emissions were calculated using factors sourced from the DEFRA (2022) database, whereas hotel-stay emissions were calculated using factors sourced from the Hotel Footprinting Tool. The calculation method used was the distance-based method.

Category 7
calculations made in 2022 based on data collected from employee surveys completed at CCC Group companies for a representative sample of employees, using factors sourced from the DEFRA (2022) database, and then extrapolated to all CCC Group employees. The annual emissions per respondent were estimated using the distance-based method and the declared commuting frequency, taking into account remote work, distance travelled and mode of transport.

Category 9
calculations based on data on online orders delivered to customers in Poland (origin and destination, mode of transport, weight of shipment), using factors sourced from the DEFRA (2023) database. The calculation method used was the distance-based method.

Category 12
calculations based on the CCC Group's sales volume in the financial year 2023 multiplied by average product weight and the DEFRA (2023) emission factor for clothing. As no information was available on the end-of-life treatment of sold products by consumers, landfilling was assumed. The average-data method for each waste type was used.

Category 14
calculations made in 2021 based on Scope 1 and Scope 2 emissions data provided by a franchisee company and in-house Scope 1 and 2 emissions calculations made for the other franchisees based on the fuel and energy consumption data provided by them.

The method applied to calculate Scope 3 emissions in 2023 was the same as in 2022..

GHG emissions intensity
We assess our GHG emissions intensity by calculating GHG emissions per PLN 1m of net revenue at the Group level and per unit of product (a pair of shoes or another product type).

Table 2-5. GHG intensity per net revenue and unit of product sold in the CCC Group

E1-6

GHG intensity per net revenue	Unit	2022	2023	YoY change
Total Scope 1+2 (location-based) + Scope 3 GHG emissions per net revenue	Mg CO_2e/PLN 1m	118.57	97.50	-17.77%
Total Scope 1+2 (market-based) + Scope 3 GHG emissions per net revenue	Mg CO_2e/PLN 1m	117.09	96.03	-17.99%
GHG intensity per unit of product sold				
Total Scope 1+2 (location-based) + Scope 3 GHG emissions per unit of product sold	kg CO_2e/1 unit of product	11.92	10.56	-11.38%
Total Scope 1+2 (market-based) + Scope 3 GHG emissions per unit of product sold	kg CO_2e/1 unit of product	11.77	10.40	-11.61%

In this report, the CCC Group provides the estimated carbon footprint of a pair of shoes for the second time. In 2023, one pair of shoes had a carbon footprint of 18.8 kg CO2e, 12.08% less than last year. The year-on-year difference reflected a change in characteristics of ordered products. Purchase orders for leather products were reduced in 2023, as discussed in detail in the section dedicated to Scope 3 GHG emissions and year-on-year changes.

To calculate emissions per pair of shoes, data on materials and raw materials used in the production of private label products contracted by CCC were used (Category 1 emissions divided by the number of products included in the Category 1 calculations, that is 36.6 million pairs of shoes). Transport emissions were not included in the calculations.

Table 2-6. GHG emissions per pair of shoes in the CCC Group

	2021	2022	2023	zmiana r/r
Emissions per one pair of shoes	30.85 kg CO_2e	21.39 kg CO_2e	18.8 kg CO_2e	-12.08%

GHG removals and GHG mitigation projects financed through carbon credits

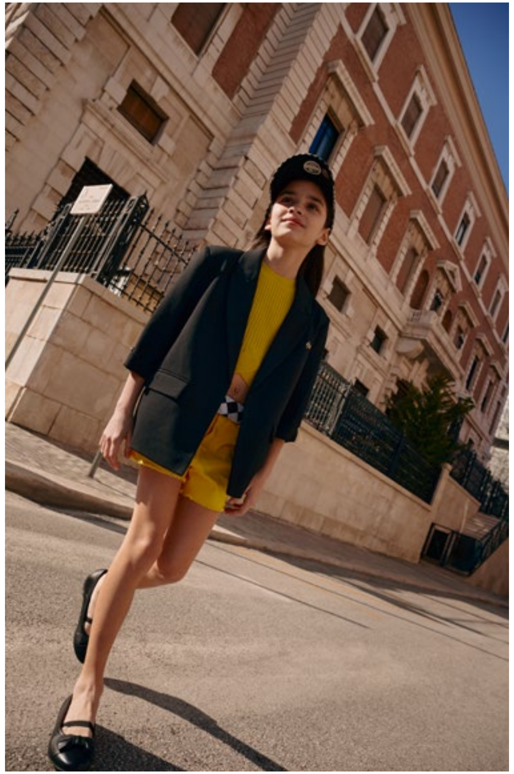
E1-7

The CCC Group did not purchase any offsets or carbon credits in 2023.

Internal carbon pricing

E1-8

The undertaking does not apply internal carbon pricing schemes.



2.2. RESOURCE USE AND CIRCULAR ECONOMY

Circular economy is a concept enabling rational use of resources and seeking to maintain the value in manufactured products. At the heart of a circular economy lies the desire to keep materials circulating in the economy without excessive exploitation of primary resources. Products should be made from reused or sustainably produced materials and should be reusable at the end of their life, either as components or as recycled materials.

Circularity has been moved to the top of our priority list in recent years, and the materiality assessment conducted by the CCC Group proved this decision right.

Managing and transitioning to circularity are key objectives for the CCC Group. Our efforts in this regard concentrate on managing the substantial material and product flows inherent in our operations.

Policies related to resource use and circular economy

E5-1

Our commitment to advancing the circular economy is outlined in our Environmental Policy, which delineates key lines of action. Key strategic initiatives related to circular economy are specifically outlined in the environmental section of our GO.25 Sustainability Strategy focusing on waste reduction and responsible product management. Additionally, the CCC Group has devised a comprehensive circular economy roadmap, serving as a practical blueprint for implementing circular economy principles across the organisation. Detailed targets, actions, and their descriptions are provided further in this section.

Our Environmental Policy also underscores the shift away from virgin resources, emphasising the increased use of secondary (recycled) resources and the sustainable sourcing and use of renewable resources.

Our commitment to advancing circular economy can be pursued through several initiatives:

- Integrating design policies aligned with circular economy principles into all design processes at the CCC Group and within the criteria for selecting commercial merchandise.
- Exploring, analysing, and assessing circular business models, and implementing them wherever feasible to transform the CCC Group into a circular organisation.
- Providing CCC Group customers with access to product care goods and relevant information to extend product lifespan.
- Designing and manufacturing (by business partners) products that are repairable, and ensuring access to appropriate spare parts. Ensuring that non-repairable products are made only from materials that are reusable, recyclable, or effectively biodegradable.
- Reducing the quantity and weight of packaging used throughout the logistics chain, including inbound logistics,
- internal logistics within the CCC Group (to retail stores), and outbound logistics.
- Using packaging made from recycled and recyclable materials.
- Designing and furnishing stores with furniture, accessories and appliances that can be reused, disassembled, and recovered.

E5-2

Actions and resources related to resource use and circular economy

In 2023, the CCC Group implemented several circular economy initiatives:

- Increased proportion of sustainable products offered, with weCare products representing 17.4% of the total product range.
- Optimised packaging by transitioning HalfPrice's cardboard packaging to uncoated paper, introducing 100% recyclable plastic shipping bags, and reducing the variety of sizes at CCC. This resulted in significantly lower cardboard usage across selected categories, ultimately leading to decreased paper consumption.

Furthermore, we implemented the Give Your Shoes a Second Life project, which involved collecting used footwear at CCC's offline stores. The initiative resulted in collecting over 19,000 pairs of shoes in 2023 alone and more than 109,000 pairs in total since its launch in 2021. Drives in 2023 were carried out across five markets, and the CCC Group donated the shoes to local charities and institutions, ensuring that shoes suitable for reuse were distributed to people in need.

We also participated in the EKOzwroty (Sustainable Returns) collaboration with Inpost, collecting 5,902 pairs of shoes from its launch in August 2022 until the end of December 2023, including 5,020 pairs in 2023 alone.

Circular economy roadmap

In 2021, the CCC Group developed a circular economy roadmap as part of its ongoing circular economy programme. The document is based on identified circular business models and points of impairment throughout the CCC Group's value chain.

The material flow chart is provided in the CCC Group's 2020 sustainability report, while further insights into the circular economy roadmap can be found in the 2021 sustainability report, both available at **https://corporate.ccc.eu/raporty-i-polityki**

Targets related to resource use and circular economy

E5-3

The targets related to circular economy set by the CCC Group in its GO.25 Sustainability Strategy are listed below.

100% product categories containing sustainable collections

We introduce products manufactured using environmentally friendly technologies and materials. This encompasses leather products certified by the Leather Working Group and items made from recycled materials.

The target focuses on the production phase, aligning with circular economy principles to enhance reuse, reduce virgin resource consumption, and encourage sustainable sourcing and use of renewable resources.

Waste hierarchy: prevention

100% recycled and recyclable packaging

The CCC Group employs FSC-certified paper packaging and streamlines the shape and size of packaging in its e-commerce activities.
The target focuses on resource inflows and outflows, specifically aiming to increase material reuse rates and enhance waste management practices.

Waste hierarchy: prevention, preparing for reuse.

Launch of single cardboard packaging in e-commerce

The target focuses on resource outflows and waste management.

Waste hierarchy: prevention.

Reduce waste generated by the CCC Group by 30%

The target focuses on waste reduction. Ongoing monitoring of the amounts of generated waste as well as analysis of previous years’ data help the CCC Group identify sensitive areas.

Waste hierarchy: prevention, preparing for reuse.

Roll out the used shoes collection drive across 100% of stores in Poland and abroad

The target focuses on resource outflows and waste management. All CCC Group offline stores, both in Poland and abroad, will collect used products. The initiative to recycle and reuse footwear enables our customers to make conscious choices about their worn or unwanted items, preventing them from ending up in landfills. It also promotes responsible consumer behaviour and sustainable social practices. By consistently recycling resources, prolonging product lifespans, and minimising environmental footprints, we contribute to shifting the fashion industry towards a circular economy.

Waste hierarchy: other recovery.

Ecological thresholds were not considered in setting the targets. The targets were adopted voluntarily.

2.2.1. RESOURCE INFLOWS

E5-4

In 2023, resource inflows encompassed products purchased for resale (commercial merchandise) and operational purposes, as well as technical and biological materials used in packaging production and logistics support processes.

The primary product inflows included commercial merchandise (footwear, bags, clothing, accessories, etc.) as well as textiles, furniture, and IT equipment. Essential technical materials comprised glass, toners, and building materials used in retail store renovations, along with packaging materials like film, wood, packing tape, cardboard, and paper.

The total weight of product and material inflows amounted to 67,433.1 Mg, of which 81.9% (55,192.2 Mg) were products and 18.1% (12,240.9 Mg) were technical materials. Secondary reused materials accounted for 3.2% of technical materials. No biological materials were used in 2023.

Table 2-7. Resource inflows into the CCC Group

E5-4

Resource inflows	Unit	2023
Total weight of product inflows	**Mg**	**55,192.22**
Total weight of technical material inflows,	Mg	12,240.89
including total weight of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services	Mg	391.61
Total weight of biological material inflows,	Mg	0.00
including sustainably sourced materials	Mg	0.00
Total weight of technical and biological material inflows	**Mg**	**12,240.89**
The overall total weight of products, technical and biological materials	**Mg**	**67,433.10**
Percentage of sustainably sourced biological materials	**%**	**0.00%**
Percentage of secondary reused materials	**%**	**3.20%**

The resource inflow data was sourced from internal records and documents kept by specialised departments within the CCC Group. The weight of commercial merchandise was computed using the number of product orders and averaged weight values for each product category. Building material weights were estimated from construction designs, while IT equipment weights were derived from invoice line items. Textile weights were determined through estimates and average values.

The CCC Group did not identify any double-counting risks in 2023.

2.2.2. RESOURCE OUTFLOWS

Products that were acquired and subsequently left the CCC Group are classified as resource outflows, which are further classified into products/product groups and packaging. Our key product categories include footwear, bags, clothing, accessories, and others, along with various packaging items like primary and secondary cardboard packaging, plastic film, and other packaging materials.

In 2023:

The total weight of product outflows amounted to

39,521.9 Mg,

none of which were recyclable.

The total weight of packaging outflows was

19,217.12 Mg,

with 94.9% composed of recyclable materials.

Table 2-8. Resource outflows from the CCC Group

E5-5

Resource outflows	Unit	2023
Total product weight	Mg	39,521.91
Total recyclable content in products	Mg	0.00
Total packaging weight	Mg	19,217.12
Total recyclable content in packaging	Mg	18,239.77
Recyclable content ratio in products	%	0.00%
Recyclable content ratio in packaging	%	94.91%

*The total weight of resource outflows was calculated based on the number of products sold, the average weights assumed for each product group, and packaging weight.

E5-5

The CCC Group applies circular design mostly by selecting its merchandise based on their quality, durability, and production process. Products should be made from reused or sustainably produced materials and should be reusable at the end of their life, either as components or as recycled materials.

The CCC Group's product range includes items containing recyclable materials and components. However, the precise amount (either weight or percentage) of these recyclable materials is currently unquantifiable due to insufficient information from suppliers. As a result, the recyclable content ratio was 0% in 2023.

The CCC Group does not engage in manufacturing, hence it does not have any key products and materials coming out of the production process. Product repairs are available through the customer complaint process. The complaint rate for the CCC Group, which is the ratio of customer complaints to the number of products sold in the financial year 2023, was 1.7% (based on data from Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bulgaria, Romania, and Serbia). Percentage calculated across selected markets for CCC's offline and online channels (OMS – items purchased online and delivered through a CCC retail store).

2.2.3. WASTE MANAGEMENT

E5-5

Waste generation constitutes a significant environmental impact of the CCC Group's operations, with primary waste streams originating from operational activities, notably transport and logistics processes.

In 2023, the CCC Group generated a total of 8,219.07 Mg of waste, including:

31.55 Mg

of hazardous waste, with none recycled, and

8,187.52 Mg

of non-hazardous waste, of which 91.7% was recycled.

0.89 Mg of hazardous waste and 415.14 Mg of non-hazardous waste was disposed of. In 2023, 710.8 Mg, or 8.65% by weight of all waste generated by the CCC Group, was not recycled, and 377.18 Mg of waste was directed to landfills.

Table 2-9. Hazardous and non-hazardous waste by waste management method in the CCC Group

E5-5

Resource outflows	Unit	2022	2023	YoY change
Waste diverted from disposal				
Hazardous waste	**Mg**	**11.21**	**30.66**	**+173.55%**
Preparation for reuse	Mg	0.03	0.00	-100.00%
Recycling	Mg	0.00	0.00	-
Other recovery operations	Mg	11.18	30.66	+174.17%
Non-hazardous waste	**Mg**	**6,552.92**	**7,772.38**	**+18.61%**
Preparation for reuse	Mg	104.24	114.68	+10.01%
Recycling	Mg	6,432.66	7,508.27	+16.72%
Other recovery operations	Mg	16.02	149.42	+833.02%
Total amount of waste diverted from disposal	**Mg**	**6,564.13**	**7,803.04**	**+18.87%**
Waste directed to disposal				
Hazardous waste	**Mg**	**1.44**	**0.89**	**-37.98%**
Incineration	Mg	1.07	0.25	-77.01%
Landfill	Mg	0.05	0.00	-100.00%
Other disposal operations	Mg	0.31	0.65	+106.07%
Non-hazardous waste	**Mg**	**284.85**	**415.14**	**+45.74%**
Incineration	Mg	0.56	15.10	+2,596.43%
Landfill	Mg	116.63	377.18	+223.38%
Other disposal operations	Mg	167.65	22.87	-86.36%
Total amount of waste directed to disposal	Mg	286.28	416.04	+45.32%
Total amount of radioactive waste	**Mg**	**0.00**	**0.00**	**-**
Total amount of waste generated	**Mg**	**6,850.42**	**8,219.07**	**+19.98%**
Total amount of non-recycled waste	Mg	417.75	710.80	+70.15%
Percentage of non-recycled waste	%	6.1%	8.65%	+2.55pp

Waste data for Polish companies is primarily sourced from the Waste Database (BDO) records. For foreign companies, data is derived from current waste reports.

Ongoing monitoring of the amounts of generated waste as well as analysis of previous years' data help the CCC Group identify sensitive areas. We monitor the volumes of generated waste to collect data on the amount of particular types of waste transferred off site. The data is collected, processed, and analysed in spreadsheets to inform future decisions on waste management and transfer methods. A case in point is the decision to start baling film waste at a warehouse. Baling became necessary as the warehouse generated substantial amounts of film waste. The baling process helps save storage space and, more importantly, enables film waste to be transferred to recycling facilities. Tests are also underway to introduce lighter-weight plastic films.

All waste whose generation could not be prevented is selectively stored and transferred to companies holding appropriate licences for managing particular types of waste. All CCC Group's suppliers agree to comply with the applicable environmental regulations and to use natural resources reasonably. Suppliers strive to ensure that the footwear sewing patterns are designed to minimise waste. Leftover fabric pieces are used to make various ornaments (zipper tags, etc.).

E5-5

Furthermore, waste management matters are addressed in our Environmental Policy, which identifies the primary lines of action.

E5-5

To broaden the scope of the Give Your Shoes a Second Life project, we are investigating innovative approaches for processing used footwear and repurposing the derived materials in other industries.

2.3. POLLUTION

IRO-1

Our materiality assessment identified chemicals as a material sustainability topic. Representatives of the affected communities did not participate in the assessment.

Policies related to pollution

E2-1

Pollution is addressed in various documents, including our Environmental Policy, the CCC Group Supplier Code of Conduct, and our chemical substance monitoring procedure. Specifically, the Supplier Code of Conduct and chemical substance monitoring focus on managing risks and impacts related to pollution. Our Environmental Policy outlines the CCC Group's aspirations in this realm, while the scope and details of pollution-related documents are discussed below.

The CCC Group mandates adherence to legal standards for all chemicals used or introduced, and rigorous chemical testing is conducted regularly to ensure regulatory compliance and uphold safety standards.

<table>
<tr><th>Policy</th><th>Environmental Policy</th><th>Supplier Code of Conduct</th><th>Procedure for monitoring chemical substances</th></tr>
<tr><td>Value chain stage addressed by policy</td><td>Supply chain and own operations</td><td>Supply chain (and own operations)</td><td>Value chain across geographies and operations (administration, logistics, stores)</td></tr>
<tr><td>Supervision</td><td>President of the Management Board / CCC Management Board</td><td>President of the Management Board / CCC Management Board</td><td>President of the Management Board / CCC Management Board</td></tr>
<tr><td>Operational responsibility</td><td>Areas responsible for environmental protection, including Administration, Logistics, Sales, Product</td><td>Product Quality Department</td><td>OHS Department</td></tr>
<tr><td>Policy recipients</td><td>All CCC Group companies</td><td>Suppliers</td><td>All employees responsible for introducing chemical substances and monitoring their use</td></tr>
<tr><td>Matters addressed by policy</td><td>Pollution control and prevention priorities and courses of action</td><td>Substances present in commercial products or in the production process</td><td>Substances used by the CCC Group</td></tr>
<tr><td rowspan="2">Detailed scope</td><td rowspan="2">The main focus of pollution control and prevention is on:
- Preventing or, where impracticable, minimising emissions of pollutants to air, water, and soil.
- Preventing any adverse effects on human health and the environment resulting from the production, use, or disposal of chemicals, or minimising such adverse effects. The policy also includes examples of actions.</td><td>All supplied goods, including packaging, brochures, or other components, must adhere to all national and European regulations, directives, and guidelines applicable at the time of delivery.

Suppliers are required to ensure that all materials used in commercial merchandise undergo testing by an accredited laboratory.</td><td>The procedure outlines regulations for monitoring chemical substances, covering aspects such as chemical handling, introduction of new chemicals for use by the CCC Group, chemical procurement, usage, storage, and emergency protocols, and management of carcinogens and mutagens.</td></tr>
<tr><td colspan="2">Both documents include appendices containing comprehensive lists of chemical substances. The Supplier Code of Conduct's Restricted Substances List (RSL) comprises approximately 50 substances, while the CCC Group's list of used substances contains around 260 items.</td></tr>
<tr><td>Availability</td><td>Publicly available on the corporate website</td><td>Publicly available on the corporate website</td><td>Available on the intranet</td></tr>
</table>

Actions and resources related to pollution

E2-2

The CCC Group has established a Restricted Substances List (RSL), which sets the allowable thresholds for potentially hazardous substances in finished products. Products that do not meet the requirements outlined in the RSL are not accepted by the CCC Group. Before shipping any finished goods, each supplier is obliged to present the results of laboratory tests for chemical substances. In order to be allowed to be marketed, every product must pass (chemical) safety tests in line with the CCC Group Supplier Code of Conduct. If any irregularities are detected, the product may not be dispatched to the central warehouse in Polkowice. A new batch of footwear must be manufactured and tested.

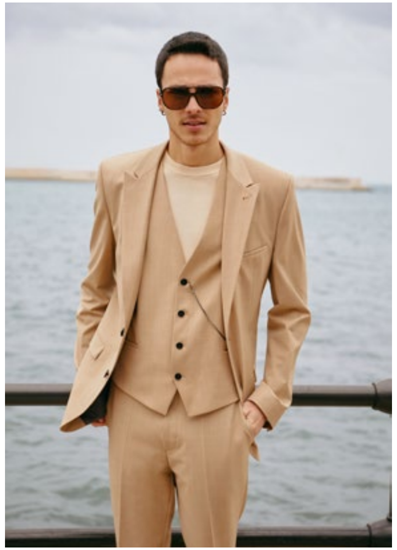
E2-2

In 2022, CCC Group joined the Zero Discharge of Hazardous Chemicals (ZDHC) initiative, a global effort guided by a mission to phase out harmful substances in the production processes of materials in the apparel and footwear industries. This commitment marks another milestone in the CCC Group's Sustainability Strategy, which prioritises assessing the environmental impact of its entire supply chain by 2025 to enhance transparency.

E2-2

The CCC Group actively engages with its suppliers to ensure that products supplied to the Group are free from harmful chemical substances. For further details on product safety and quality, please refer to section 3.4.4.

In addressing pollution related to administrative and logistics buildings, as well as the fit-out of offline stores in shopping centres, the CCC Group ensured that its building renovation projects used building components and construction materials emitting less than 0.06 mg of formaldehyde per cubic metre, as per Annex XVII of Regulation (EC) No 1907/2006. Additionally, these materials emitted less than 0.001 mg of other carcinogenic volatile organic compounds of categories 1A and 1B per cubic metre, verified through tests performed according to the CEN/EN 16516 and ISO 16000-3:2011303 standards or equivalent standardised testing conditions and methods.



In 2023, the CCC Group emitted a total of 95,522.74 kg of air pollutants, such as carbon monoxide, nitrogen oxides, and sulfur oxides. No pollutants were released into water or soil during this period.

Our suppliers ensure that all delivered products are free from prohibited substances and pollutants, adhering to relevant statutory thresholds. All supplied goods, including packaging and accompanying materials, must comply with national and European regulations. Consequently, the CCC Group does not release or contribute to any significant additional pollution.

Furthermore, measures were implemented to minimise noise, dust, and pollutant emissions during construction and maintenance activities.

In 2023, the CCC Group did not initiate any efforts to regenerate ecosystems where pollution has occurred.

Targets related to pollution

E2-3

The Group has not established any targets for preventing air, water, and soil pollution, nor for addressing substances of concern and substances of very high concern.

Pollution of air, water and soil

Table 2-10. Pollution of air, water and soil in the CCC Group

E2-4

Pollution of air, water and soil [E2-4]	Unit	2023		
		Air	Water	Soil
Carbon monoxide (CO)	kg	80,172.63	-	-
Nitrogen oxides (NO_x/NO_2)	kg	14,338.98	-	-
Sulfur oxides (SO_x/SO_2)	kg	11.13	-	-

Microplastics

The CCC Group recognises the substantial challenge presented by microplastics. According to an IUCN report, between 15% and 31% of plastic released into oceans comprises microplastics originating from household and industrial sources, with textile washing, particularly of synthetic fabrics such as polyester, acrylic, and nylon, accounting for 35% of this pollution.

In efforts to mitigate the environmental and health repercussions of microplastic dispersion, embracing circular economy approaches, opting for garments crafted from natural materials, and educating consumers about product compositions are advisable strategies. The CCC Group is steadfast in these efforts.

Upon scrutinising the CCC Group's microplastic-related impacts, we conducted an analysis of our product compositions. In 2023, microplastics were detected in 1% of our products, found in 60 model and colour combinations of shoes and accessories. Although this constitutes a minor proportion, the CCC Group takes the matter seriously and plans to step up its efforts to eradicate microplastics from its products.

Substances of concern and substances of very high concern

E2-5

The CCC Group is actively involved in the production, use, distribution, commercialisation and import/export of substances of concern and substances of very high concern, on their own, in mixtures or in articles.

E2-5

To govern the presence of potentially harmful substances in finished products, the CCC Group has established a Restricted Substances List (RSL), setting out permissible limits in alignment with legal and regulatory requirements. We require all our suppliers to furnish products conforming to applicable legal and regulatory standards and to assume responsibility for adapting to any legislative changes. Suppliers are expected to conduct thorough risk assessments on all materials and products throughout the product development lifecycle to ensure compliance.

1 IUCN, 2017. Primary microplastics in the oceans. Source: https://portals.iucn.org/library/node/46622

2.4. WATER AND MARINE RESOURCES

IRO-1

One of the strategic objectives of the CCC Group until 2025 is to assess the impacts of the Group and its value chain on water and marine resources. While a comprehensive impact analysis has not yet been conducted, water and marine resources were identified in the materiality assessment as a significant factor across our entire value chain.

Policies related to water and marine resources

E3-1

Although there are no specific policies dedicated solely to water, the safeguarding of water resources is an integral component of our Environmental Policy. Presently, there are no existing policies addressing the sustainability of oceans and seas. However, it is anticipated that such policies will be developed after conducting a thorough analysis of the CCC Group's impact on water resources and establishing priorities and future courses of action.

The CCC Group does not operate any sites located in areas of high-water stress.

Actions and resources related to water and marine resources

E3-2

In 2023, the CCC Group submitted a full Water disclosure to CDP.

Additionally, the CCC Group promotes environmental objectives related to water use and wastewater management by effectively managing water resources and reducing water consumption through such measures as:

- Promptly repairing broken equipment (flush valves, taps, etc.)
- Installing water-saving devices (flush valves with the STOP function, tap aerators, etc.)
- Regularly monitoring water consumption to quickly address any leak.

These actions are aimed at decreasing water consumption, with current efforts focused on own operations.

Following a thorough assessment of the CCC Group's impact on water resources, further initiatives will be implemented, with a particular focus on the value chain.

Targets related to water and marine resources

E3-3

The CCC Group has not established any targets for water and marine resources. However, a strategic objective until 2025 is to assess the impacts of the Group and its value chain on water resources and develop a strategy for enhancing water efficiency management within the CCC Group.

Water consumption

The CCC Group uses water primarily for sanitary and drinking purposes. The water is sourced from third-party suppliers. In 2023, the CCC Group's total water consumption amounted to 52,286.68 m³, with water withdrawals reaching the same volume, marking a 6.72% decrease compared with the previous year. The total water discharge in 2023 was 50,417.23 m³.

E3-5

Anticipated financial effects

The anticipated financial effects are quantified and discussed in section 1.7.3. under the SBM-3 disclosure.

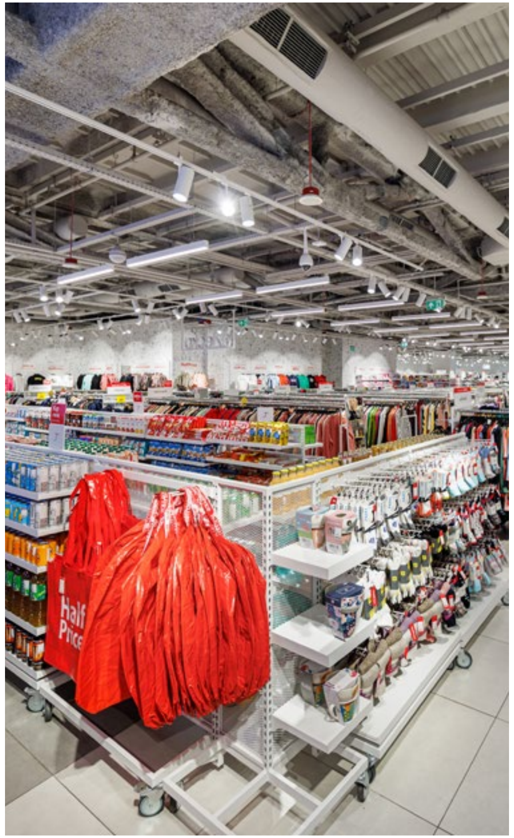


Table 2-11. Water consumption in the CCC Group

E3-4

		Unit	2022	2023	YoY change
Water consumption	Total water consumption	m³	-	52,286.68	-
	Total water consumption in areas at water risk, including areas of high-water stress	m³	-	0.00	-
	Total water recycled and reused	m³	-	0.00	-
	Total water stored	m³	-	0.00	-
Water intensity	Total water consumption per PLN 1m of revenue	m³/1 mln PLN	-	5.54	-
	Total water consumption per unit of product sold	m³/unit of product	-	0.0006	-
Water withdrawals and discharges	Total water withdrawals	m³	56,056.06	52,286.68	-6.72%
	Total water discharges	m³	53,235.15	50,417.23	-5.29%

2.5. BIODIVERSITY

SBM-3

Biodiversity is inextricably linked to our operations, and preserving biodiversity is essential for the ecosystems we use to thrive. Habitat conversion, land use and agricultural expansion along the supply chain associated with mining or resource extraction operations exert the biggest impact on biodiversity and ecosystems. The threat to biodiversity is further aggravated by climate change. Preserving biodiversity has implications for raw material availability, quality and price.

Natural leather constitutes the largest proportion, approximately 25%, of all materials used in our production activities. Currently, we employ around 60 different materials and components. Leather holds the highest carbon footprint among all materials we use.

Animal farming, a primary source of leather, accounts for one-third of the planet's total freshwater consumption and directly contributes to pollution and deforestation, which, in turn, leads to the extinction of various animal and plant species. These activities also result in substantial greenhouse gas emissions. Reducing the reliance on leather or substituting it with available market alternatives can effectively combat climate change, promote biodiversity conservation, and enhance animal welfare. Alternative materials like plant-based leather offer a sustainable solution by reducing greenhouse gas emissions and minimising water, energy, and chemical consumption typically associated with the leather tanning process.

Policies, targets and action plans related to biodiversity

IRO-1 **E4-1** **E2-5** **SBM-3**

The CCC Group has not conducted in-depth biodiversity analyses, including impact assessments, scenario analyses, or evaluations of business model resilience concerning biodiversity. Similarly, there have been no specific analyses of biodiversity-related risks or consultations with affected communities.

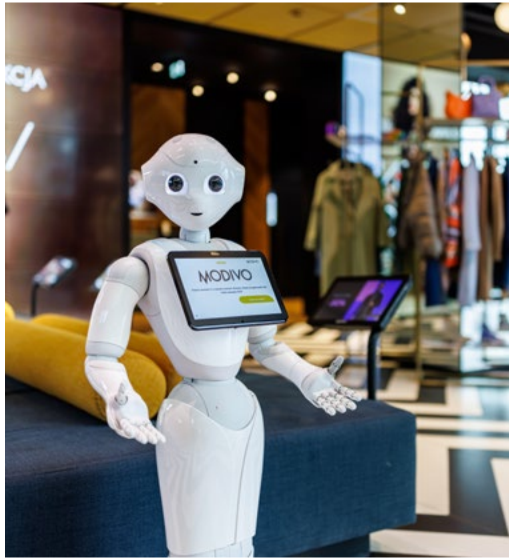
However, biodiversity was identified as a material topic in the 2021 materiality assessment. Consequently, biodiversity considerations were incorporated into the GO.25 Sustainability Strategy and integrated into the CCC Group's Environmental Policy.

The CCC Group does not operate any sites in biodiversity-sensitive areas and has not identified the need for implementing any mitigation actions related to biodiversity loss.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

E4-1

The CCC Group has not assessed the resilience of its strategy and business model in relation to biodiversity.



Policies related to biodiversity and ecosystems

E4-2

While the CCC Group has no dedicated transition plan or specific policies addressing biodiversity topics in place, biodiversity is inherently part of the CCC Group's Environmental Policy.

The approach to the preservation and restoration of biodiversity and ecosystems outlined in our Environmental Policy is focused on:

- Natural environment and biodiversity preservation and prevention of its deterioration
- Protection and restoration of ecosystems
- Sustainable land use and management, including adequate protection of soil biodiversity, land degradation neutrality and remediation of contaminated sites
- Sustainable agricultural practices, including practices contributing to increasing biodiversity or preventing land degradation, deforestation and habitat loss
- Sustainable forestry practices, including practices contributing to increasing biodiversity and preventing deforestation.

Actions and resources related to biodiversity and ecosystems

E4-3

In 2023, the CCC Group made a full Climate Change and Forest disclosure to CDP, which encompassed biodiversity considerations. As part of its updated procurement policy, the Group plans to gradually reduce the use of natural leather in manufacturing private and licensed labels.

Aside from these initiatives, we have not pursued any other actions related to biodiversity.

Targets related to biodiversity and ecosystems

E4-4

As part of its strategy, the CCC Group has committed to assessing the impact of its own operations and its value chain on biodiversity by 2025.

Upon completion of the impact analysis, decisions will be made regarding any further actions.

Operations affecting threatened species

SBM-3 E4-3

In 2022, an ecological report was commissioned for the site encompassing the head office and logistics centres in Polkowice. The objective was to identify opportunities for enhancing the ecological value of the site and its surrounding areas. A Biodiversity Management Plan was developed as part of the report, containing care and maintenance guidelines for the greenery present at the site and proposed to be planted under environmental recommendations.

The area under analysis was found to have significant environmental value with high biodiversity of plants, vertebrates and invertebrates, and numerous attractive habitats and facilities conducive for local fauna identified at the site. There are no areas in close proximity to the site of the head office and logistics centres that could be directly or indirectly adversely affected by CCC.

2.6. EU TAXONOMY

EU Taxonomy alignment
This is the CCC Group's third disclosure of Taxonomy alignment of its environmentally sustainable activities. The obligations stem from Regulation (EU) 2020/852 of the Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Commonly known as the EU Taxonomy, the regulation translates the environmental and climate objectives of the European Union into technical criteria for assessing the sustainability of various activities against six environmental objectives:
1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The Taxonomy thus provides a classification system facilitating the assessment and disclosure of the CCC Group's environmentally sustainable activities.

All activities of the CCC Group fall into one of three categories:
- Taxonomy-eligible economic activities that meet the Technical Screening Criteria and Minimum Safeguards – these are environmentally sustainable activities.
- Taxonomy-eligible economic activities that have not been assessed for compliance with the Technical Screening Criteria or that fail to comply with at least one Technical Screening Criterion or with the Minimum Safeguards – these are Taxonomy-eligible activities that are not environmentally sustainable.
- Taxonomy-non-eligible economic activities for which no Technical Screening Criteria currently exist – these activities may become Taxonomy-eligible in the future when relevant criteria are established.

Technical Screening Criteria (TSC) are the specific criteria used to definitively determine whether an economic activity contributes substantially to one or more environmental objectives while causing no significant harm to any of the other environmental objectives. The TSC are set forth in two legislative instruments:

1. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 ("Climate Delegated Act"), which, since its adoption, has been amended twice by the following legislation:
   - Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, which established requirements for activities involving nuclear energy generation and energy generation from fossil gaseous fuels
   - Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, which introduced new types of activities and amendments to certain technical screening criteria.

Regulation 2021/2139 contains criteria for substantial contribution to two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA), and criteria for doing no significant harm to the other environmental objectives (do no significant harm, DNSH).

Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 ("Environmental Delegated Act").

This regulation defines substantial contribution and do no significant harm TSC in relation to the other four environmental objectives: water and marine resources (WTR), circular economy (CE), pollution prevention and control (PPC), and biodiversity and ecosystems (BIO).

The **Minimum Safeguards** (MS) set forth in Article 18 of Regulation 2020/852 are procedures implemented to ensure the alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Undertakings falling within the scope of Regulation 2020/852 are required under Article 8 to disclose the following:
- Proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable
- Proportion of their capital expenditure (CapEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable
- Proportion of their operating expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable.

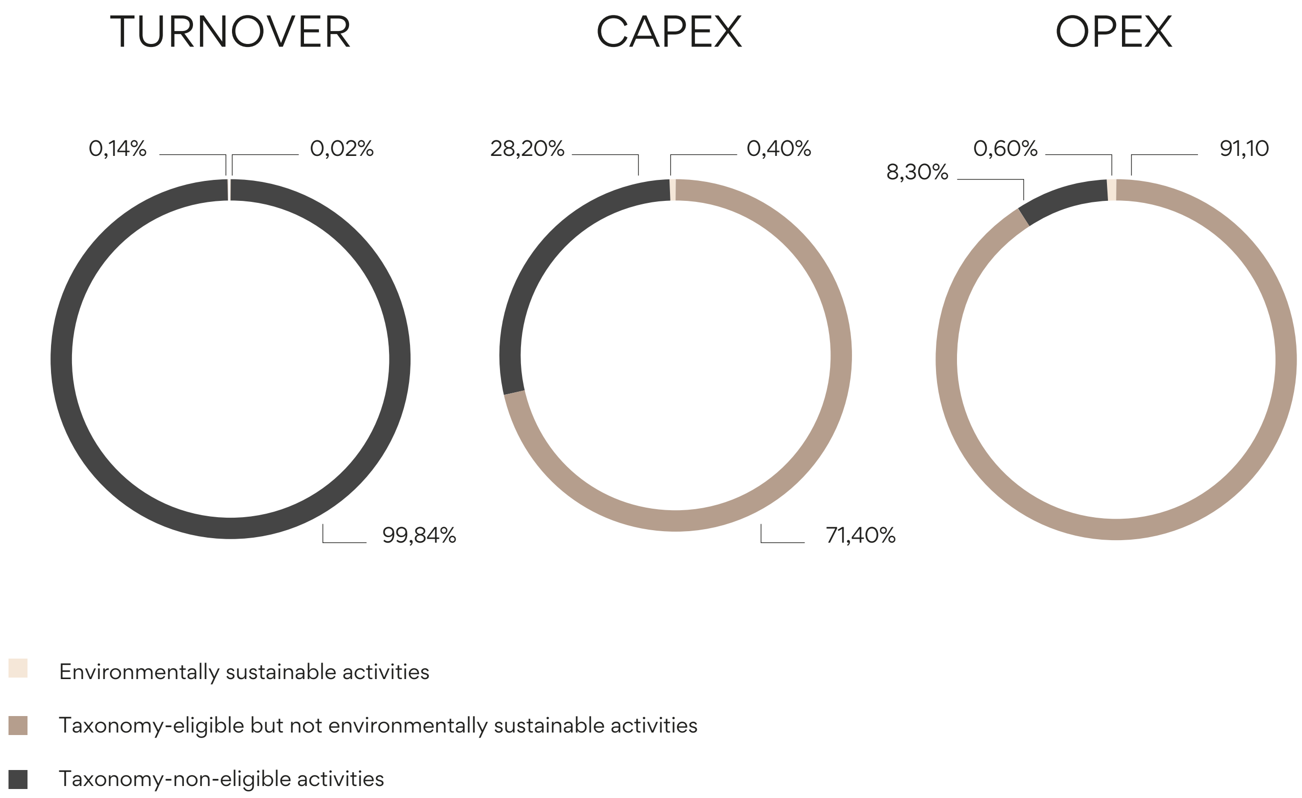
Specific requirements for the calculation and disclosure of the above indicators are set forth in Commission Delegated Regulation (EU) 2021/2178 ("Article 8 Delegated Act").

Taxonomy alignment of the CCC Group's activities

Our assessment identified the following proportion of Taxonomy-aligned turnover, capital expenditure (CapEx), and operating expenditure (OpEx).

2 Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

3 Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.



The assessment of Taxonomy alignment of the CCC Group's activities has shown that:

- Sustainable activities of the CCC Group in 2023 accounted for 0.02% of its turnover, 0.35% of its capital expenditure, and 0.57% of its operating expenditure.
- Taxonomy-eligible but not Taxonomy-aligned (not environmentally sustainable) activities in 2023 accounted for 0.14% of the CCC Group's turnover, 28.21% of its capital expenditure and 8.33% of its operating expenditure.
- Taxonomy-non-eligible economic activities in 2023 accounted for 99.84% of the CCC Group's turnover, 71.44% of its capital expenditure and 91.09% of its operating expenditure.

	Turnover	CapEx	OpEx
Value of environmentally sustainable activities (Taxonomy-aligned) in 2023 (PLNm)	1.496	1.14	2.44
Environmentally sustainable activities (Taxonomy-aligned)	0.02%	0.35%	0.57%
Not environmentally sustainable activities (Taxonomy-eligible but not Taxonomy-aligned)	0.14%	28.21%	8.33%
Neutral activities (Taxonomy-non-eligible)	99.84%	71.44%	91.09%

Later in this section, we discuss the process for assessing Taxonomy alignment. This includes the accounting policies applied and an in-depth discussion of the three performance indicators, complete with tables prepared in accordance with Commission Delegated Regulation (EU) 2021/2178, or the Article 8 Delegated Act.

Taxonomy alignment assessment process

In order to ensure compliance with this framework, a four-stage process was carried out:

1. **Identification**
   This stage involved a comprehensive review of all activities of CCC S.A. and its subsidiaries to determine whether, and if so, which types of activities are Taxonomy-eligible. The review covered the Group companies' turnover, capital expenditure, and operating expenditure. To identify the different types of activities, we relied on descriptions found in the annexes to Commission Delegated Regulations (EU) 2021/2139 and 2023/2486, which were then compared to the actual activities carried out by the Group. Where descriptions of activities lacked sufficient clarity, the NACE statistical classification of economic activities was used as a supporting resource.[4]

2. **Allocation**
   This stage consisted in allocating the adequate amounts of turnover, capital expenditure and operating expenditure to the individual activities identified in the previous stage. For details of the allocation methods used, please refer to the 'Accounting policies' section.

3. **Verification**
   This stage was dedicated to performing two distinct evaluations:
   - All the identified types of activities were examined to determine whether they meet the Technical Criteria for substantial contribution and DNSH, as set out in the relevant annexes to Commission Delegated Regulation (EU) 2021/2139. For details of this assessment, see the Verification of compliance with Technical Screening Criteria section.
   - Compliance with the Minimum Safeguards was assessed. For details of this assessment, see the Minimum Safeguards section.

4. **Calculation**
   This stage involved using the results of the two previous stages to compile tables with the required disclosures and to formulate these complementary disclosures in accordance with the requirements of Annexes I and II to Commission Delegated Regulation (EU) 2021/2178.

Taxonomy alignment was assessed by a team composed of CCC Group company representatives supported by an external consulting firm, under the supervision of the Senior Financial Statements Consolidation Specialist and Sustainability Manager.

4 Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains

Minimum Safeguards

In accordance with Article 18 of Regulation 2020/852:

"The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights."

Compliance with the Minimum Safeguards was assessed in line with the recommendations provided in the Platform on Sustainable Finance's Final Report on Minimum Safeguards[5].

As per the recommendations, non-compliance with the Minimum Safeguards can arise from one of four scenarios:

1. Inadequate or non-existent corporate due diligence processes on human rights, including labour rights, bribery, taxation, and fair competition.
2. Final liability of the company in respect for breaches of labour or human rights laws in certain types of labour or human rights legal cases.
3. The lack of collaboration with an OECD National Contact Point (OECD NCP) on a report received by the OECD NCP.
4. Non-response to allegations by the Business and Human Rights Resource Centre (BHRRC) within three months.

The CCC Group assessed whether these scenarios were met through the following process:

Condition	Assessment method
Condition 1	The completeness check of diligence processes was based on an internal verification of the existence and operation of the due diligence process components arising from the due diligence process framework specified in the documents referenced in the definition of Minimum Safeguards. The design of these due diligence processes, in the context of the definition in Article 3(c) of Regulation (EU) 2020/852 of the European Parliament and the Council, is significantly influenced by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The compliance check used a compliance assessment tool based on the assessment methodology proposed by Platform on Sustainable Finance: World Benchmark Alliance Core UNGP indicators. This analysis confirmed that the organisation has a comprehensive due diligence process in place that adheres to these guidelines.
Condition 2	Scenario 2 was assessed during the process of providing responses to Scenario 1 by verifying whether any individuals mentioned in that scenario had been subject to final convictions during the period under review. The verification concluded that there was no information to suggest that the Group met Condition 2.
Condition 3	A check against the OECD NCP notification database confirmed that no reports were filed against the Group in the period under review. [**http://mneguidelines.oecd.org/database/**].
Condition 4	A check against the Business and Human Rights Resource Centre (BHRRC) notification database confirmed that no reports were filed against the Company or the Group in the period under review. [**https://www.business-humanrights.org/en/companies**].

The verification process found that the CCC Group's activities were compliant with the Minimum Safeguards.

5 https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

Verification of compliance with Technical Screening Criteria

Verification of compliance with the Technical Screening Criteria was conducted for all Taxonomy-eligible economic activities. It involved analysing each Substantial Contribution and Do No Significant Harm criterion and assessing the extent to which each type of activity conformed to the TSC as specified in Commission Delegated Regulation (EU) 2021/2139.

The table below outlines the assessment results for compliance with TSC for activity 5.5. Collection and transport of non-hazardous waste in source segregated fractions. The activity represents 12.5% of the Taxonomy-eligible turnover. To maintain conciseness, detailed TSC compliance assessments for each activity are not included in the report. Instead, the table below demonstrates the assessment approach, which was consistently applied to all Taxonomy-eligible activities surpassing a materiality threshold of PLN 400,000 in turnover/CapEx/OpEx.

Substantial Contribution	
Climate change mitigation	As per internal procedures, all recyclable waste is segregated during collection.
Do No Significant Harm	
Climate change adaptation	The CCC Group conducted a climate risk analysis and integrated climate risks into its risk management system.
The sustainable use and protection of water and marine resources	Not applicable.
The transition to a circular economy	Separately collected waste fractions are kept distinct and not mixed with other waste or materials of differing properties during storage and transfer.
Pollution prevention and control	Not applicable.
The protection and restoration of biodiversity and ecosystems	Not applicable.

Accounting policies
The following policies were applied to calculate the proportion of Taxonomy-eligible and Taxonomy-aligned turnover, CapEx and OpEx.

Turnover
For turnover calculations, the denominator comprised the CCC Group's consolidated revenue for 2023, excluding income from the incidental sale of fixed assets, as detailed in note 3.1 'Revenue' of the consolidated financial statements. The numerator comprised revenue from Taxonomy-eligible Taxonomy-aligned activities.

Capital expenditure (CapEx)
For capital expenditure (CapEx), the denominator primarily comprised capital expenditure for the construction or renovation of retail stores, development of a solar farm in Zielona Góra, and IT solutions for business. CapEx is disclosed in the consolidated statement of cash flows under 'Purchase of intangible assets and property, plant and equipment'. The numerator comprised capital expenditure associated with Taxonomy-eligible Taxonomy-aligned activities.

Operating expenditure (OpEx)
For operating expenses (OpEx), the denominator comprised all expenditures incurred for the day-to-day servicing of the CCC Group's assets and maintaining them in proper condition. This encompassed costs of technical maintenance, installation, repairs, security, rent, leases, and other expenditures incurred to keep the buildings, equipment, and vehicles used by the Group in good working order. The numerator comprised OpEx associated with Taxonomy-eligible Taxonomy-aligned activities.

The data used for the calculations were sourced from the CCC Group's financial accounting system and financial accounting systems of individual CCC Group companies.

The Group avoided double counting when allocating turnover and capital expenditures by making appropriate consolidation exclusions in accordance with applicable accounting regulations. For operating expenditure not accounted for in accordance with international financing reporting standards under Commission Delegated Regulation (EU) 2021/2178, all accounts in the Group's accounting system were reviewed to identify items meeting the definition of OpEx, which were subsequently allocated to the relevant Taxonomy-eligible activity or a set of other (Taxonomy non-eligible) operating expenses.

In this report, the Group has made its third disclosure of the proportion of Taxonomy-aligned

activities and Taxonomy-eligible activities. The disclosures made in this report cover the last financial year from 1 January to 31 December 2023.

No activities were identified that would have contributed to more than one environmental objective. Consequently, no special procedures to avoid double counting were needed.

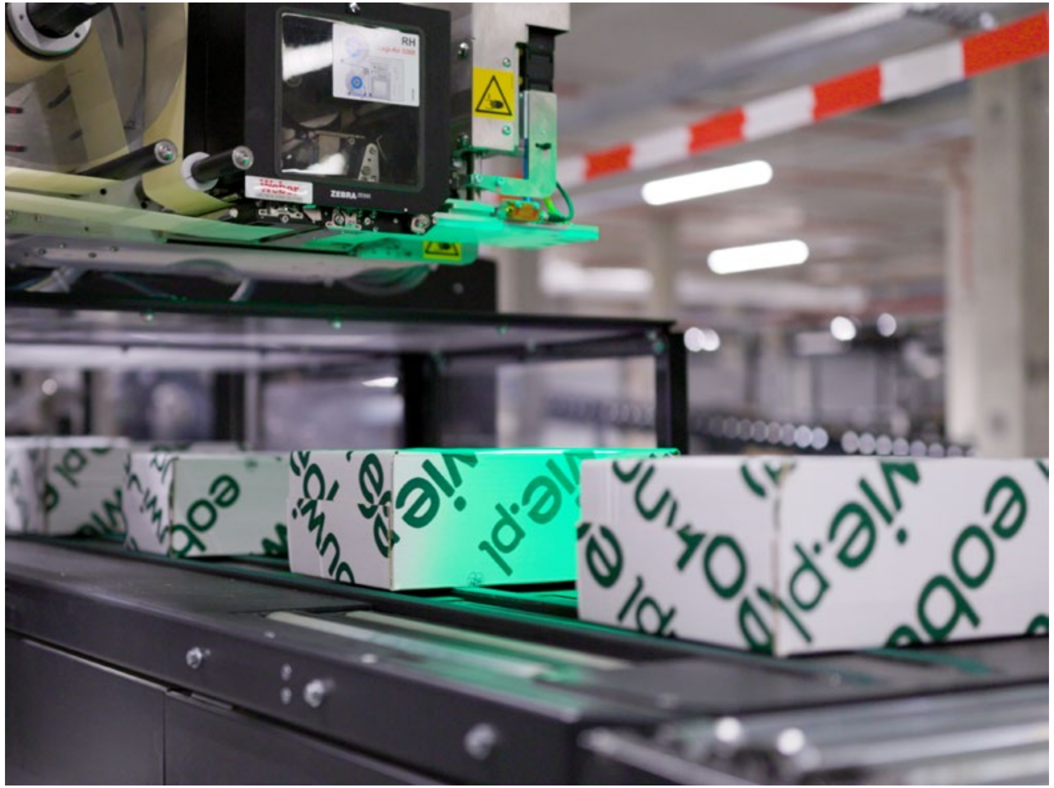
The verification of compliance with Technical Screening Criteria was conducted for all Taxonomy-eligible economic activities and involved assessment against Substantial Contribution and Do No Significant Harm criteria. The assessment did not cover other activities that did not exceed the materiality threshold, which were disclosed as Taxonomy-eligible but not Taxonomy-aligned activities.

The assessment identified no need for detailed disaggregation of key performance indicators among the Group's operating units in accordance with section 1.2.2.3 of Annex I to Commission Delegated Regulation (EU) 2021/2178.

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

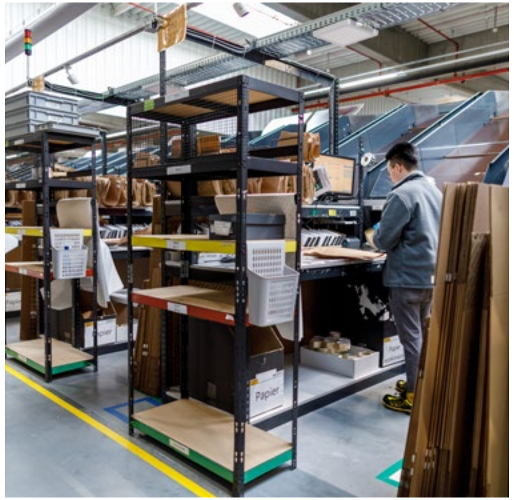
Since the CCC Group is not engaged in any activities specified in the table above, the report does not include tables accompanying the disclosures of key performance indicators for activities 4.26–4.31 related to nuclear energy and fossil gas, as all of these would show zero values.



Turnover

Table 2-12. Proportion of taxonomy-aligned turnover of the CCC Group in financial year 2023

Financial Year 2023	Year			Substantial Contribution criteria						DNSH criteria ('Does Not Significant Harm')									
Economic activity	Code	Turnover (absolute value)	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned turnover, 2022	Category enabling activity	Category transitional activity
		PLNm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 / CCA 5.5	1.49617	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL		T	T	T	T	T	T	0.02%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1.49617**	**0.02%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.02%**		
Of which enabling			**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**									**E**	
Of which transitional			**0.00%**	**0.00%**															**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Renovation of existing buildings	CCM 7.2 / CCA 7.2 / CE 3.2	12.58685	0.13%	Y	N	N/EL	N	N/EL	N/EL								0.04%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.01469	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL										
Sale of spare parts	CE 5.2	0.54536	0.01%	N/EL	N/EL	N/EL	Y	N/EL	N/EL								-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**13.14690**	**0.14%**	**0.13%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**								**0.04%**		
Total (A.1.+A.2.)		**14.64307**	**0.16%**	**0.15%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**								**0.05%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**9,425.61924**	**99.84%**																
Total (A+B)		**9,440.26231**																	



In 2023, the CCC Group generated PLN 9,440.26m in revenue. The majority of the revenue (PLN 9,425.62m) was derived from Taxonomy-non-eligible activities. The remaining portion of the revenue was Taxonomy-eligible turnover, including (listed in descending order of its proportion of the total turnover):

- Turnover associated with activity 7.2 Renovation of existing buildings totalled PLN 12.59m (0.13% of the total turnover)
- Turnover associated with activity 5.5 Collection and transport of non-hazardous waste in source segregated fractions totalled PLN 1.5m (0.02% of the total turnover)
- Turnover associated with activity 5.2 Sale of spare parts totalled PLN 0.55m (0.01% of the total turnover)
- Turnover associated with activity 7.6 Installation, maintenance and repair of renewable energy technologies totalled PLN 0.015m (0.00% of the total turnover).

For activity 5.5, it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and doing no significant harm to the other environmental objectives were met, and therefore the turnover associated with this activity was classified as Taxonomy-aligned.

The proportion of turnover from environmentally sustainable (Taxonomy-aligned) activities was 0.02% in 2023, and the proportion of turnover from Taxonomy-eligible but not Taxonomy-aligned activities was 0.14%. The aggregate share of turnover from Taxonomy-eligible activities was 0.16%. The remaining 99.84% of turnover was derived from Taxonomy-non-eligible activities for which no Technical Screening Criteria have been established by the regulator in annexes to the delegated acts.

Capital expenditure (CapEx)

Table 2-13. Proportion of taxonomy-aligned capital expenditure (capex) of the CCC Group in the financial year 2023

Financial Year 2023	Year			Substantial Contribution criteria						DNSH criteria ('Does Not Significant Harm')									
Economic activity	Code	CapEx (absolute value)	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned CapEx, 2022	Category enabling activity	Category transitional activity
		PLNm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3	1.13855	0.35%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y		Y	Y	Y	Y	Y	-		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1.13855**	**0.35%**	**0.00%**	**0.35%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
Of which enabling			**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**									**E**	
Of which transitional			**0.00%**	**0.00%**															**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5.70855	1.76%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1.54%		
Freight transport services by road	CCM 6.6 / CCA 6.6	0.06933	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL								-		
Construction of new buildings	CCM 7.1 / CCA 7.1/ CE 3.1	3.59791	1.11%	Y	N	N/EL	N	N/EL	N/EL								11.78%		
Renovation of existing buildings	CCM 7.2 / CCA 7.2/ CE 3.2	58.63787	18.03%	Y	N	N/EL	N	N/EL	N/EL								15.42%		

Financial Year 2023	Year			Substantial Contribution criteria						DNSH criteria ('Does Not Significant Harm')									
Economic activity	Code	CapEx (absolute value)	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned CapEx, 2022	Category enabling activity	Category transitional activity
		PLNm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3	5.19290	1.60%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								1.53%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.18889	0.06%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Data processing, hosting and related activities	CCM 8.1/ CCA 8.1	2.12040	0.65%	Y	N	N/EL	N/EL	N/EL	N/EL								17.68%		
Computer programming, consultancy and related activities	CCA 8.2	16.18892	4.98%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								3.18%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	0.03198	0.01%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**91.73675**	**28.21%**	**21.63%**	**6.59%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**51.13%**		
Total (A.1.+A.2.)		**92.87530**	**28.56%**	**21.63%**	**6.94%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**51.13%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**232.26686**	**71.44%**																
Total (A+B)		**325.14216**																	

In 2023, the CCC Group's total capital expenditure amounted to PLN 325.14m. A portion of the expenditure (28.56%) was associated with Taxonomy-eligible activities, including the following items (listed in descending order of their proportion of the total capital expenditure):

- Capital expenditure associated with activity 7.2 Renovation of existing buildings totalled PLN 58.63 m (18.03% of the total capital expenditure)
- Capital expenditure associated with activity 8.2 Data-driven solutions for GHG emissions reductions totalled PLN 16.19m (4.98% of the total capital expenditure)
- Capital expenditure associated with activity 7.3 Installation, maintenance and repair of energy efficiency equipment totalled PLN 6.33m (1.95% of the total capital expenditure)
- Capital expenditure associated with activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles totalled PLN 5.71m (1.76% of the total capital expenditure)
- Capital expenditure associated with activity 7.1 Construction of new buildings totalled PLN 3.6m (1.11% of the total capital expenditure)
- Capital expenditure associated with activity 8.1 Data processing, hosting and related activities totalled PLN 2.12m (0.65% of the total capital expenditure)
- Capital expenditure associated with activity 7.6 Installation, maintenance and repair of renewable energy technologies totalled PLN 0.19m (0.06% of the total capital expenditure)
- Capital expenditure associated with activity 6.6 Freight transport services by road totalled PLN 0.07m (0.02% of the total capital expenditure)
- Capital expenditure associated with activity 13.3 Motion picture, video and television programme production, sound recording and music publishing activities totalled PLN 0.03m (0.01% of the total capital expenditure).

It was confirmed that for activity 7.3, the relevant criteria of substantial contribution to climate change adaptation and doing no significant harm to the other environmental objectives were met by selected companies. Consequently, the capital expenditure associated with this activity was classified as Taxonomy-aligned.
The CCC Group's capital expenditure associated with Taxonomy-non-eligible activities totalled PLN 232.27m (71.44% of the total capital expenditure). The expenditure was mainly related to the construction and remodelling of retail stores by the parent CCC S.A.

The proportion of CapEx associated with environmentally sustainable (Taxonomy-aligned) activities was 0.35% in 2023, and the proportion of CapEx associated with Taxonomy-eligible but not Taxonomy-aligned activities was 28.21%. The aggregate share of CapEx associated with Taxonomy-eligible activities was 28.56%.

Operating expenditure (OpEx)

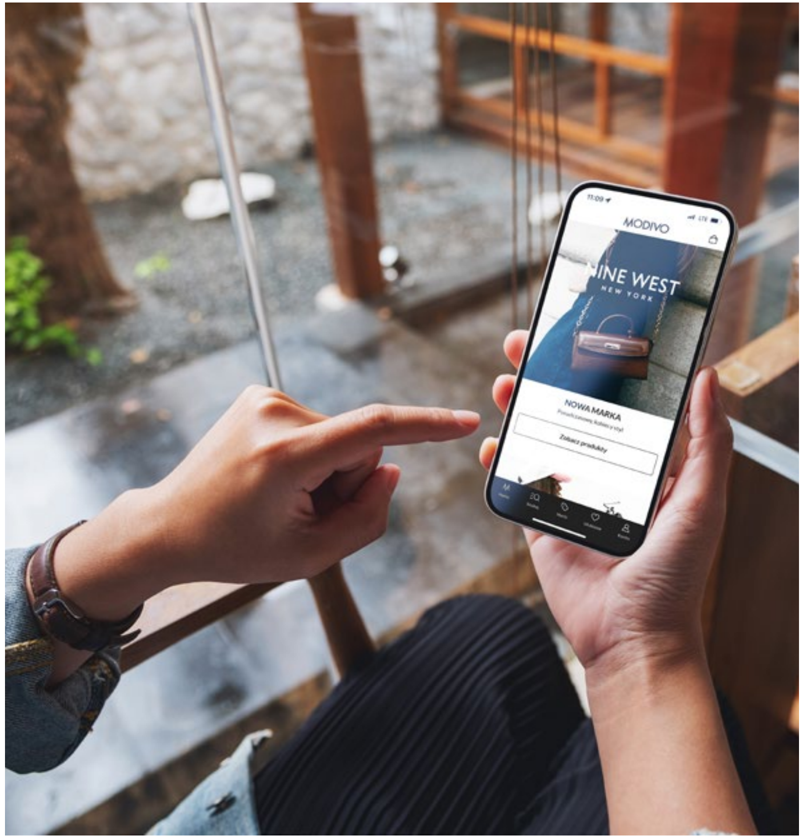
Table 2-14. Proportion of taxonomy-aligned operating expenditure (opex) of the CCC Group in the financial year 2023

Financial Year 2023	Year			Substantial Contribution criteria						DNSH criteria ('Does Not Significant Harm')									
Economic activity	Code	OpEx (absolute value)	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned OpEx, 2022	Category enabling activity	Category transitional activity
		PLNm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3	2.44303	0.57%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y		Y	Y	Y	Y	Y	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2.44303**	**0.57%**	**0.00%**	**0.57%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
Of which enabling			**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**									**E**	
Of which transitional			**0.00%**	**0.00%**															**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.48557	0.58%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								1.07%		
Freight transport services by road	CCM 6.6/ CCA 6.6	0.18720	0.04%	Y	N	N/EL	N/EL	N/EL	N/EL								-		
Construction of new buildings	CCM 7.1/ CCA 7.1/ CE 3.1	0.31051	0.07%	Y	N	N/EL	N	N/EL	N/EL								-		
Renovation of existing buildings	CCM 7.2/ CCA 7.2/ CE 3.2	4.63305	1.09%	Y	N	N/EL	N	N/EL	N/EL								2.58%		
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3	0.78663	0.19%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								0.24%		

Financial Year 2023	Year			Substantial Contribution criteria						DNSH criteria ('Does Not Significant Harm')									
Economic activity	Code	OpEx (absolute value)	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned OpEx, 2022	Category enabling activity	Category transitional activity
		PLNm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Data processing, hosting and related activities	CCM 8.1/ CCA 8.1	19.56274	4.60%	Y	N	N/EL	N/EL	N/EL	N/EL								6.17%		
Computer programming, consultancy and related activities	CCA 8.2	6.52345	1.53%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								3.50%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	0.94827	0.22%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								-		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**35.43743**	**8.33%**	**6.39%**	**1.94%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**13.56%**		
Total (A.1.+A.2.)		**37.88046**	**8.91%**	**6.39%**	**2.52%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**13.56%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**387.31090**	**91.09%**																
Total (A+B)		**425.19136**																	

In 2023, the CCC Group's operating expenditure amounted to PLN 425.19m. Only a portion of the expenditure was associated with Taxonomy-eligible activities, including the following items (listed in descending order of their proportion of the total operating expenditure):

- Operating expenditure associated with activity 8.1 Data processing, hosting and related activities totalled PLN 19.56m (4.60% of the total operating expenditure)
- Operating expenditure associated with activity 8.2 Data-driven solutions for GHG emissions reductions totalled PLN 6.52m (1.53% of the total operating expenditure)
- Operating expenditure associated with activity 7.2 Renovation of existing buildings totalled PLN 4.63m (1.09% of the total operating expenditure)
- Operating expenditure associated with activity 7.3 Installation, maintenance and repair of energy efficiency equipment totalled PLN 3.23m (0.76% of the total operating expenditure)
- Operating expenditure associated with activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles totalled PLN 2.49m (0.58% of the total operating expenditure)
- Operating expenditure associated with activity 13.3 Motion picture, video and television programme production, sound recording and music publishing activities totalled PLN 0.95m (0.22% of the total operating expenditure)
- Operating expenditure associated with activity 7.1 Construction of new buildings totalled PLN 0.31m (0.07% of the total operating expenditure)
- Operating expenditure associated with activity 6.6 Freight transport services by road totalled PLN 0.19m (0.04% of the total operating expenditure).



It was confirmed that for activity 7.3, the relevant criteria of substantial contribution to climate change adaptation and doing no significant harm to the other environmental objectives were met by selected companies. Consequently, the operating expenditure associated with this activity was classified as Taxonomy-aligned.

The other activities were not confirmed to meet the applicable criteria of substantial contribution and doing no significant harm to the other environmental objectives. Therefore, the operating expenditure associated with these activities was classified as Taxonomy-non-aligned.

The proportion of OpEx associated with environmentally sustainable (Taxonomy-aligned) activities was 0.57% in 2023, and the proportion of OpEx associated with Taxonomy-eligible but not Taxonomy-aligned activities was 8.33%. The aggregate proportion of OpEx associated with Taxonomy-eligible activities was 8.91%.

SOCIETY

3.1. OWN WORKFORCE

As this is the CCC Group's first report prepared in accordance with ESRS standards, provided below are definitions of the terms used throughout this section.

Employees are individuals who are in an employment relationship with the CCC Group according to national law or practice. Employees are individuals employed under employment contracts or by appointment.

Non-employees are individuals who supply labour to the CCC Group under civil-law contracts (order contracts, and specific-task contracts), business-to-business (B2B) contracts, or external contracts.

The term **own workforce** encompasses both groups, employees and non-employees, who supply labour to the CCC Group.

SBM-3 **S1-4**

As an employer of nearly 15,500 people, the CCC Group recognises its material and wide-reaching impact within the labour area. The nature of the CCC Group's operations means the impact is not confined to isolated instances but is widespread, affecting all employees.

We identify material topics as well as material existing and potential risks and opportunities in the labour area. The examination, monitoring, and effective management of impacts have facilitated the establishment of a risk management system across the Group that spans all aspects of our operations, including those associated with our own workforce. The risk management process encompasses risk assessment, design and implementation of a risk management plan, and risk monitoring.

Material impacts, risks, and opportunities in the labour area have been identified through a materiality assessment and as part of the Group's risk management system. The identified risks include:

- Risk of fraud
- Risk of pay pressure
- Risk of human resources and skilled labour shortages
- Risk of critical knowledge loss.

The risk register does not include any operations with significant risks of forced labour or child labour.

The risks listed above stem from the business model and are taken into account during the development of strategic objectives. For a detailed description of these risks, please refer to the SBM-3 disclosure in section 1.

To ensure adequate safeguards against adverse events, we have implemented and adhere to various due diligence policies and procedures, continuously developing strategies, policies, and programmes to support the management of labour-related matters (as described in more detail in subsequent sections).

Examples of practices that generate positive impacts on all our employees include:

- Adhering to the Human Resources Policy, which aims to attract and retain highly committed and growth-oriented employees, and to build a proactive, competent, diverse, and collaborative team capable of effectively implementing the corporate strategy
- Compliance with the principles and provisions of the Code of Ethics
- Implementation of career development and training projects, including online diversity training
- Providing friendly customer service based on respect and cooperation, supported by a series of educational sessions for customer service staff.

As a major employer and business partner, the CCC Group plays a key role in fostering the development and enhancing the reputation of both the region where its seat is located and the Legnica Special Economic Zone.

3.1.1. HUMAN RESOURCES MANAGEMENT

The CCC Group recognises that its success heavily relies on the knowledge, skills, experience, and commitment of its employees. Therefore, effectively managing human resources and fostering positive employee relationships are of paramount importance to the Group. We strive to ensure that our human resources policy is anchored in our ethical values, promoting mutual respect, equal employment opportunities, career advancement, and diversity. We believe that team diversity is a source of competitive advantage and that confrontation of different views, opinions, work styles, skills and experiences produces new quality and creates conditions leading to stronger business performance.

S1-1

The CCC Group maintains its commitment to creating a work environment free from discrimination, ensuring equal pay and development opportunities for all employees, fostering relationships based on professionalism and respect, combating workplace harassment, providing a safe and comfortable work environment, and respecting employees' freedom of association. The CCC Group has zero tolerance for forced labour and child labour.

Our Code of Ethics formalises our commitment to upholding fundamental ethical principles and standards, including the UN Guiding Principles on Business and Human Rights. These principles are integrated into our Code, and our implementation process aligns with them, ensuring that human rights responsibility is integral to our operations.
For more details on the Code of Ethics and its scope, please refer to section 4.1.

The Human Resources Policy in place at the CCC Group aims to attract and retain highly committed and growth-oriented employees, and to build a proactive, competent, diverse, and collaborative team capable of effectively implementing the corporate strategy.

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

- Work Rules
- Employee Remuneration Rules
- Rules of the Company Social Benefits Fund
- Employee Recruitment Procedure
- Onboarding Procedure
- Offboarding Procedure
- Rules on Equal Treatment and on Prevention of Discrimination and Workplace Bullying at the CCC Group
- Personal Data Protection Policy
- Occupational Health and Safety Policy, Fire Safety Instructions (and other specific procedures)
- Procedure for Professional Qualifications Improvement
- Diversity Policy for the Governing Bodies and Key Management Personnel
- Procedure for periodic development interviews for administrative and office staff.

The CCC Group has an Occupational Health and Safety (OHS) Policy in place that outlines all the necessary measures to enhance and uphold workplace safety and health standards. In each CCC Group company, the responsibility for implementing and coordinating health and safety obligations lies with an OHS specialist. The health and safety management system also includes preventive measures designed to strengthen our safety culture.

Labour-related policies are implemented in line with corporate guidelines for the development of internal regulations. These regulations are published on the intranet, and are accessible to all employees. Some of these regulations are covered in employee training materials and e-learning courses developed by the Group.

Employee communication and engagement

SBM-2

The CCC Group employs a multi-channel communication system to ensure that employees stay well-informed about ongoing developments and the Group's growth agenda. We inform our employees of major operational changes in advance, as prescribed by applicable laws. As regards the activities of the HR and Payroll Department, most changes are announced at least 14 days in advance. Fundamental regulations, such as the Work Rules and the Remuneration Rules, are discussed with trade unions.

Every employee may approach the Ethics Officer to offer their views or suggestions regarding the integration of additional ethical conduct principles. As the CCC Group's key stakeholders, employees actively participated in the materiality assessment, where they had the opportunity to voice their opinions and views on the materiality of the Group's impact on sustainability topics and the impact of sustainability topics on the Group.

S1-2

The responsibility for engaging with employees lies directly with middle managers and senior managers in charge of respective organisational units. Employee engagement is usually a direct process, and when necessary, it involves employee representatives (consulting the Work Rules with trade unions, etc.). Employee feedback is used to inform managerial decisions on a day-to-day basis.

Raising concerns and grievances

S1-3

We provide multiple channels for raising concerns that are accessible to all employees. Employees receive periodic updates about these channels through email communications and the intranet. Details about the channels available to CCC Group employees to raise concerns are provided in section 4.1. Reporting via these channels is always anonymous.

Misconduct eporting statistics

S1-17

The CCC Group remains committed to transparency and incident reporting. In 2023, we received 13 grievances through our channels, primarily concerning issues such as improper scheduling of work hours, workplace bullying, and discrepancies in remote working policies. There were no reported incidents of discrimination or sexual harassment during the period.

S1-17 S2-1

In 2023, there were no reports of severe human rights incidents violating principles outlined in the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

The total fines, penalties, and compensation for damages resulting from incidents and grievances was nil.

Targets and actions

S1-5

Targets related to HR policy and human resource management are outlined in the CCC Group's Sustainability Strategy. The 2025 targets set in the Strategy include the following:

0%
Attain zero workplace accidents

5%
Reduce the Glass Ceiling Ratio (GCR) to 5%

100%
Provide diversity training to all CCC Group employees.

5%
Reduce the Gender Pay Gap Ratio (GPGR) to 5%.

3.1.2. WORKFORCE STRUCTURE

Characteristics of employees

S1-6

The CCC Group's workforce in 2023:

15,478

employees across all Group companies in Poland and abroad had employment contracts at the end of 2023

98.1%

of employees worked within the European Economic Area, with

86.0%

of the workforce were women.

70.9%

in Poland

65.5%

of employees had permanent contracts

8,658

employees left the organisation

1,704

new employees were hired

Further details of the CCC Group's workforce are provided in the tables below.

The CCC Group has operations in Central and Eastern Europe and in Western Europe.

Table 3-1. Employee headcount by gender in the CCC Group

S1-6

Gender	Number of employees (headcount)
Period	2023
Female	13,311
Male	2,167
Other	0
Not disclosed	0
Total employees	**15,478**

Table 3-2. Employee headcount by country in the CCC Group

S1-6

	2023
Country	Number of employees (headcount)
Poland	10,758
Austria	158
Bulgaria	175
Croatia	221
Czech Republic	1,082
Estonia	23
Lithuania	19
Latvia	65
Romania	988
Serbia	104
Slovakia	589
Slovenia	213
Ukraine	193
Hungary	890

Table 3-3. Employee headcount by contract type, working time, and gender in the CCC Group

S1-6 S1-9

2023					
Gender:	Female	Male	Other	Not disclosed	**Total**
Number of employees (headcount)	13,311	2,167	0	0	**15,478**
Number of permanent employees (headcount)	8,727	1,406	0	0	**10,133**
Number of temporary employees (headcount)	4,584	761	0	0	**5,345**
Number of non-guaranteed hours employees (headcount)	0	0	0	0	**0**
Number of full-time employees (headcount)	7,223	1,625	0	0	**8,848**
Number of part-time employees (headcount)	6,088	542	0	0	**6,630**

Table 3-4. Number of employees who left the organisation during the reporting period, and the employee turnover rate in the CCC Group

S1-6

Period	2023
Number of employees who left the organisation during the reporting period	8,658
2023 turnover rate	55.94%

The data in Tables 3-1 to 3-4 cover the entire CCC Group. The number of employees (headcount) is reported as at 31 January 2024. The term ‘employee’ is defined at the beginning of section 3.1. Data for CCC S.A. is provided in Appendix 1.

S1-7

Characteristics of non-employee workers

In 2023, there were 2,351 non-employees, of which 1,828 were women and 523 were men. A majority of the non-employee workers (74.8%) were engaged under civil-law contracts (order contracts and specific-task contracts). 16.1% of all non-employee workers were employed under external contracts, while the remaining 9.1% provided labour under business-to-business (B2B) contracts.

Table 3-5. Number of non-employee workers in the CCC Group

S1-7

2023				
Non-employees in the undertaking's own workforce (headcount)	**Female**	**Male**	**Other**	**Not disclosed**
Number of persons under civil-law contracts (order contracts and specific-task contracts)	1,503	255	0	0
Number of workers under business-to-business (B2B) contracts	49	166	0	0
Number of workers under external contracts	276	102	0	0

The data in Table 3-5 covers the entire CCC Group. The number of non-employees workers (headcount) is reported as at 31 January 2024. The term 'non-employee worker' is defined at the beginning of section 3.1. Data for CCC S.A. is provided in Appendix 1.

Collective bargaining coverage and social dialogue

S1-8

The CCC Group companies prioritise employee well-being and the ongoing enhancement of working conditions. Dialogue between employees and the company is facilitated by employees' freedom of association, as outlined in the Work Rules. In 2023, 630 employees, or 4.07% of all employees, and 118 non-employee workers, or 5.02% of all non-employee workers, were members of trade unions.

Table 3-6. Percentage of EEA and non-EEA employees covered by collective bargaining agreements in the CCC Group

S1-8

2023			
Collective bargaining coverage and social dialogue	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA	Employees – Non-EEA	Workplace representation (EEA only)
0-19%	Poland, Bulgaria, Croatia, Czech Republic, Estonia, Lithuania, Latvia, Germany, Romania, Slovakia, Slovenia, Hungary, Italy	-	Austria, Bulgaria, Croatia, Czech Republic, Estonia, Lithuania, Latvia, Germany, Romania, Slovakia, Slovenia, Hungary, Italy
20-39%	-	-	-
30-59%	-	-	-
60-79%	-	-	-
80-100%	Austria	-	Poland

3.1.3. EMPLOYMENT STANDARDS

The CCC Group’s workforce structure comprises three employment levels:
- Senior management
- Managers and supervisors
- Other employees.

Remuneration system and policy

S1-1

CCC S.A.’s remuneration policy is guided by the Remuneration Rules established within the Company, which stipulate that employee remuneration should be commensurate with their role, level of responsibility, skills, and qualifications. Furthermore, the Work Rules encompass various aspects related to remuneration, working hours, and collaboration with trade unions, among other employee-related matters. The terms of employment and remuneration for all employees are outlined in the respective work, remuneration, and company social benefits fund regulations.

Remuneration in the CCC Group in 2023:
- Average hourly gross wage for all employees with employment contracts was PLN 45.67 for men and PLN 30.50 for women.
- Average hourly gross wage for senior management with employment contracts was PLN 225.46 for men and PLN 173.21 for women.
- Average hourly gross wage for managers and supervisors with employment contracts was PLN 78.36 for men and PLN 47.32 for women.
- Average hourly gross wage for other employees with employment contracts was PLN 37.78 for men and PLN 28.62 for women.

Table 3-7. Average hourly gross wage in the CCC Group (PLN)
S1-16

Average hourly gross wage in PLN*, including:	2023	
	Female	Male
Average hourly gross wage in PLN for employees with employment contracts	PLN 30.50	PLN 45.67
Average hourly gross wage in PLN		
Senior management	PLN 173.21	PLN 225.46
Managers and supervisors	PLN 47.32	PLN 78.36
Other employees	PLN 28.62	PLN 37.78
Average hourly gross wage + non-variable allowances (PLN)		
Senior management	PLN 176.56	PLN 226.60
Managers and supervisors	PLN 59.09	PLN 97.55
Other employees	PLN 34.28	PLN 46.06
Average hourly gross wage + variable allowances (PLN)		
Senior management	PLN 241.66	PLN 258.88
Managers and supervisors	PLN 68.47	PLN 99.01
Other employees	PLN 36.92	PLN 45.20

* The average hourly gross wage was determined as follows: 1. The total of monthly rates converted into full-time equivalents for all active employees during the reporting period was divided by the expected quarterly working hours. 2. Each company within the CCC Group was assigned a weight, reflecting the proportion of each employment level within the company compared to the total workforce of that employment level across the entire CCC Group. Using the resulting values, a gender-specific weighted average wage was computed for each employment level across the entire Group. The metric was calculated for employees with employment contracts.

Employment data was sourced from the subsidiaries' HR systems and consolidated at the Group level. The employee categories were established and defined in consultation with the HR department of CCC S.A.

Gender Pay Gap Ratio and CEO Pay Ratio

S1-16

The Gender Pay Gap Ratio (GPGR) is calculated as the absolute value of the difference between the average hourly gross pay of male and female employees divided by the average hourly gross pay of male employees, multiplied by 100%. The average hourly gross wage was weighted by the headcount in each country where the CCC Group operates. The metric was calculated for employees. In the financial year 2023, the CCC Group's GPGR stood at 33.22%.

S1-16

The CCC Group's CEO Pay Ratio, which is the ratio between the remuneration of its highest paid individual and the median remuneration for its employees, stood at 14.14 in 2023.

S1-10

Just under 1% of employees were paid below the defined adequate wage level in 2023.

Table 3-8. Gender Pay Gap Ratio in the CCC Group

S1-16

Period	2023
Gender Pay Gap Ratio (%)	33.22%

Table 3-9. CEO Pay Ratio

S1-16

Period	2023
CEO Pay Ratio	14.14

Table 3-10. Employees paid below the adequate wage in the CCC Group

S1-10

Period	2023
Percentage of employees paid below the adequate wage*	0.74%

* The adequate wage has been defined by reference to the minimum wage published by Statistics Poland and its counterparts in countries where CCC Group companies operate. It was calculated quarterly based on data from the months within each quarter.

Work-life balance
CCC S.A. promotes work-life balance, taking into account the situation of employees who have, or are to, become parents. Those new mothers who decide to return to work can, in addition to the nursing break time they are entitled to, work one hour less a day, with their right to remuneration retained. Flexible working hours (where permitted by the job type) are also part of the programme, as is the possibility of making flexible working time arrangements in consultation with a supervisor for a period until the child is two years old.

In 2023, all CCC Group employees were entitled to parental leave, with 6.34% opting to take it (6.27% of that were women and 0.07% were men). 7.29% of eligible women and 0.51% of eligible men took parental leave in 2023.

Social protection
S1-11
Employees of the CCC Group benefit from social protection programmes provided by the countries where the Group's companies operate. These countries offer various forms of support, including coverage for illness, unemployment, work-related injuries, parental leave, and retirement. Additionally, CCC S.A., CCC.eu Sp. z o.o., HalfPrice Sp. z o.o., and MODIVO S.A. maintain an Employee Benefits Fund to assist employees facing challenging life, family, or financial situations. This support extends to those affected by unforeseen events such as severe or chronic illnesses, accidents, or the loss of a close family member.

Glass Ceiling Ratio
The CCC Group's Glass Ceiling Ratio (GCR) in the financial year 2023 was:
- 52.0% for senior management
- 1.1% for managers and supervisors
- 2.1% for all managerial positions.

For details on the GCR for the CCC Group and CCC S.A., please refer to Appendix 1.

Table 3-11. Percentage of employees entitled to parental leave and percentage of employees that took parental leave in the CCC Group
S1-15

Period	2023			
Gender	Female	Male	Other	Not disclosed
% of employees entitled to family-related leaves	100.00%	100.00%	-	-
% of employees that took a family-related leave	7.29%	0.51%	-	-

All CCC Group employees in Poland and abroad are entitled to parental leave.

3.1.4. TRAINING AND SKILLS DEVELOPMENT

The overriding goal of our employee development policy is to upgrade employee skills, foster the knowledge sharing processes, ensure that training answers specific business needs, and develop competences that are in high demand. A number of employee training and skills development programmes and activities targeting specific employee groups were run in 2022. Key training themes in 2023 included:

- E-learning courses with certification, focusing on management skills.
- Introduction of new development programmes: Leader's School for CCC store managers.
- Continuation of management skills development programmes: Top Leader's School and First Time Manager.
- Training sessions for all employees covering skills in:
  - Cooperation and team building
  - Personal branding
  - Leadership mentoring
  - Innovation and entrepreneurship
  - Leveraging diversity as a team strength
  - Communication with internal and external customers
  - Store work schedule planning.

S1-13

In 2023, the average number of training hours per employee were 8.73 hours for women and 9.55 hours for men.

S1-13

In 2023, the CCC Group conducted 12,613 career development reviews, including 12,604 with employees and nine with non-employee workers.

Table 3-12. Average number of training hours and performance reviews planned and completed by employees, by gender

S1-13

	2023			
Average number of training hours per employee*	Female	Male	Other	Not disclosed
Senior management	13.94	5.61	0.00	0.00
Managers and supervisors	18.14	18.82	0.00	0.00
Other employees	7.07	7.79	0.00	0.00
All employees	8.73	9.55	0.00	0.00
Regular employee performance/career development reviews – PLANNED				
Senior management	9	4	0	0
Managers and supervisors	1,904	208	0	0
Other employees	7,586	504	0	0
Total	9,499	716	0	0
Regular employee performance/career development reviews – COMPLETED				
Senior management	48	39	0	0
Managers and supervisors	3,014	360	0	0
Other employees	8,405	738	0	0
Total	11,467	1,137	0	0

* The average number of training hours was calculated by dividing the total training hours (including internal and external training) delivered to employees in 2023 by the number of employees at the end of the financial year, by employment level and gender.

Table 3-13 Average number of training hours and performance reviews planned and completed by non-employee workers in the CCC Group, by gender

S1-13

	2023			
Average number of training hours per non-employee*	Female	Male	Other	Not disclosed
Non-employees with civil-law contracts (order contracts and specific-task contracts)	0.82	2.91	0.00	0.00
Non-employees with business-to-business (B2B) contracts	1.02	2.32	0.00	0.00
Non-employees with external contracts	0.06	0.56	0.00	0.00
Total non-employees	0.71	2.27	0.00	0.00
Regular non-employee performance/career development reviews – PLANNED				
Non-employees with civil-law contracts (order contracts and specific-task contracts)	0	0	0	0
Non-employees with business-to-business (B2B) contracts	0	0	0	0
Non-employees with external contracts	0	0	0	0
Total	**0**	**0**	**0**	**0**
Regular non-employee performance/career development reviews – COMPLETED				
Non-employees with civil-law contracts (order contracts and specific-task contracts)	5	0	0	0
Non-employees with business-to-business (B2B) contracts	2	2	0	0
Non-employees with external contracts	0	0	0	0
Total	**7**	**2**	**0**	**0**

* The average number of training hours was calculated by dividing the total training hours (including internal and external training) delivered to non-employees in 2023 by the number of non-employees at the end of the financial year, by type of contract and gender.

3.1.5. EQUALITY AND DIVERSITY

Diversity policy

S1-1

The CCC Group has established a Diversity Policy encompassing eight core principles, which reflect the commitment of all employees to fostering an open and welcoming work environment.

The CCC Group implements its Diversity Policy in two areas:

Primary identity
(race, nationality, ethnic origin, gender, age, sexual orientation, disability):

- forms mixed teams whose members are of different ages, which offers a broader perspective in problem solving, a better working atmosphere, higher team creativity and knowledge transfer opportunities
- promotes behaviours that respect diversity and support charitable initiatives
- coaches management personnel and their teams on working with people with disabilities
- supports employees in balancing work and life roles in emergency situations
- actively counteracts discrimination and workplace bullying

Secondary and organisational identities
(educational background, geographic location, family status, length of service, position, sector, etc.):

- builds corporate culture based on the CCC Group's core values
- ensures equal opportunities of promotion and training
- ensures equal access to the benefits system (including the bonus system) for staff employed in the same group of positions.

The Group ensures equal opportunities for professional development and advancement for all employees, regardless of skin colour, religion, gender, age, nationality, sexual orientation, citizenship, marital status, parenthood, political views, disability, or any other legally protected status. Decisions on hiring new staff and appointing members of the Management and Supervisory Boards are made based on objective criteria: qualifications, professionalism and competencies that match the job. The Diversity Policy aims to prevent discrimination at work, and to build a corporate culture open to staff diversity, thus strengthening the CCC Group's market position and competitive advantage.

We demonstrate our commitment to fostering respect within a diverse and multicultural society, with a particular emphasis on ensuring equal treatment in the workplace, by adhering to, promoting, and sharing the principles outlined in the CCC Group Diversity Policy among our employees and business partners, and by enhancing diversity across all our companies.

In the financial year 2023, all employees were required to familiarise themselves with the Diversity Policy as part of a mandatory training course provided via our e-learning platform. 87% of administrative and sales staff at CCC and HalfPrice received diversity training.

S1-9

The CCC Group's workforce comprises three employment levels: senior management, managers, and other employees.

In 2023,
women represented:

34.0%

of the 47 employees classified as senior management

84.9%

of the 2,335 employees classified as managers and supervisors

86.4%

of the 13,096 employees classified as other employees.

The predominant age group within the workforce was 30–50 years, constituting 49.4% of all employees. Following closely were employees under 30 years old, comprising 44.3% of the total workforce. The remaining 6.3% were individuals over 50 years old.

Table 3-14. Gender distribution in number and percentage at senior management level in the CCC Group

S1-9

	2023			
	Female	Male	Other	Not disclosed
Number of senior management personnel by gender	16	31	0	0
Percentage of senior management personnel by gender	34.04%	65.96%	0.0%	0.0%

Table 3-15. Number of CCC Group employees by age group

S1-9

2023				
Total employees with employment contracts	Female	Male	Other	Not disclosed
Total employees, including:	**13,311**	**2,167**	**0**	**0**
Age group: over 50 years old	898	81	0	0
Age group: 30–50 years old	6,676	963	0	0
Age group: under 30 years old	5,737	1,123	0	0

The CCC Group actively seeks to employ individuals with disabilities and endeavours to provide support for their integration within the organisation.

Table 3-16. Employees with disabilities as percentage of total CCC Group employees

S1-12

Okres	2023
Percentage of employees with disabilities	2.96%

In 2023:

458

CCC Group employed 458 individuals with disabilities

91.9%

of whom 91.9% were women

2.96%

People with disabilities accounted for 2.96% of the total workforce

6.12%

at the CCC Group and 6.12% at CCC S.A.

3.1.6. OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety management
At the CCC Group, we aim to provide a healthy and safe work environment for our employees, striving to achieve zero work-related accidents. The Group has an occupational health and safety management system in place based on the assessment of compliance with Polish Labour Code, Occupational Health and Safety Rules and regulations arising therefrom and/or local laws in the countries of our business operations, on selected aspects of the ISO 45002 standard and on information contained in the CCC Group's Work Rules and the General Occupational Health and Safety Instructions applicable to all employees.

S1-14

Both employees and other workers are covered by the health and safety management system.

S1-1

The parent company CCC S.A. and CCC.eu Sp. z o.o. both have OHS policies in place, covering all necessary measures geared towards creating and improving safe and healthy working environment for employees. In each CCC Group company, the implementation and coordination of our commitments to occupational health and safety lies within the remit of an OHS specialist. The health and safety management system also includes preventive measures designed to strengthen our safety culture. The following health and safety management components are used by the companies:

- planning and implementing health and safety goals to improve occupational safety awareness among management and employees
- conducting regular health and safety inspections at the head office and branches
- identifying risks and updating the occupational risk assessment
- mitigating risks
- conducting regular OHS training and educational meetings.

Work-related hazards that pose a risk of injury were identified together with selected employees based on incident analysis and change management within the organisation. The risk assessment sheet is reviewed and updated after every accident and near-miss event. In addition, a detailed analysis is conducted with employees after every safety incident.

In its commitment to employee safety, the CCC Group keeps records of accidents involving both employees and non-employees. In 2023, there were 59 accidents involving employees, including 52 minor accidents and seven major accidents. The work-related accident rate in 2023 was 3.15 for employees and 2.25 for non-employees.

Additionally, one minor accident involved a non-employee, and three minor accidents involved subcontractor employees working on site.

Table 3-17. Number of accidents involving CCC Group employees and non-employees and subcontractor employees working on site

S1-14

Period	2022	2023	Yoy change
Accidents among employees			
Minor accidents	46	52	+13.0%
Major accidents	1	7	+600.0%
Fatal accidents	0	0	-
Group accidents	0	0	-
Total accidents	**47**	**59**	**+25.5%**
Accidents among non-employee workers*			
Minor accidents	-	1	-
Major accidents	-	0	-
Fatal accidents	-	0	-
Group accidents	-	0	-
Total accidents	**-**	**1**	**-**
Accidents among employees of subcontractors working on site			
Minor accidents	3	0	-100.0%
Major accidents	0	0	-
Fatal accidents	0	0	-
Group accidents	0	0	-
Total accidents	**3**	**0**	**-100.0%**

* Data on accidents involving non-employee workers was collected and reported for the first time in 2023. Therefore, the data is not comparable year on year.

Table 3-18. Other health and safety data for CCC Group employees and non-employees

S1-14

Period	2023
Employees	
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries and work-related ill health	1,275
Rate of work-related accidents*	3.15
Non-employee workers	
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries and work-related ill health	0
Rate of work-related accidents**	2.25

*The rate of work-related accidents involving employees was calculated in accordance with ESRS S1-14. The respective number of cases was divided by the number of total hours worked by employees and multiplied by 1,000,000. The number of hours worked by employees was based on an average 40-hour working week.

** The rate of work-related accidents involving non-employees was calculated in accordance with ESRS standard S1-14. The respective number of cases was divided by the number of total hours worked by non-employees and multiplied by 1,000,000. The number of hours worked was based on an average 40-hour working week.

3.2. VALUE CHAIN WORKERS

With a presence in numerous international markets and multiple partnerships across the entire value chain, CCC is aware of the existing dependencies and the broad spectrum of its environmental and social impacts. Consequently, monitoring and effectively managing the value chain, including the supply chain and identified impacts, are essential components of the Group's activities.

Value chain workers are a diverse group, encompassing all employees of entities that have direct business relationships with the CCC Group or are part of its supply chain. The first and closest group of value chain workers includes employees of Tier 1 suppliers of commercial merchandise and non-commercial goods and services. Further down the chain are employees of Tier 2, Tier 3 and subsequent suppliers responsible for producing materials and essential components used in the manufacturing of footwear and clothing, as well as transport and logistics providers. Value chain workers also encompass employees of downstream entities with business ties to CCC, including companies providing services to our stores, transport operators, and waste processing organisations.

SBM-3

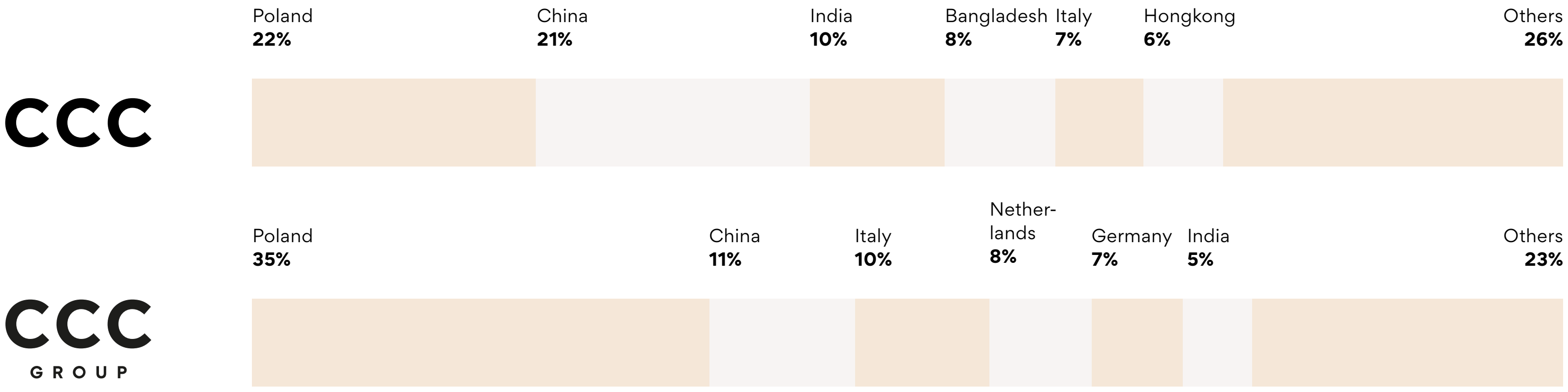
The CCC Group's business model involves interactions with extensive value chains crucial for creating the Group's products and services. The CCC Group recognises that impacts on value chain workers, along with associated risks and opportunities, are linked to business strategy.

As at 31 January 2024, and on date of this report, no research has conclusively shown that potential adverse impacts on value chain workers or associated risks stem directly from the CCC Group's business model and strategy.

The risk of adverse impacts in the supply chain, including violations of labour rights and human rights, remains high and widespread in the footwear, clothing, and textile sectors. Factors such as the geographic distribution of production process phases, short lead times, and the high number of collections released annually all contribute to this risk. This challenge is common to many companies globally, particularly those sourcing products from Asia.

The CCC Group is aware of the risk of human rights violations, which, due to the human factor, cannot be entirely eliminated. Therefore, we are implementing various measures to identify, prevent, and mitigate the impact of human rights violations in the supply chain. Among the most vulnerable to adverse impacts are the value chain workers in the upstream segment, particularly those employed by suppliers of commercial merchandise. For a detailed description of risk identification and management, please refer to section 1.7.3.

Share of deliveries by value in the financial year 2023



SBM-3

Long-standing partnerships allow us to adopt standards that support compliance with strict requirements for product safety and quality, timely production and delivery, as well as respect for human rights and adherence to social and environmental criteria.

To address potential adverse impacts within its value chain, especially concerning employees, the CCC Group integrates human rights due diligence processes into its interactions with suppliers and subcontractors. This includes stationing staff in key factories to monitor production processes and working conditions daily, supplemented by regular visits from our Product Department to Asian factories. These preventive measures are discussed in more detail further in this section.

The CCC Group's impact on value chain workers was examined as one of the potential material topics. The insights from the materiality assessment inform internal risk management processes and the formulation of sustainable development strategies. Recognising these impacts, we are actively working to regulate supplier relationships through the adoption of relevant policies and procedures.

Policies related to value chain workers

S2-1

The Supplier Code of Conduct is our guiding policy for managing material impacts on value chain workers. The document sets out the standards of conduct for CCC Group suppliers concerning human rights, labour rights, environmental protection, and business integrity principles.

The Supplier Code of Conduct addresses key issues such as the prohibition of child labour and forced labour, non-discrimination and diversity, occupational health and safety, working conditions (including fair working hours), fair pay, and the right to unionise. It also covers ethical considerations such as anti-corruption, data protection, and information security.

The provisions of the CCC Group Supplier Code of Conduct are based on the legal standards and international guidelines recognised as a source of best practices for ethical business conduct:
- Universal Declaration of Human Rights
- Charter of Fundamental Rights of the European Union
- Ten Principles of the United Nations Global Compact
- ILO (International Labour Organisation) Conventions, including (but not limited to): Forced Labour Convention No. 29, Minimum Age Convention No. 138
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights.

The above guidelines and standards form the basis for ethical conduct in the CCC Group's own operations. We expect our suppliers to adhere to the same values in their business.

Suppliers are obliged to:
- Implement the standards outlined in the Code into their own business operations and those of their upstream suppliers
- Identify and manage risks related to the issues addressed by the Code
- Continuously improve and implement any necessary corrective actions
- Immediately report any events resulting in violations of the Code.

The Supplier Code of Conduct applies across the entire CCC Group, except for MODIVO. Due to its specific nature and scope of operations, MODIVO has implemented its own supplier code of conduct in a process that was initiated at the end of 2022 and completed in 2024.

The code outlines requirements and expectations for suppliers and is available here: **https://corporate.ccc.eu/raporty-i-polityki.**

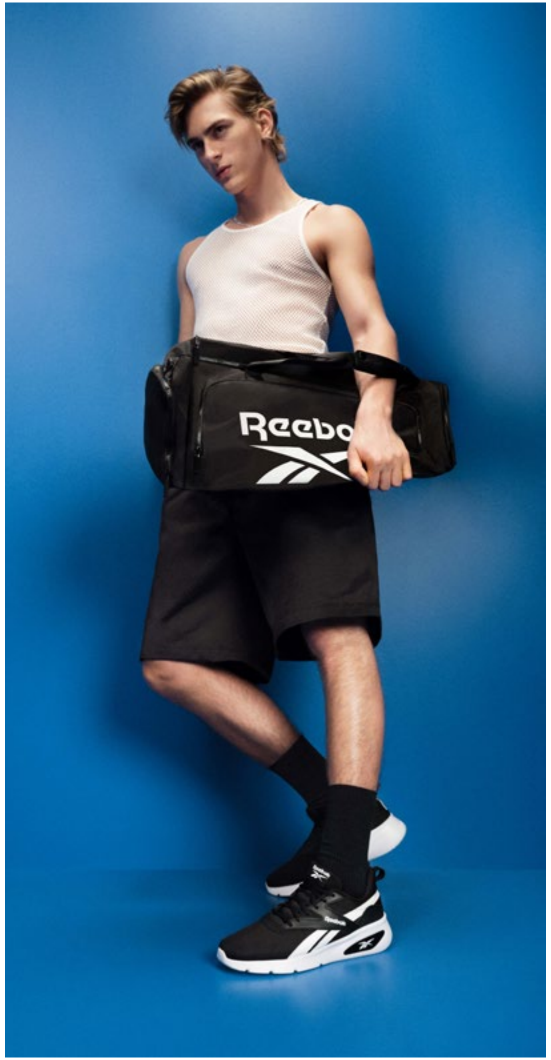
Human rights clauses

Since 2019, the CCC Group General Terms and Conditions of Purchase have incorporated clauses that require all our suppliers and contractors providing goods or services to the CCC Group to comply with the rules and regulations contained in the CCC Group Code of Ethics and to apply all provisions contained therein, particularly those relating to anti-corruption, respect for human dignity, mutual respect, tolerance and environmental protection, in their activities. By signing a purchase order, the supplier/contractor accepts the General Terms and Conditions of Purchase, although some suppliers/contractors make collaboration conditional on compliance with their own General Terms and Conditions of Business.

Processes for engaging with value chain workers about impacts

SBM-2 **S2-2**

The CCC Group does not directly collect perspectives and views from value chain workers. Employee representatives are suppliers' contact persons responsible for communication with CCC. Dialogue with this group included:



- Engaging suppliers in the process of updating the Supplier Code of Conduct, which included discussions on definitions, requirements, and interpretations of the Code's provisions
- Involving CCC Group's value chain representatives, including suppliers, in the materiality assessment process. They were given the opportunity to provide feedback on their relationship with the CCC Group in the context of sustainability through surveys and interviews. Their input was considered in the materiality assessment and influenced its outcomes.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-3

To eliminate or mitigate any adverse impacts and monitor the effectiveness of implemented measures, the CCC Group:
- Actively manages risks, conducts regular risk assessments, evaluates the effectiveness of existing controls, and monitors the execution of risk management strategies
- Performs ongoing monitoring
- Conducts audits to evaluate and adjust existing mechanisms as needed
- Applies sustainability criteria, including ethics and human rights criteria, in supplier evaluation processes (as of 2022)
- Manages reports and handles grievances within its existing whistleblowing system.

The CCC Group's suppliers can report any concerns or violations of the Code of Conduct to etyka@ccc.eu, as specified in the Code of Conduct distributed to suppliers. Additionally, an online contact form is available to everyone, irrespective of their affiliation with the CCC Group. We do not verify whether suppliers inform their employees about the option to report violations to CCC.

All submissions are followed up by the CCC Group. To date, there have been no reports from supplier employees.

Furthermore, the Group implements a policy to safeguard individuals against retaliation, detailed in its Whistleblowing Procedure. For more information on this policy, including whistleblower protection measures, see section 4.1.

Supplier audits

S2-3

The CCC Group has operated its own supplier audit programme since 2022. Designated CCC employees serving as auditors were trained on the audit procedure, specific supplier requirements and evaluation. The audit covers the following areas:

- Environmental (certification, risk analysis)
- Social and labour (human rights, employment standards, health and safety)
- Governance (anti-corruption).

The main tools for supplier monitoring and evaluation include:
- Social and environmental audits conducted by third parties and certification bodies
- Regular onsite supervision in key factories (currently in India and Bangladesh) – permanent CCC staff stationed in Asian factories oversee the production process and inspect conditions on site
- Regular visits of head office staff (Product Department) to monitor whether the factories comply with our standards.

The CCC Group obligates its suppliers to present the results of audits conducted by trusted organisations on a regular basis. The Group verifies how many audits have been carried out by its suppliers and checks for compliance with the Code of Conduct.

Based on this review and if any irregularities are identified, the Group, together with the supplier, applies corrective or preventive measures. Suppliers verify reports on deficiencies and investigate their causes. In addition, suppliers contact sub-suppliers, checking the quality of materials used for production. If any irregularities are detected, suppliers are obliged to initiate corrective and remedial measures in order to prevent any future recurrence.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

S2-4

The CCC Group requires its suppliers to adhere to ethical conduct principles, which include respecting human rights and complying with ethical standards. The Group expects its suppliers to enforce various measures, including the prohibition of child labour and forced labour, ensuring a safe and comfortable work environment that is free from discrimination, workplace harassment, and sexual harassment, and upholding the right to unionise. The CCC Group has a zero-tolerance policy towards corruption in any form. Additionally, suppliers must ensure fair working hours and pay, protect personal data, ensure information security, and implement environmental due diligence processes.

The CCC Group conducts regular reviews of ethics and human rights risks in its operations and significant business relationships, including the supply chain. These assessments include fraud, misconduct, and corruption risks. The findings inform annual reviews of the Anti-Corruption Code, which is updated if necessary.

The Group also conducts regular factory inspections and monitoring to assess production processes and working conditions, along with social audits of suppliers.

Every three years, the CCC Group undertakes a materiality assessment, identifying and evaluating ESG risks, including ethics and human rights risks. The most recent assessment in 2021 covered risks such as human and employee rights violations within the Group and its supply chain, corruption, and workplace and sexual harassment.

S2-4

No severe human rights issues or incidents were reported in 2023.

Targets

S2-5

Targets related to managing material impacts, risks, and opportunities relating to value chain workers include the following:
- 100% of suppliers covered by updated the Supplier Code of Conduct
- 100% of high-risk suppliers undergoing audits
- Tier 1 suppliers engaged to provide non-financial data
- 100% of violation reports examined.

The CCC Group has not yet engaged or collaborated with value chain workers in the process of defining and setting strategic targets

3.3. AFFECTED COMMUNITIES

According to the ESRS Standards, affected communities are 'people or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples.'

For the CCC Group, affected communities primarily include those living near its factories. This encompasses communities around areas used for animal husbandry and crop cultivation, which provide the primary natural resources needed for producing footwear and clothing. Most of these populations are located in Asian countries, with a smaller proportion in Europe. Local communities near the Group's head office and logistic centres are also affected. The CCC Group ceased its own production operations in Poland in 2021.

In the materiality assessment conducted in 2021, local communities were identified as a material topic. In the process of updating the materiality assessment results, detailed in section 1.7.3, local communities fell under the broader category of affected communities and were deemed a material topic. However, it should be noted that CCC Group's interactions with local communities are not as intense as in previous years due to the cessation of its own production in Poland in 2021.

Impact on affected communities across the value chain

SBM-2 **SBM-3**

The current business model of the CCC Group contributes to impacts on affected communities. These impacts are present primarily in the upstream value chain and are caused by suppliers of commercial merchandise, manufacturing plants, and raw material manufacturers and suppliers. The CCC Group acknowledges its impacts within the value chain, although the extent of these impacts has not been thoroughly explored or defined. Nevertheless, any potential impacts are considered and reflected in the CCC Group's business strategy in the context of supply chain management.

S3-2 **S3-3**

The affected communities have not been engaged in materiality assessments, nor have they been recognised as material stakeholders. The CCC Group has not engaged with these communities, neither directly nor through its representatives. However, no negative impacts have been found in this context, and no response channels have been established for the affected communities.

S3-4

To date, no detailed analyses of the impact on communities in the value chain have been conducted, nor have any measures been implemented in the context of the affected communities. The CCC Group intends to implement human right impact assessments in 2024, which will involve mapping the supply chain and examining specific locations. In the following years, the Group will thoroughly investigate its areas of impact and plan relevant actions.

S3-4

No human rights incidents connected to affected communities were reported in 2023.

Policies related to affected communities

S3-1

The Group currently has no dedicated policy to directly manage impacts on affected communities. However, the CCC Group Code of Conduct does encompass principles related to communities, including commitments for suppliers to manage water and wastewater responsibly, practice circular resource management, minimise waste, and ensure proper handling of chemicals.

S3-1

Furthermore, there is no specific human rights policy in place concerning affected communities. Instead, all principles related to human rights and ethical business conduct for suppliers are outlined in the CCC Group Supplier Code of Conduct, which adheres to legal standards and international guidelines recognised as benchmarks for ethical best practices. For a detailed description of the Code and a list of standards it is based on, refer to section 3.2.

S3-1

In 2023, there were no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines.

Targets related to affected communities

S3-5

While the CCC Group has not established specific targets directly related to affected communities, it aims to enhance supplier engagement as part of its strategic goals. This includes encouraging suppliers to provide non-financial data, particularly related to their environmental impacts.

Impact on local communities

SBM-3 **S3-4**

The operations of the CCC Group do not currently generate impacts in the value chain. No activities have been identified that could potentially disrupt local communities.

The head office of CCC S.A., the parent company of the CCC Group, and its warehouse facilities, are located in the Special Economic Zone in Polkowice, which is not in close proximity to any local communities. The CCC Group does not engage in any activities that could have a disruptive impact on local communities.

In 2023, initiatives aimed at supporting local communities included partnerships between businesses and educational institutions to enhance local capacity. These efforts align with the CCC Group's commitment to fostering innovation-driven staff, supporting young talent, facilitating knowledge exchange, and advancing fashion tech. Notable ongoing projects in 2023 included the Design Hub, a collaboration with local high schools offering internships in various departments such as Creative, Product, Marketing, and Visual Merchandising. Additionally, the Summer Camp internships provided trainees with opportunities to develop skills and gain experience in areas such as technology (e-commerce, CRM), product and logistics, and office administration (finance, HR).

3.4. CONSUMERS

The CCC Group defines consumers/customers as individuals who acquire, consume or use its products purchased from its online or offline stores.

SBM-2

We Are Powered by Customers is one of our corporate values. Our business model, strategy, and corporate values are customer-centric, focusing on meeting customer needs and expectations.

S4-2

Historically, every materiality assessment or stakeholder dialogue has included a consumer representative, typically from the Consumer Federation. Customer insights have subsequently informed the strategic focus of the Group and helped define the scope of ESG reporting. The CCC Group does not collect feedback from customers that may be particularly vulnerable to impacts.

However, we engage directly with customers by conducting market research and internal analysis to gain a deeper understanding of their perspectives.

S4-5

Targets related to managing material impacts, risks, and opportunities in relation to consumers are based on the products offered to customers:

100%

products with labels containing information on materials and manufacturing method used

100%

product categories containing sustainable collections.

3.4.1. POLICIES RELATED TO CONSUMERS

S4-1

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

- Advertising Code of Ethics
- Rules for handling complaints about products purchased in offline stores
- Rules for handling returns of products purchased in offline stores
- Rules for handling returns of products purchased in online store
- Privacy policy
- CCC Shoes&Bags Website Rules
- CCC Club Customer Loyalty Programme Rules.

Selected policies are discussed in more detail further in this section.

3.4.2. INFORMATION-RELATED IMPACTS FOR CONSUMERS

We take care of our customers by addressing any reported irregularities.

Complaint handling system

S4-1 S4-3 S4-4

Consumer complaint procedures are designed to resolve consumer disputes fairly and promptly without undue cost or effort. In cases of ambiguity or uncertainty, the final decision regarding a customer complaint aims to ensure complete customer satisfaction.

Our customers can receive support and assistance by contacting their local Customer Service Office (CSO) teams. Depending on the market, our customers may use a hotline, email, electronic form, or chatbot service.

For after-sale services, customers who have made purchases in offline stores can submit complaints at any store within the national network. Complaints about products purchased in the CCC online store may be submitted via the website or in any offsite store in Poland. The complaint form provides information on the option of using non-judicial complaint and claim settlement methods. CCC S.A. agrees to out-of-court settlement of consumer disputes, which aims to amicably resolve disputes between customers and traders.

The complaint form provides information on the option of using non-judicial complaint and claim settlement methods. CCC S.A. agrees to out-of-court settlement of consumer disputes, which aims to amicably resolve disputes between customers and traders.

The CCC Group diligently monitors its websites, utilizing internal resources and infrastructure to ensure timely response to customer needs and expectations. All issues and concerns raised by customers are thoroughly reviewed, and conclusions from complaint analysis and customer suggestions are considered in designing product and service improvements.

Information about processes and channels for raising concerns or needs is readily accessible in expected locations, including offline stores, the website, mobile applications, and complaint forms. No human rights violations concerning consumers and end-users were reported in 2023.

Privacy and data protection
The CCC Group is committed to respecting customer privacy, strictly adhering to applicable legal requirements, and following guidelines and recommendations set by supervisory authorities. Seeking to ensure transparency, we publish a privacy policy and a cookie policy that provide extensive information on the processing of customers' personal data. Whenever customers take any action that may entail data processing or potential privacy intrusions by the Company, they are notified of that, as well as of the purposes of such actions.

In the financial year 2023, no material incidents were identified that could have resulted in a breach of privacy of CCC customers.

3.4.3. RESPONSIBLE MARKETING PRACTICES

SBM-3

With our customer-centric approach, we recognise our potential to influence people's behaviour, awareness, and ethical attitudes. The CCC Group's approach to product communications is likely to have an effect on societal consumption patterns, making the development of responsible marketing communications a priority for the upcoming years. This impact on society was underscored by stakeholders in our materiality assessment.

Previously, the CCC Group did not measure its impact on social behaviour, nor did it set goals or make commitments to using its marketing communication to shape responsible and sustainable consumer behaviour, but the findings of the materiality assessment clearly demonstrated that the impact exists and its strength and scope are significant.

S4-4

The CCC Group has been engaged in communication with its customers on selected sustainability aspects since 2022. The campaign aimed to raise customers' awareness of the important aspects of our efforts to save the planet and encourage them to choose products that are both trendy and environmentally-friendly. All initiatives have been encapsulated under the slogan weCare, focusing on more sustainable collections, packaging, and product reuse. In order to make it easier for customers to identify products made with care for the environment, special 'weCare' labels are introduced in our offline stores and e-commerce channels. Additionally, the shape and capacity of packaging used in e-commerce are optimised. In 2022, we continued our Give Your Shoes a Second Life project of collecting used footwear and donating it to charities.

The CCC Group is committed to implementing its sustainability strategy and circular economy roadmap, which will also contribute to building responsible marketing communication. The actions taken and their outcomes are communicated to stakeholders via the corporate website, sustainability reports, traditional and social media, as well as other marketing communication channels.

Advertising Ethics Code

S4-1

At the CCC Group, we have developed an Advertising Ethics Code to safeguard recipients against misleading and unethical advertising content.

The Advertising Ethics Code sets out acceptable advertising content within our messages and outlines unethical practices. It promotes responsible practices and responds to the challenges of a fast-changing market environment. The Code governs all aspects of the CCC Group's marketing communications, taking into account the specific nature of the various types of media. The Advertising Ethics Code can be accessed here: **https://corporate.ccc.eu/raporty-i-polityki.**

Standards contained in the CCC Group Advertising Ethics Code are derived from the generally accepted principles of ethics and good market practices. The Code contains provisions specifically prohibiting:

- Discrimination on the grounds of gender, religion or nationality
- Abuse of recipients' trust, lack of experience or unawareness
- Use of content encouraging violence
- Violation of human dignity or integrity

The Advertising Ethics Code does not explicitly confirm compliance with or reference international standards, such as the UN Guiding Principles on Business and Human Rights. In 2023, no instances of non-compliance with these principles were identified.

Over a year ago, the CCC Group joined the Union of Associations Advertising Council. Through its active participation in the organisation, the CCC Group influences initiatives that support self-regulation and the development and promotion of ethically responsible advertising content within the Polish media landscape.

Marketing communication

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

- Advertising must not be misleading.
- Advertising must not create the impression that there is no obligation to pay for the product.
- Advertising addressed to children or youth must not contain content that poses a risk to health or safety and must not exploit their natural credulity or lack of experience.
- Advertising must be clear and understandable.
- Advertising must not undermine public trust in properly implemented environmental protection initiatives.
- Information about the CCC Group's event sponsorship stated in marketing communications must be clear and must not violate good morals, and the sponsored events must not create adverse environmental impacts, must be compliant with generally accepted ethical principles, good morals and social norms.
- In its communications, the CCC Group does not promote any attitudes that question animal rights.
- CCC sales promotions must not abuse trust of the recipients and must not exploit their potential lack of knowledge or experience.

Both electronic communications and promotion rules clearly state the categories of products covered by the marketing campaign, the terms of sale and discount rules. Depending on the type of sales promotion, the CCC Group provides customers with information about any additional costs associated with a product.

Customers can check the specific terms of sales promotions by visiting **https://ccc.eu/pl/regulaminy-promocji**, where the terms and conditions of promotions in offline and online stores are published.

No instances of non-compliance in marketing communications were identified in 2023.

3.4.4. PRODUCT SAFETY AND QUALITY

S4-4

The CCC Group focuses all its efforts on the customer, continually responding to customer expectations and adapting to evolving trends. The growing consumer awareness, shifting shopping trends, and technological advancements present significant challenges for the retail sector as a whole. Today, two processes are especially critical in the product domain. One is the pressing need for transition to a circular economy model with a view to optimising the use of raw materials and prolonging the value of products throughout their life cycle. The other is the need to ensure all human rights are respected along the supply chain.

To ensure product safety, we are expanding our range of products with special certifications that confirm the use of more sustainable materials and environmentally friendly production technologies. Additionally, we collect used footwear in our offline stores, further contributing to sustainability efforts. We are enhancing the customer experience by tailoring our sales channels to customer preferences.

All products manufactured for CCC, including their packaging and brochures, must comply with the standards applicable in the relevant sales market. The materials used undergo testing by accredited laboratories to ensure compliance. Suppliers are required to provide certificates of tests for harmful substances and document the material composition of every product they deliver.

They guarantee that the delivered goods do not contain any prohibited substances or contaminants, or exceed threshold values. Suppliers undertake to have each colour and model combination of the manufactured footwear and all components tested by accredited testing laboratories and to carry out all tests for contamination. CCC does not accept products that do not comply with the current RSL. Before shipping any finished goods, each supplier is obliged to present the results of laboratory tests for chemical substances.

All products undergo two quality checks:

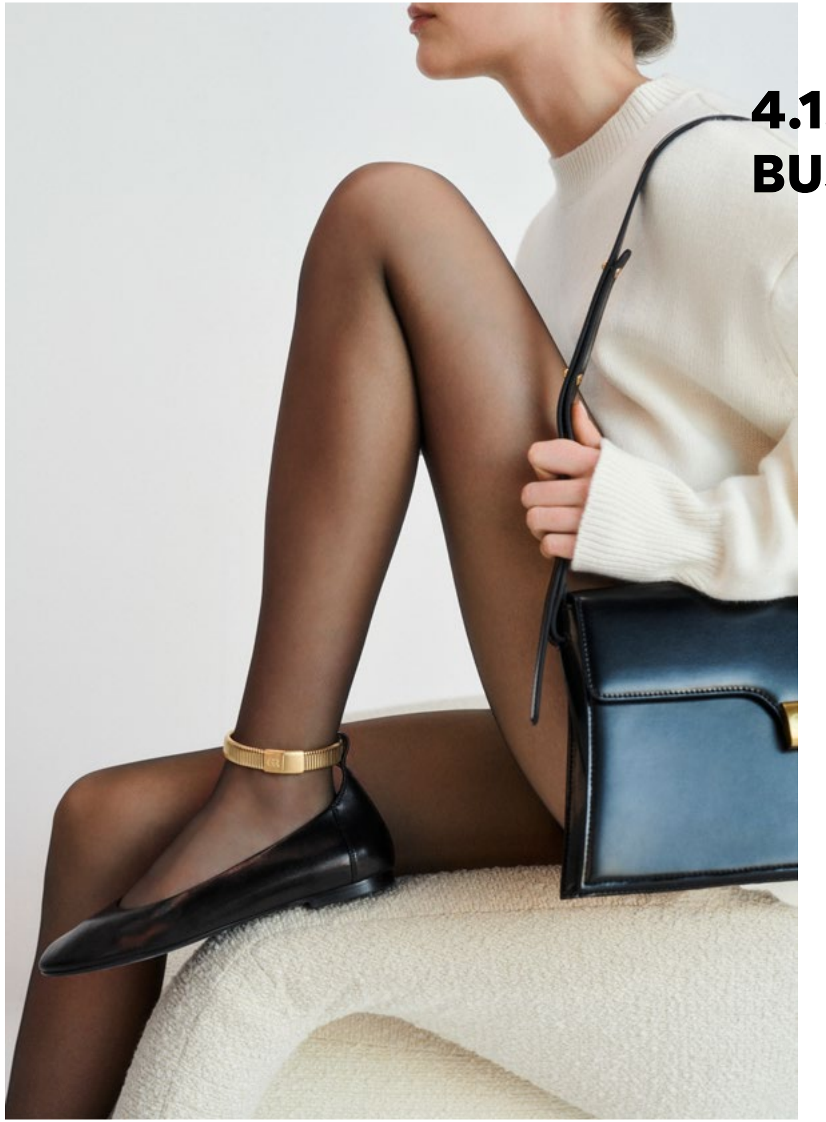
- One performed by qualified personnel when the product is still at the factory and
- the other conducted by a trained team of supply and quality control inspectors when the product arrives at the Logistics Centre.

Before being sold, every product must undergo successful chemical safety tests, as outlined in the CCC Group Supplier Code of Conduct. If any irregularities are detected, the product may not be dispatched to the central warehouse in Polkowice. A new batch of footwear must be manufactured and tested.

Footwear and handbags (excluding third-party brands) undergo product safety tests in accredited laboratories. In 2023, inspection authorities did not identify any deficiencies involving safety and presence of prohibited hazardous substances, and no sanctions were imposed on this account.
Every product must be properly labelled and have information visible to the customer about its material composition, price, product type, colour and country of origin. Every pair of footwear should also contain consumer information on the type of weather for which it is intended and care information. Products with no such labelling are not allowed to be marketed.

The CCC network offers products branded under the weCare label, which signifies that the items have obtained special certifications indicating the use of sustainable materials, recycled raw materials, or manufacturing processes integrating cutting-edge technologies. Additionally, the CCC Group abstains from using natural fur in its products.

GOVERNANCE



4.1. CORPORATE CULTURE AND BUSINESS CONDUCT PRACTICES

G1-1

The CCC Group pursues its mission and vision guided by key values of its organisational culture:

We are powered by customers
- We put the customer at the heart of everything we do
- We are proud of our products
- We operate quickly, consistently and flexibly

We work as a team
- We respect each other and our external stakeholders, sharing inspiration
- Our teams are for the best
- We expect and strive for maximum engagement

We create business innovations
- Our efforts help create value for customers and the organisation
- We think innovatively – we improve and simplify processes
- We always search for efficient and responsible solutions

We also believe that our success is possible thanks to our unique culture, which encompasses the following key elements:
- Internally and externally coherent employer brand
- Environment driven by performance and innovation
- Engaging workplace.

The CCC Group upholds and promotes high standards, embedding respect for human rights throughout its operations and constantly strengthening its ethics management system. As it considers ethics to be a vital area, the CCC Group is committed to living its values and refining its approach to ethics by actively managing the area and building relationships with internal stakeholders and external partners based on mutual respect and trust. The area is crucial as it involves the entire value chain, and human rights violations might not only result in financial and reputational losses but are also morally unacceptable.

The CCC Group follows due diligence procedures compliant with the framework stated in the UN Guiding Principles on Business and Human Rights:
- Embedding responsible business conduct in the governance system and policies.
- Identifying and assessing adverse impacts.
- Ceasing, preventing and mitigating adverse impacts.
- Tracking the implementation and results.
- Communicating due diligence efforts and how impacts are addressed.
- Remediation or cooperation with key stakeholders in remediation efforts.

The CCC Group commits to upholding and respecting human rights and adhering to the provisions and guidelines of internationally recognised legal standards, including:
- Universal Declaration of Human Rights
- Ten Principles of the United Nations Global Compact
- International Bill of Rights
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Convention.

Our policies, including the Code of Ethics and the Supplier Code of Conduct, are founded on these principles.

To ensure compliance with human rights and ethical standards throughout the value chain, the CCC Group relies on the following key documents and procedures:

Own operations	Upstream and downstream value chain
- CCC Group Code of Ethics - Anti-Corruption Code - CCC S.A. Equal Treatment, Non-Discrimination and Anti-Harassment Rules - CCC Group Whistleblowing Procedure - Compliance Policy - Conflict of Interest Policy - Procurement Policy	- CCC Group Code of Ethics - CCC Group Supplier Code of Conduct - CCC Group Whistleblowing Procedure - CCC Group Advertising Code of Ethics - Procurement Policy - General Terms and Conditions of Purchase

The documents listed above are available here:
https://corporate.ccc.eu/en/reports-and-policies

Code of Ethics

The CCC Group Code of Ethics outlines fundamental principles, conduct guidelines, and desired attitudes to be upheld throughout the organisation. It defines the core values protected by the Group and sets out the rules of conduct including those preventing workplace bullying, discrimination, other human rights violations, corruption, and conflicts of interest. Having high standards of conduct and an effective whistleblowing procedure in place contributes to fostering strong relationships between the CCC Group and its existing or prospective suppliers.

The Code of Ethics is also intended to set out a clear framework for dealing with any identified cases of violation of the principles of ethical conduct. All individuals providing work for CCC Group companies, regardless of the legal form of the employment relationship, are required to comply with the Code of Ethics. The CCC Group expects that individuals and entities collaborating with the Group will also adhere to the provisions of the document.

The Ethics Officer, supported by the Compliance Officer, is responsible for overseeing the content of the Code, implementing relevant procedures, communicating the Code, managing reports of Code violations, and facilitating ethics and human rights training.

Any employee of the CCC Group can reach out to the Ethics Officer if they have concerns about their colleagues' compliance with the Code of Ethics or wish to propose additional ethical principles not covered in the document.

All employees are required to read the Code of Ethics as part of a mandatory training course provided via our e-learning platform.

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

The document refers to other internal policies, which supplement it and together constitute a complete set of ethical conduct, human rights and anti-corruption regulations applicable at the CCC Group.

Compliance Policy

The CCC Group Compliance System aims to implement and continuously improve a coherent set of legal and organisational solutions designed to ensure that all business processes taking place in CCC Group companies are in line with mandatory or voluntary requirements that CCC Group companies have committed or elected to comply with in order to avoid legal, financial and reputational consequences that companies, including their management and employees, may face in the event of non-compliance.

Anti-corruption

The CCC Anti-Corruption Code, the Whistleblowing Procedure, and the CCC Group Code of Ethics establish standards to prevent individuals acting on behalf of or for the CCC Group from engaging in corrupt practices. These measures aim to enhance management processes to effectively safeguard the assets and reputation of the CCC Group.

For further details on anti-corruption and anti-bribery matters, please refer to section 4.2.

Non-discrimination policy

The CCC Group will not tolerate any discrimination based on gender, age, disability, sexual orientation, race, nationality, ethnic origin, religion, or religious denomination. The matters concerning prevention of discriminatory practices at the CCC Group are provided for in the CCC Group Equal Treatment, Non-Discrimination and Anti-Harassment Rules.

The purpose of the Rules is to put in place adequate corporate measures and protect the victims of discrimination and harassment. They cover the responsibilities of the employer and employees and the activities of the Conciliation Board, which examines discrimination and harassment cases.

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

Conflicts of interest

The CCC Group has implemented internal regulations to identify and address conflicts of interest, aiming to raise awareness among employees on managing such conflicts. These regulations are applicable to all CCC Group employees and individuals providing work to Group companies under contracts other than contracts of employment.

The CCC Group Conflict of Interest Policy also extends to Management Board members. Conflicts of interest are reported to the Chair of the Supervisory Board, who decides on how the conflict should be resolved.

Employees who are, or believe that they may be, in a conflict of interest situation should immediately report this to their line manager or the Compliance Officer using a dedicated questionnaire. All employees must complete and return the questionnaire within 14 days of hire. The conflict of interest declaration must be submitted to the Compliance Officer, who maintains a record of conflicts of interests within the CCC Group. The Group's management are required to submit the conflict of interest declarations every year.

Human rights and ethical conduct oversight and management
The oversight and management of human rights and ethical conduct fall under the responsibility of the Ethics Officer. This role includes monitoring compliance with the Code of Ethics, handling reports of ethical violations, initiating revisions to the Code of Ethics, and organising and overseeing training sessions on ethics and human rights. The Ethics Officer is supported by Compliance Officer, while the Management Board and the Sustainability Department the Management Board and the Sustainability Department regularly monitor progress toward achieving ethics and human rights objectives outlined in the Sustainability Strategy. The progress informs decisions regarding policy adjustments and planned actions.

Whistleblowing procedure and mechanism
The internal Whistleblowing Procedure is underpinned by our sense of responsibility and the need for efficiency regarding:
- Legal compliance.
- Corporate social responsibility.
- Protection of the public interest and the interests of the Company and its Group.
- Whistleblower protection.
- Mitigation of harmful effects of legal or other violations.
- Employees' and associates' compliance with internal regulations, including the Company's codes, rules, policies, procedures, and instructions.
- Mitigation of the risk of regulatory violations and reputational damage to the Company.
- Strengthening the Company's image as a responsible, transparent and ethical organisation.

Anonymous contact form
available on the corporate website at:
corporate.ccc.eu/etyka

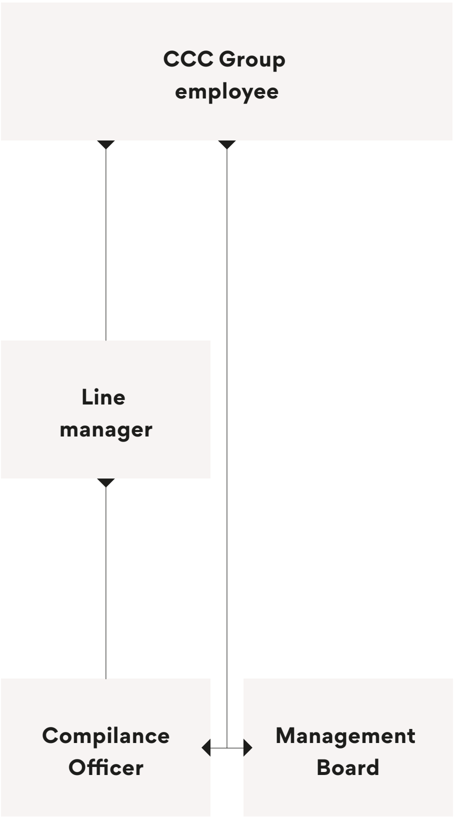
Anonymous reporting channel
whistelink available for the leading Group companies in Polish, English and Ukrainian

CCC S.A.	**cccsa.whistelink.com**
CCC EU Sp. z o.o.	**ccceu.whistelink.com**
HalfPrice Sp. z o.o.	**hp.whistelink.com**
MODIVO	**eobuwie.whistelink.com**
eobuwie logistics	**eobuwielo.whistelink.com**

Email
Dedicated whistleblowing email address: **etyka@ccc.eu**

Automated hotline
Dedicated automated hotline available in Polish and English

Whistleblowing mechanism



Whenever a violation of the law, the rules of Code of Ethics or the Anti-Corruption Code is suspected, any person (whether an employee or a third party) can use the available information tools to report the violation. Reports can be submitted from inside or outsid e the organisation.

Whistleblower protection

The CCC Group has implemented a Whistleblowing Procedure that provides protection to whistleblowers. This includes:

- Establishing procedures governing the scope of reporting violations and protecting whistleblowers.
- Ensuring the confidentiality of data in violation reports.
- Facilitating the ability to make anonymous reports, especially through the reporting platform.
- Transparently prohibiting retaliation within the Company.
- Restricting access to information contained in violation reports to the necessary minimum.
- Providing legal and psychological support, where applicable.

The CCC Group protects whistleblowers' identities and does not disclose them without the whistleblower's express consent to anyone not authorised to manage reports and take corrective actions. This also applies to any other information from which the identity of the whistleblower can be directly or indirectly inferred. The Group prohibits retaliation defined as any direct or indirect act or omission which occurs in a work-related context, is prompted by internal or external reporting or by public disclosure, and which causes or may cause unjustified detriment to the whistleblower.

Report and grievance management

Reports are first processed by the Ethics Officer to protect the data of the whistleblowers. Reports are investigated by the Ethics Officer assisted by the Compliance Officer. In special cases involving the Ethics Officer or the Compliance Officer, the Management Board is engaged in the report handling procedure.

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

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

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

G1-3

All reports, proceedings, and findings are communicated to the governance bodies by the Compliance Officer, who prepares and submits a report to the Management Board and the Audit Committee, containing:

- Description and evaluation of the CCC Group Compliance System.
- Number of reported cases of actions and behaviours.
- Description of significant changes in the regulatory environment, including anticipated and ongoing changes, along with an assessment of their impact on the CCC Group's operations.
- Proposed priorities for actions in the upcoming year or regulatory areas posing a high non-compliance risk.

In addition, the Compliance Officer holds regular meetings with the Management Board and the Audit Committee.

Communication and training on business conduct, corporate culture and ethics, including human rights and anti-corruption policies

G1-1

In order to reinforce employees' knowledge of our core values and policies on ethics, human rights, non-discrimination, and equal treatment, internal communications are regularly disseminated through all available channels.

Mandatory ethics training is provided to all employees.

Training on business conduct is conducted in the form of mandatory e-learning modules accessible via the employee intranet. These modules, developed internally and available to all employees, must be completed whenever there are regulatory updates. Additionally, information on corporate culture is integrated into the onboarding process for new hires.

No human rights training was conducted in the financial year 2023.

The information presented in this section aligns with the Group's assessment of compliance with the Minimum Safeguards.

Animal welfare

G1-1

The company does not have an established policy regarding animal welfare.

4.2. ANTI-CORRUPTION AND ANTI-BRIBERY

G1-1 **G1-3**

The CCC Group has a zero tolerance approach to corruption. The CCC Anti-Corruption Code establishes standards to prevent any individuals representing or working for the CCC Group from engaging in corrupt practices. These standards also aim to enhance management procedures to safeguard the assets and reputation of the CCC Group.

G1-3

Procedures for the prevention, detection and response to allegations or incidents related to corruption and bribery are as follows:

- In the event of an actual or suspected incident of corruption, employees are required to promptly report it to the Company through dedicated communication channels.
- Any proposals or attempts to offer or accept financial or personal benefits must also be reported through dedicated communication channels.
- To ensure the thorough and fair investigation of reported incidents, employees should provide all relevant information they have access to regarding the breach of the Anti-Corruption Code.
- The dedicated communication channels are available for employees to seek information or assistance in identifying potential incidents of corruption.
- The CCC Group has a non-retaliation policy in place and takes steps to safeguard whistleblowers from dismissal, discrimination, and other forms of retaliation.

G1-4

CCC Group employees are also required to:

- Not offer or give any financial or personal benefits.
- Not accept any financial or personal benefits.
- Refuse to accept any financial or personal benefits.
- Not cause others to give any financial or personal benefits.
- Promote ethical and transparent behaviours among colleagues and business partners.
- Refrain from activities that could expose a CCC Group company to the risk of non-compliance with anti-corruption policies.
- Report all actual or suspected incidents of corruption.

G1-1 **G1-3**

Whenever a violation of the law or the Anti-Corruption Code is suspected, any person can use the available communication tools to report the violation. For detailed information on the mechanism for reporting violations within the CCC Group, please refer to section 4.1.
Any reported incidents are investigated by the Compliance Officer or the Ethics Officer. If the situation necessitates further action, the Management Board or the Supervisory Board may appoint a committee or entity authorised to receive and review reports.

All reports as well the investigation process and findings are communicated to the governing bodies by the Compliance Officer, who regularly briefs members of the governing bodies of CCC S.A. of the results of his or her activities. Reports are discussed during Audit Committee meetings and status meetings with the Management Board.

The CCC Group's anti-corruption policies, including the Code of Ethics and the Anti-Corruption Code, are communicated to employees through the intranet and the corporate website. While no specific training on corruption was conducted in 2023, anti-corruption is integrated into mandatory regular training on the Code of Ethics.

Members of the Management and Supervisory Boards are required to familiarize themselves with any updates to internal anti-corruption regulations approximately once a year.

G1-3

The areas most vulnerable to corruption and bribery include procurement, investments, and development.

In 2023, no incidents of corruption or bribery, nor any public legal cases regarding corruption or bribery, and no convictions or fines for violation of anti-corruption and anti- bribery laws were reported during the reporting period.

4.3. SUPPLIER RELATIONS MANAGEMENT

G1-2

The CCC Group Supplier Code of Conduct governs all ESG issues in the supply chain, outlining standards of conduct for suppliers regarding human rights, labour rights, environmental protection, and business integrity.
Suppliers are required to adhere to ethical standards, including the prohibition of child and forced labour, provision of a safe work environment free from discrimination and harassment, upholding the freedom of association, and ensuring fair wages and working hours. Additionally, suppliers must protect personal data and ensure data security.

Suppliers are required to implement environmental due diligence procedures, covering areas like water management, animal welfare, and chemical usage. Detailed requirements are outlined in the Supplier Code of Conduct. For more information, please refer to section 3.2.

The supply chain management at the Group also includes supply chain audits, monitoring and evaluation. For details, please refer to section 3.2.

Due diligence is integrated into procurement decisions and cooperation documents, such as the Procurement Policy, Terms and Conditions of Purchase, Supplier Code of Conduct compliance declarations, and contracts with suppliers.

Procurement Policy

The Procurement Policy was established in 2022 as part of our commitment to implementing due diligence mechanisms in the supply chain and fostering a culture of responsible and sustainable management. The document encompasses all aspects of our business related to the procurement of goods or services from third parties. The Procurement Policy governs the relationships established by persons involved in procurement processes at the CCC Group with suppliers. The overarching goal of the Procurement Policy is to transparently structure purchasing processes and ensure they are transacted on the most favourable commercial terms possible while ensuring compliance with high quality, ethical, social and environmental standards.

General Terms and Conditions of Purchase

The CCC Group General Terms and Conditions of Purchase require all suppliers and contractors providing goods or services to the CCC Group to comply with the rules and regulations contained in the CCC Group Code of Ethics and to apply all provisions contained therein. For details, please refer to section 3.2.

For a detailed description of the supply chain and the characteristics of the CCC Group's suppliers, refer to section 3.2.

Payment practices

G1-2 G1-6

The CCC Group has no formal policy in place governing late payments, but the implemented cost processing procedure governs the flow of cost documents, required documents and deadlines for each step of cost acceptance.

The average time it takes us to pay an invoice from the date when the contractual or statutory term of payment starts is 14 days.

For non-commercial goods within the meaning of Regulation No. 651/2014 of the EU Commission of 17 June 2014:

- Micro, small and medium-sized enterprises – up to 60 days
- Large enterprises – 90 days or more.

For commercial goods, two payment methods are used:

- Confirming – 180 days or more
- Bank transfer – 60 or 90 days depending on the size of the enterprise.

There is one legal proceeding currently outstanding for late payments.

4.4. POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

G1-5

In 2023, the CCC Group did not conduct lobbying activities or make any financial or in-kind political contributions. None of the members of its governing bodies held a comparable position in public administration (including regulators) in the two years preceding their appointment. The Company is not registered in the transparency register.

Provided below is a list of lobbying associations and activities in which the CCC Group was a member in 2023.

Organisation	Contributions in 2023 (PLN)	Key topics addressed by the organisation
Polish Association of Listed Companies **https://seg.org.pl**	PLN 19,500	Regulations applicable to the CCC Group as an issuer of securities and a listed company
Employers of Poland **https://pracodawcyrp.pl**	PLN 16,000	Common interests of employers and initiatives aimed at enhancing the role of employers in Poland

APPENDICES

5.1. APPENDIX 1. HR DATA ON EMPLOYMENT, REMUNERATION, TRAINING, AND OHS

Table 5-1. Number of employees in CCC S.A. by gender

S1-6

Gender	Number of employees (headcount)
Period	2023
Female	4,397
Male	177
Other	0
Not disclosed	0
Total employees	**4,574**

Tabela 5-2. Number of employees in CCC S.A. by country and region

S1-6

2023	
Country/region	Number of employees (headcount)
Poland	4,574
Total employees	**4,574**

Table 5-3. Number of employees in CCC S.A. by contract type, working time, and gender

S1-6 S1-9

2023					
Gender:	Female	Male	Other	Not disclosed	Total
Number of employees (headcount)	4,397	177	0	0	**4,574**
Number of permanent employees (headcount)	2,553	93	0	0	**2,646**
Number of temporary employees (headcount)	1,844	84	0	0	**1,928**
Number of non-guaranteed hours employees (headcount)	0	0	0	0	**0**
Number of full-time employees (headcount)	1,909	107	0	0	**2,016**
Number of part-time employees (headcount)	2,488	70	0	0	**2,558**

Table 5-4. Number of employees who left the CCC Group during the reporting period, and the employee turnover rate

S1-6

Period	2023
Number of employees who left the organisation during the reporting period	8,658
2023 turnover rate	55.94%

Table 5-5. Number of employees who left CCC S.A. during the reporting period, and the employee turnover rate

S1-6

Period	2023
Number of employees who left the organisation during the reporting period	434
2023 turnover rate	9.49%

Tables 5-1, 5-2, 5-3, 5-5 present data for the parent CCC S.A. The number of employees (headcount) is reported as at 31 December 2023. The term 'employee' is defined in section 3.1.

Table 5-6. Number of non-employees workers in CCC S.A.

S1-7

2023				
Non-employees in the undertaking's own workforce (headcount)	Female	Male	Other	Not disclosed
Number of workers with civil-law contracts (contracts of mandate, piece-work contracts)	369	45	0	0
Number of workers with business-to-business (B2B) contracts	5	11	0	0
Number of workers with external contracts	1	0	0	0

Table 5-6 presents data for the parent CCC S.A. The number of non-employees (headcount) is reported as at 31 December 2023. The term 'non-employee' is defined in section 3.1.

Table 5-7. Percentage of EEA and non-EEA employees covered by collective bargaining agreements in CCC S.A.

S1-8

2023			
Collective bargaining coverage and social dialogue	Collective bargaining coverage		Workplace representation
Coverage rate	Employees – EEA	Employees – Non-EEA	Workplace representation – EEA only
0-19%	Poland	-	-
20-39%	-	-	-
30-59%	-	-	-
60-79%	-	-	-
80-100%	-	-	Poland

Table 5-8. Average hourly gross wage in CCC S.A. (PLN)

S1-16

Average hourly gross wage (PLN)*, including:	CCC S.A.	
	2023	
	Female	Men
Average hourly gross wage (PLN) for employees with employment contracts	PLN 25.48	PLN 36.84
Average hourly gross wage (PLN)		
Senior management	PLN 175.85	PLN 226.28
Managers and supervisors	PLN 33.18	PLN 51.69
Other employees	PLN 23.87	PLN 30.54
Average hourly gross wage + non-variable allowances (PLN)		
Senior management	PLN 186.17	PLN 226.86
Managers and supervisors	PLN 33.78	PLN 52.30
Other employees	PLN 24.05	PLN 31.22
Average hourly gross wage + variable allowances (PLN)		
Senior management	PLN 356.14	PLN 385.42
Managers and supervisors	PLN 37.20	PLN 56.62
Other employees	PLN 24.93	PLN 32.13

Table 5-9. Gender Pay Gap Ratio in CCC S.A.

S1-16

Period	2023
Gender Pay Gap* (%)	30.83%

* The ratio was calculated based on the average gross hourly wage of women and the average gross hourly wage of men. The ratio was calculated for CCC S.A. employees.

Table 5-10. Employees paid below the adequate wage in CCC S.A.

S1-10

Period	2023
Percentage of employees paid below the adequate wage*	0.00%

* The adequate wage was defined by reference to the minimum wage published by Statistics Poland. It was calculated quarterly based on data from the months within each quarter.

Table 5-11. Percentage of employees entitled to parental leave and percentage of employees that took parental leave in CCC S.A.

S1-15

Period	2023			
Gender	Female	Male	Other	Not disclosed
% of employees entitled to family-related leaves	100.00%	100.00%	-	-
% of employees that took a family-related leave	7.66%	0.56%	-	-

Table 5-12. Glass Ceiling Ratio in the CCC Group

%	2022			2023			YoY change		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	33.8%	66.2%		34.0%	66.0%		+0.3pp	-0.3pp	
Managers and supervisors	84.9%	15.1%		84.9%	15.1%		-0.1pp	+0.1pp	
Other employees	85.5%	14.5%		86.4%	13.6%		+0.9pp	-0.9pp	
All employees	**85.1%**	**14.9%**		**86.0%**	**14.0%**		**+0.9pp**	**-0.9pp**	
- Senior management and managers	83.3%	16.7%		83.9%	16.1%		+0.5pp	-0.5pp	
GCR2			51.3%			52.0%			+0.6pp
GCR1			0.2%			1.1%			+0.9pp
GCR (senior management and managers)			1.8%			2.1%			+0.3pp

Table 5-13. Glass Ceiling Ratio in CCC S.A.

%	2022			2023			YoY change		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management	57.1%	42.9%		60.0%	40.0%		+2.9pp	-2.9pp	
Managers and supervisors	90.1%	9.9%		94.9%	5.1%		+4.8pp	-4.8pp	
Other employees	92.4%	7.6%		96.4%	3.6%		+4.0pp	-4.0pp	
All employees	**91.9%**	**8.1%**		**96.1%**	**3.9%**		**+4.2pp**	**-4.2pp**	
- Senior management and managers	89.8%	10.2%		96.2%	3.8%		+6.3pp	-6.3pp	
GCR2			34.8%			36.1%			+1.3pp
GCR1			1.8%			1.2%			-0.6pp
GCR (senior management and managers)			2.1%			0.0%			-2.0pp

Table 5-14. Average number of training hours and performance reviews planned and completed by employees in CCC S.A., by gender

S1-13

2023				
Average number of training hours per employee*	Female	Male	Other	Not disclosed
Senior management	2,33	4,00	-	-
Managers and supervisors	21,67	34,39	-	-
Other employees	10,37	23,87	-	-
All employees	**12,32**	**26,08**	**-**	**-**
Regular employee performance/career development reviews – PLANNED				
Senior management	0	0	0	0
Managers and supervisors	0	0	0	0
Other employees	0	0	0	0
Total	**0**	**0**	**0**	**0**
Regular employee performance/career development reviews – COMPLETED				
Senior management	0	0	0	0
Managers and supervisors	0	0	0	0
Other employees	0	0	0	0
Total	**0**	**0**	**0**	**0**

Table 5-15. Average number of training hours and performance reviews planned and completed by non-employees in CCC S.A., by gender

S1-13

2023				
Average number of training hours per non-employee	Female	Male	Other	Not disclosed
Non-employees with civil-law contracts (contracts of mandate, specific-task contracts)	2.00	10.00	-	-
Non-employees with business-to-business (B2B) contracts	0	0	-	-
Non-employees with external contracts	10.00	-	-	-
Total non-employees	**1.99**	**8.50**	**-**	**-**
Regular non-employee performance/career development reviews – PLANNED				
Non-employees with civil-law contracts (contracts of mandate, specific-task contracts)	0	0	0	0
Non-employees with business-to-business (B2B) contracts	0	0	0	0
Non-employees with external contracts	0	0	0	0
Total	**0**	**0**	**0**	**0**
Regular non-employee performance/career development reviews – COMPLETED				
Non-employees with civil-law contracts (contracts of mandate, specific-task contracts)	0	0	0	0
Non-employees with business-to-business (B2B) contracts	0	0	0	0
Non-employees with external contracts	0	0	0	0
Total	**0**	**0**	**0**	**0**

Table 5-16. Gender distribution in number and percentage at senior management level in CCC S.A.

S1-9

2023				
	Female	Male	Other	Not disclosed
Number of senior management personnel by gender	3	2	0	0
Percentage of senior management personnel by gender	60.00%	40.00%	0.00%	0.00%

Table 5-17. Number of employees by age group in CCC S.A.

S1-9

2023				
Total employees with employment contracts	Female	Male	Other	Not disclosed
Total employees, including:	**4,397**	**177**	**0**	**0**
Age group: over 50 years old	235	12	0	0
Age group: 30–50 years old	2,460	75	0	0
Age group: under 30 years old	1,702	90	0	0

Table 5-18. Employees with disabilities as percentage of total employees in CCC S.A.

S1-12

Period	2023
Percentage of employees with disabilities	6.12%

Table 5-19. Number of accidents involving employees and non-employees and subcontractor employees working on site in CCC S.A.

S1-14

Period	2022	2023	YoY change
Accidents among employees			
Minor accidents	11	10	-9.1%
Major accidents	0	0	-
Fatal accidents	0	0	-
Group accidents	0	0	-
Total accidents	**11**	**10**	**-9.1%**
Accidents among non-employees workers			
Minor accidents	-	0	-
Major accidents	-	0	-
Fatal accidents	-	0	-
Group accidents	-	0	-
Total accidents	**0**	**0**	**-**
Accidents among employees of subcontractors working on site			
Minor accidents	0	0	-
Major accidents	0	0	-
Fatal accidents	0	0	-
Group accidents	0	0	-
Total accidents	**0**	**0**	**-**

Table 5-20. Other health and safety data for employees and non-employees in CCC S.A.

S1-14

	2023
Employees	
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries and work-related ill health	283
Rate of work-related accidents*	1.61
Non-employees workers	
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries and work-related ill health	0
Rate of work-related accidents**	0

* The rate of work-related accidents involving employees was calculated in accordance with ESRS S1-14. The respective number of cases was divided by the number of total hours worked by employees and multiplied by 1,000,000. The number of hours worked by employees was based on an average 40-hour working week.

** The rate of work-related accidents involving non-employees was calculated in accordance with ESRS standard S1-14. The respective number of cases was divided by the number of total hours worked by non-employees and multiplied by 1,000,000. The number of hours worked was based on an average 40-hour working week.

5.2. APPENDIX 2. APPENDIX 2 ENVIRONMENTAL DATA

Table 5-21. Total energy consumption and mix in CCC S.A.

E1-5

Energy consumption and mix	Unit	2022	2023	YoY change
Fuel consumption from coal and coal products	MWh	0.00	0.00	-
Fuel consumption from crude oil and petroleum products	MWh	3,274.0	2,591.21	-20.85%
Fuel consumption from natural gas	MWh	2,723.0	856.80	-68.54%
Fuel consumption from other fossil sources	MWh	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	18,693.53	15,968.42	-14.58%
Total fossil energy consumption	**MWh**	**24,690.55**	**19,416.42**	**-21.36%**
Share of fossil sources in total energy consumption	**%**	**57.05%**	**57.07%**	**+0.02pp**
Total energy consumption from nuclear sources	**MWh**	**0.00**	**0.00**	**-**
Share of consumption from nuclear sources in total energy consumption	**%**	**0.00%**	**0.00%**	**-**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, hydrogen from renewable sources, etc.)	MWh	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	18,508.9	14,543.22	-21.43%
Consumption of self-generated non-fuel renewable energy	MWh	76.16	62.74	-17.62%
Total renewable energy consumption	**MWh**	**18,585.02**	**14,605.96**	**-21.41%**
Share of renewable sources in total energy consumption	**%**	**42.95%**	**42.93%**	**-0.02pp**
Total energy consumption	**MWh**	**43,275.57**	**34,022.39**	**-21.38%**

Table 5-22. Total energy consumption from fossil sources in a high climate impact sector in CCC S.A.

E1-5

Energy intensity to net revenue	Unit	2022	2023	YoY change (%)
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/ PLN 1m	15.90	12.81	-19.42%

Table 5-23. GHG emissions in CCC S.A.

E1-6

		Retrospective				Milestones and target years			
	Unit	Base year 2019	2022	2023	YoY change (%)	2025	2030	2050	YoY change (%)
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions	Mg CO2e	2,425.80	1,420.70	789.88	-44.40%	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	-	-	-	-	-	-	-	-
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions	Mg CO2e	37,925.50	27,290.24	18,819.05	-31.04%	-	-	-	-
Gross market-based Scope 2 GHG emissions	Mg CO2e	-	16,875.92	10,938.37	-35.18%	-	-	-	-
Significant Scope 3 GHG emissions									
Total gross indirect (Scope 3) GHG emissions	Mg CO2e	-	-	-	-	-	-	-	-
1 Purchased goods and services	Mg CO2e	-	-	-	-	-	-	-	-
2 Capital goods	Mg CO2e	-	-	-	-	-	-	-	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Mg CO2e	-	-	-	-	-	-	-	-
4 Upstream transportation and distribution	Mg CO2e	-	-	-	-	-	-	-	-
5 Waste generated in operations	Mg CO2e	-	-	-	-	-	-	-	-
6 Business travel	Mg CO2e	-	-	-	-	-	-	-	-
7 Employee commuting	Mg CO2e	-	-	-	-	-	-	-	-
8 Upstream leased assets	Mg CO2e	-	-	-	-	-	-	-	-
9 Downstream transportation and distribution	Mg CO2e	-	-	-	-	-	-	-	-
10 Processing of sold products	Mg CO2e	-	-	-	-	-	-	-	-
11 Use of sold products	Mg CO2e	-	-	-	-	-	-	-	-
12 End-of-life treatment of sold products	Mg CO2e	-	-	-	-	-	-	-	-
13 Downstream leased assets	Mg CO2e	-	-	-	-	-	-	-	-
14 Franchises	Mg CO2e	-	-	-	-	-	-	-	-
15 Investments	Mg CO2e	-	-	-	-	-	-	-	-
Total GHG emissions									
Total Scope 1+2 (location-based) + Scope 3 GHG emissions	Mg CO2e	40,351.30	28,710.94	19,608.93	-31.70%	-	-	-	-
Total Scope 1+2 (market-based) + Scope 3 GHG emissions	Mg CO2e	2,425.80	18,296.62	11,728.25	-35.90%	-	-	-	-

Table 5-24. GHG intensity per net revenue and unit of product sold in CCC S.A.

E1-6

	Jednostka	2022	2023	Zmiana r/r
GHG intensity per net revenue				
Total Scope 1+2 (location-based) GHG emissions per net revenue	Mg CO_2e/PLN 1m	10.55	7.38	-30.00%
Total Scope 1+2 (market-based) GHG emissions per net revenue	Mg CO_2e/PLN 1m	6.72	4.42	-34.30%
GHG intensity per unit of product sold				
Total Scope 1+2 (location-based) GHG emissions per unit of product sold	kg CO_2e/1 unit of product	0.83	0.65	-21.49%
Total Scope 1+2 (market-based) GHG emissions per unit of product sold	kg CO_2e/1 unit of product	0.53	0.39	-26.31%

Table 5-25. Resource inflows into CCC S.A.

E5-4

Resource inflows	Unit	2023
Total weight of product inflows	Mg	30,916.99
Total weight of technical material inflows,	Mg	1,390.09
of which total weight of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services	Mg	151.28
Total weight of biological material inflows,	Mg	0.00
of which sustainably sourced	Mg	0.00
Total weight of technical and biological material inflows	**Mg**	**1,390.09**
Total weight of products, technical materials, and biological materials	**Mg**	**32,307.08**
Percentage of sustainably sourced biological materials	%	0.00%
Percentage of secondary reused materials	%	10.88%

Table 5-26. Resource outflows from CCC S.A.

E5-5

Resource outflows	Unit	2023
Total product weight	Mg	16,540.56
Total recyclable content of product	Mg	0.00
Total packaging weight	Mg	578.56
Total recyclable content in packaging	Mg	578.56
Recyclable content ratio in products	%	0.00%
Recyclable content ratio in packaging	%	100.00%

Table 5-27. Hazardous and non-hazardous waste by waste management method in CCC S.A.

E5-5

Resource outflows	Unit	2022	2023	YoY change
Waste diverted from disposal				
Hazardous waste	**Mg**	**0.23**	**0.00**	**-100.00%**
Preparation for reuse	Mg	0.03	0.00	-100.00%
Recycling	Mg	0.00	0.00	-
Other recovery operations	Mg	0.20	0.00	-100.00%
Non-hazardous waste	**Mg**	**2,675.41**	**1,860.38**	**-30.46%**
Preparation for reuse	Mg	102.64	0.00	-100.00%
Recycling	Mg	2,566.08	1,860.38	-27.50%
Other recovery operations	Mg	6.68	0.00	-100.00%
Total amount of waste diverted from disposal	**Mg**	**2,675.64**	**1,860.38**	**-30.47%**
Waste directed to disposal				
Hazardous waste	**Mg**	**1.07**	**0.11**	**-89.72%**
Incineration	Mg	1.07	0.11	-89.72%
Landfill	Mg	0.00	0.00	-
Other disposal operations	Mg	0.00	0.00	-
Non-hazardous waste	**Mg**	**15.64**	**193.06**	**+1134.50%**
Incineration	Mg	0.00	13.90	-
Landfill	Mg	15.64	179.16	+1045.62%
Other disposal operations	Mg	0.00	0.00	-
Total amount of waste directed to disposal	Mg	16.71	193.17	+1056.11%
Total amount of radioactive waste	**Mg**	**0.00**	**0.00**	**-**
Total amount of waste generated	**Mg**	**2,692.34**	**2,053.55**	**-23.73%**
Total amount of non-recycled waste	Mg	126.26	193.17	+52.99%
Percentage of non-recycled waste	%	4.69%	9.41%	+4.72pp

Table 5-28. Pollution of air, water and soil in CCC S.A..

E2-4

Pollution of air, water and soil	Unit	2023		
		Air	Water	Soil
Carbon monoxide (CO)	kg	29,569.93	0	0
Nitrogen oxides (NO_x/NO_2)	kg	5,865.24	0	0
Sulfur oxides (SO_x/SO_2)	kg	6.82	0	0

Table 5-29. Water inCCC S.A.

E3-4

		Unit	2022	2023	YoY change
Water con-sumption	Total water consumption	m^3	-	12,032.35	-
	Total water consumption in areas at water risk, including areas of high-water stress	m^3	-	0.00	-
	Total water recycled and reused	m^3	-	0.00	-
	Total water stored	m^3	-	0.00	-
Water intensity	Total water consumption per PLN 1m of revenue	m^3/PLN 1m	-	4.53	-
	Total water consumption per unit of product sold	m^3/unit of product	-	0.0004	-
Water withdraw-als and discharges	Total water withdrawals	m^3	15,898.22	12,032.35	-24.32%
	Total water discharges	m^3	13,192.55	10,690.96	-18.96%

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Independent Auditor’s Reasonable Assurance Report

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For the Shareholders of CCC S.A.

Subject matter and assessment criteria

We have been engaged to perform a limited assurance engagement in respect of the accompanying Sustainability Report of the Group CCC S.A. (hereinafter: the Group), whose parent company is CCC S.A. (hereinafter: the Company), prepared for the financial year ended 31 January 2024 (hereinafter: the Report) in accordance with:

- Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L, 2023/2772, 22.12.2023), Annex I, European sustainability reporting standards (hereinafter: ESRS).

Responsibility of the Management Board

The Company's Management Board is responsible for the preparation and presentation of the Report in accordance with the ESRS. This responsibility includes designing and maintaining an adequate internal control system and making reasonable estimates to enable the preparation and presentation of the Report in accordance with the ESRS, free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our aim was to express a conclusion on the Sustainability Report of Group CCC S.A. on the basis of our limited assurance engagement.

We have performed the engagement in accordance with the National Standard on Assurance Engagements Other than Audits and Reviews 3000 (R) in the wording of International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, adopted by Resolution No 3436/52e/2019 of the National Council of Statutory Auditors of 8 April 2019, as amended (hereinafter: NSAE 3000 (R)). This standard requires us to act in accordance with ethical requirements and to plan and perform the procedures in such a way as to be able to express a limited assurance conclusion that the Report under review is free from material misstatement and complies with the ESRS in all material respects.

The procedures performed in a limited assurance engagement are significantly less in extent than in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance

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engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of the procedure depends on the statutory auditor’s judgement, including their estimation of the risks of material misstatement, whether due to fraud or error.

The engagement was performed at the order of the Company's Management Board and is not required by any legislation, and the scope of our work and our assurance should only be understood in accordance with the scope described herein.

Summary of the work performed

Our work consisted in particular of making enquiries, primarily to those responsible for preparing the Report. We performed the following procedures:

1) We gained an understanding of the Group's business and the environment in which it operates, including the Group's structure and organisation, ownership structure, the Group's business model, significant external and internal factors affecting the Group, key business processes, the internal control environment, the risk management process and the internal control monitoring process.

2) We reviewed the Group's internal procedures and regulations for sustainability reporting, including but not limited to:

   a. The Code of Ethics,
   b. The Business Partner Code,
   c. The Risk Management Policy,
   d. The Environmental and Social Policy,
   e. The Compliance Policy,
   f. The Risk Management Procedure,
   g. The Business Strategy,
   h. The ESG Strategy.

3) We reviewed the Group's value chain analysis.

4) We verified the double materiality analysis performed by the Group.

   a. We reviewed the double materiality analysis process, including the documentation provided to us in this regard.
   b. We reviewed the Group's key stakeholder contact list and confirmed its completeness.
   c. We reviewed the template for the internal stakeholder survey.
   d. We reviewed the Group's documentation for the double materiality analysis.
   e. We verified a sample of surveys to ensure that the results of the surveys were correctly captured (imported) into the double materiality analysis documentation.
   f. We read the Company's final report on the double materiality analysis.
   g. We verified whether the findings presented in the double materiality analysis report are reasonable given the nature of the Group's business.
   h. We verified whether the findings of the double materiality analysis had been correctly disclosed in the Group's sustainability report.

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5) We verified, on a sample basis, the source data in each data category, i.e.:

   a. general information,
   b. employment,
   c. fuel and energy,
   d. resource use and circular economy,
   e. pollution,
   f. water and marine resources.

6) We reviewed the calculation methodology and assumptions used for the Group's greenhouse gas emissions counting model, analysed its validity and confirmed the mathematical correctness of the calculation and the source data selected in particular:

   a. We checked the correctness of specific organizational structures.
   b. We checked the consistency of the time period used for data collection.
   c. We checked the consistency of the source data with the values used for calculations.
   d. We checked the correctness of the emission factors used.
   e. We checked the correctness of the conversion factors used.
   f. We checked the correctness of the calculations performed for scope 1 and 2.
   g. We checked the correctness of the adopted methodology for calculating the organization's carbon footprint in scope 3.
   h. We checked the correctness of the adopted criteria for identifying significant categories of scope 3.
   i. We checked the correctness of the emission factors used to estimate scope 3 emissions.
   j. We checked the correctness of the estimates made for scope 3.

7) We verified the completeness of the disclosures arising from ESRS 2.

8) We verified the completeness of the ESRS disclosures on the environment, social matters and governance in the Group's Report.

As part of our work, we took the internal control into account to assess the risks and plan our procedures, but not to express an opinion on its effectiveness.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our conclusion.

Quality management requirements

The audit firm applies national quality control standards in the wording adopted by resolution of the Council of the Polish Audit Oversight Agency No 38/I/2022 of 15 November 2022, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ethical requirements, including independence

In performing the engagement, the statutory auditor and the audit firm complied with the requirements of independence and other ethical requirements set out in the *International Code of Ethics for Professional Accountants* (including the *International Independence Standards*) of the International Ethics Standards Board for Accountants, adopted by Resolution No 3431/52a/2019 of the National Chamber of Statutory Auditors of 25 March 2019 on the principles of professional ethics of statutory auditors (the IESBA Code). The IESBA Code is based on fundamental principles relating to integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We also complied with other independence and ethical requirements that apply to this assurance engagement in Poland.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention to indicate that the Sustainability Report of the Group CCC S.A. does not comply in all material respects with the ESRS.

Paweł Zaczyński

Statutory Auditor No. 13290
Key Audit Partner performing the engagement on behalf of
Grant Thornton Polska Prosta spółka akcyjna,
Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Warszawa, April 5, 2024.

THIS IS TRANSLATION ONLY. The Polish language version of the report is the only valid and legally binding version. This translation into English is provided to facilitate understanding of the report.

AUTHORISATION FOR ISSUE

This non-financial report of CCC S.A. and the CCC Group for the financial year 2023 has been approved for issue by the Management Board of CCC S.A.

Dariusz Miłek
President of the
Management Board

Karol Półtorak
Vice President of the
Management Board

Igor Matus
Vice President of the
Management Board

Polkowice, 5 April 2024

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