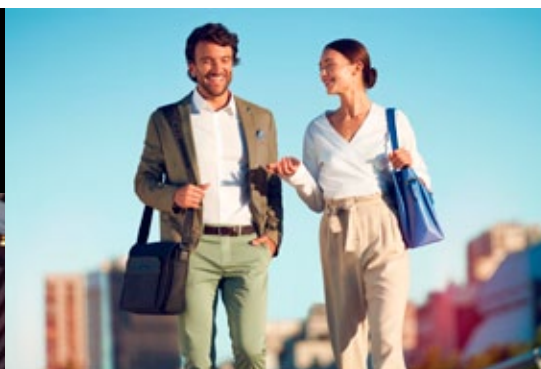


**CCC**  
SHOES & BAGS



# CCC Experience

**NON-FINANCIAL REPORT  
OF THE CCC GROUP FOR YEAR 2018**





# Letter of President

Dear Sir or Madam,

**I am very pleased to present the next CCC Group's Sustainable Development Report, presenting our activities in 2018, as well as the challenges we face and adopted strategic directions within which we pursue our ambitions in the area of CSR.**

We strive to become a leader in sustainable development in the retail industry and contribute to its promotion and increase of awareness in this field. Acting responsibly, we support the development of local communities, not only within the Company's headquarters. We are aware of the wider spectrum of impact and thanks to the strength of the CCC Group present in 23 countries and the growing international success, we are able to respond to the needs of not only the local community, but also to help globally.

The CCC Group continues the implementation of the sustainable development strategy, and is currently doing so as an important aspect of its operations and further development. A crucial element of our sustainable development strategy are the following priorities: #go for more - brand promise is the customer experience; #more opportunities - development of the organization's potential and #more trust - good and effective management. These are our basic principles and challenges, as well as the CCC's contribution to the implementation of the global goals of UN sustainable development. It is customer satisfaction, the work comfort of our employees and satisfaction from the cooperation of our suppliers and all other stakeholders, which is the most important for us.

The most important element of our sustainable development strategy is focusing on clients and their needs. By constantly observing the market and prevailing trends, we strive to provide our clients

with innovative solutions, products and services that meet their even the most specific needs. Last year, we focused on further development of omnichannel, expanded our offer with brand footwear and a portfolio of brands dedicated to various age segments. The CCC Group has offered its clients esize.me scanners, which thanks to advanced technology, are able to perform an accurate 3D foot model. Thanks to this, the system can recommend the customer the right size for any brand or type of footwear. Esize.me is another idea of eobuwie.pl S.A., which wants to combine online sales and offline sales.

In addition, in accordance with the assumed objectives, we support employee initiatives in the field of employee volunteering, under which supported in 2018 were numerous initiatives related to education, culture, sport, safety and environmental care. We have also adopted the first „Clean Footprint” Environmental Strategy in the Group's history, which defines significant environmental areas on which the Group operates and specific indicators that we will achieve in order to minimize our negative impact.

The year 2018 was also the year in which we focused our activities on increasing responsibility in the supply chain through, among others, implementation of the Code of Conduct, which includes key social and environmental obligations, conducting audits that check compliance with the principles contained in the Code and implementing more stringent regulations on the use of chemicals in the production of goods offered for sale.

My greatest reason to be proud is entering into an extremely important partnership for the implementation of global goals of sustainable development with the largest humanitarian and development organization working for children. CCC as the first global partner of UNICEF from Poland and Central and Eastern Europe, continues the mission of the Polish doctor - Dr. Ludwik Rajchman, who was the founder and co-founder of UNICEF and supports those programs of the organization whose goal is to help every child in the world develop their potential, their dreams and passions. Our activities will have a business and sports measures, and the activities will be conducted, among others in our shoe stores, as well as by the CCC Team cycling team taking part in races around the world.

Financial support for UNICEF programs will help in saving and improving children's living conditions, while our activities will also aim to involve clients, supporters, employees and other stakeholders, as well as educate and raise awareness about the needs and conditions of children in different parts of the world.

As a company whose mission is to respond best to the expectations of the industry, customers and local communities, we need to bear in mind the problems and needs reported by all stakeholders. It is them who know the most important areas for improvement, which is why we have a permanent dialogue with them. Just like in previous years, in 2019 a dialogue session will also be held, thanks to which we have the opportunity to gain valuable comments as well as expectations of our stakeholders.

Last year brought us many reasons to be proud in the form of distinctions for successes in CSR areas. In the Report, we present a balance of achievement of goals set for ourselves in the previous two years and we also present goals that will be at the center of our interest in the near future. The challenges ahead of us are for us mobilization to even harder work and for improving our activities in building a sustainable future. Current and future achievements would not be possible without cooperation with our stakeholders, therefore I would like to thank you for sharing your suggestions and remarks so far and I encourage you to continue the dialogue with the CCC Group so that we can jointly undertake actions for sustainable development.

Yours sincerely,

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





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Company



# About

## COMPANY PROFILE

CCC SA is one of the largest footwear manufacturers and one of the fastest growing footwear companies in Europe.

Through its subsidiary - eobuwie.pl SA, the CCC Group is also a leader in e-commerce on the footwear market in Central and Eastern Europe.



**255 mln**  
visitors to CCC stores  
in 2018



**>11 mln**  
visitors to eobuwie.pl  
platforms per month



**19.75%**  
of shares in e-commerce  
revenue

## Business model



**PRODUCTION**  
own factory + import  
+  
**DISTRIBUTION**  
CCC, Karl Vögele, eobuwie.pl, DeeZee



## MARKET POSITION AND RECOGNIZABILITY

**#1**

Poland, Czech Republic, Slovakia

**#2**

Hungary

**#1**

Central-East Europe

**#2**

Switzerland

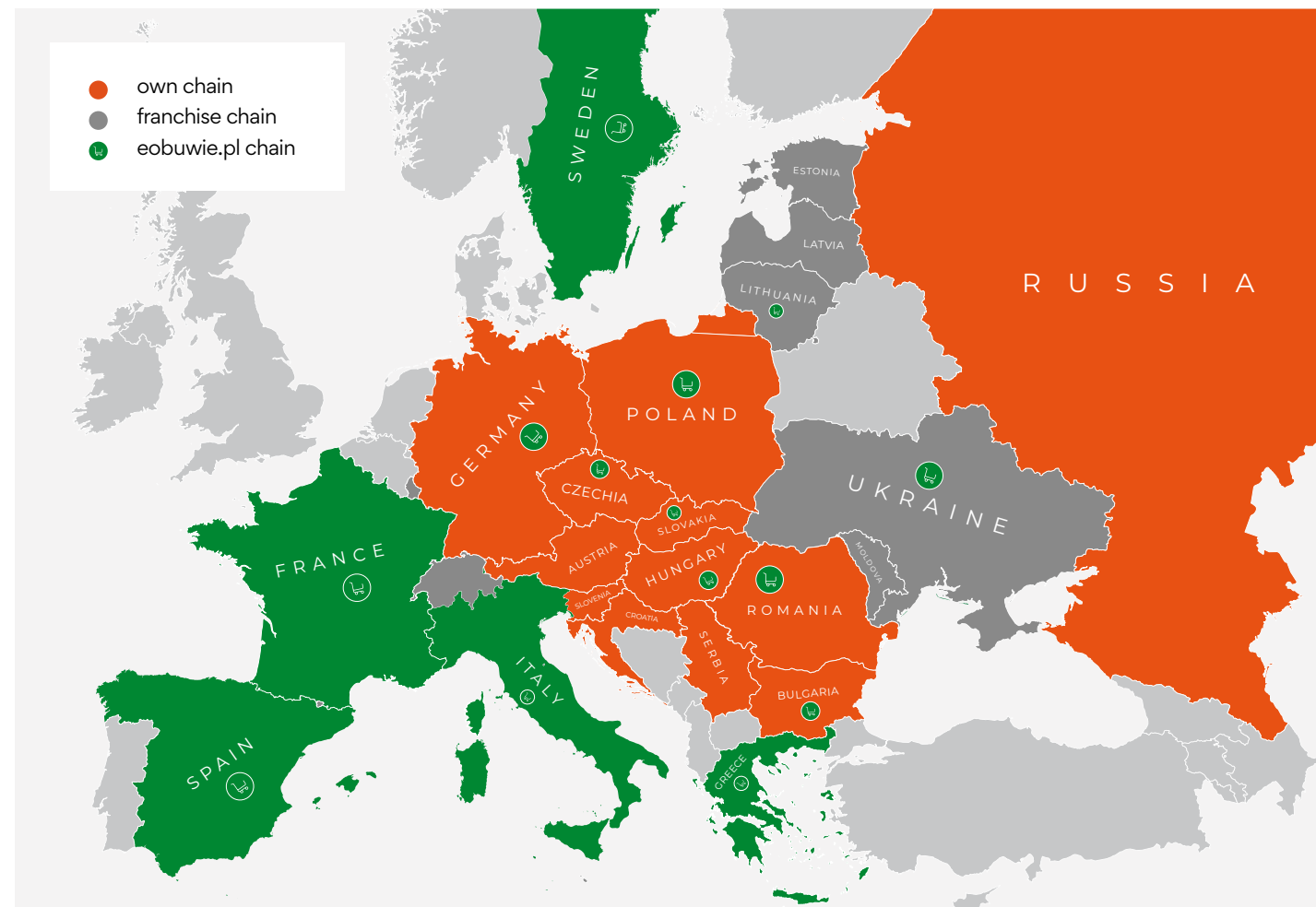
CCC offline stores



eobuwie.pl platform



Vögele Shoes offline stores



## CHAIN REACH



**23 countries**

**996**  
CCC offline stores



83%

**9**  
eobuwie.pl offline stores



1%

**197**  
Vögele Shoes offline stores



16%

## ONE OF THE LARGEST EMPLOYERS

**+15.000**



employees in all companies of the CCC Group worldwide



The first global  
UNICEF partner  
from Poland

unicef  
for every child

## SOCIAL RESPONSIBILITY

CCC is part of the index of socially responsible  
companies of the Warsaw Stock Exchange





# History

## HISTORY

CCC SA is one of the largest footwear manufacturers and one of the fastest growing footwear companies in Europe.

Through its subsidiary - eobuwie.pl SA, the CCC Group is also a leader in e-commerce on the footwear market in Central and Eastern Europe.

## 1996

Firma Handlowa Miłek (Miłek Trading Company) is established, dealing with wholesale and retail sale of footwear. In the same year, the company opens its first franchise stores under the name Żółta Stopa (Yellow Foot).

## 1999

registration of CCC Sp. z o.o., which on the basis of its own Cena Czyni Cuda ( ang. Price Makes Miracles) commercial concept, begins cooperation with over 100 newly acquired franchisees. Their number is growing rapidly.

## 2001

the company's headquarters and a new warehouse base in the Legnica Special Economic Zone in Polkowice are put into operation. At the same time a shoe factory under the CCC Factory Sp. z o.o. company is also being built there.

## 2000

commencement of basketball and cycling sponsorship.

## 2004

On December 2nd CCC makes its debut on the Warsaw Stock Exchange. \* Immediately after the stock exchange debut in Prague, Czech Republic, the first foreign company of CCC begins its activity. \* From December 19, 2015, CCC S.A. belongs to the elite group of companies from the WIG20 index on the Warsaw Stock Exchange.

## 2005

for the first time in the company's history, the production of shoes in the Polkowice factory reaches 1 million pairs.

## 2010

The Company recorded 1 billion in revenues from sales.

## 2011

Completion of the largest investment in the history of the company, the construction of the Logistics Centre located in the LSEZ in Polkowice.

## 2012

the beginning of dynamic expansion into new foreign markets

## 2016

acquisition of 74.99% of shares in eobuwie.pl S.A., thanks to which the CCC Group becomes the largest online footwear distributor in Poland. In the same year, CCC becomes a majority shareholder in the Russian company CCC Russia Sp. z o.o. (with 75% of shares).

## 2017

Adoption of the CSR Strategy and commencement of activities towards omnichannel development.



### 2012

Slovakia and Hungary

### 2013

Croatia, Slovenia, Germany

### 2014

Bulgaria

### 2016

Serbia, at the same time continuing franchise development.



## Key events in 2018

- 01 conclusion of an agreement on the sale of CCC products in 6 countries of the Middle East region
- 02 reorganization of the CCC Customer Service Office
- 03 release of the first ever Non-financial Report of the CCC Group
- 04 finalization of the agreement on the acquisition of the franchise sales network in Romania
- 05 opening of a flagship store with an area of 2500 m<sup>2</sup> in the most prestigious location in Poland - Wars Sawa Junior department store in Warsaw
- 06 adoption of the CCC Group Supplier Code of Conduct
- 06 acquisition of the second largest player on the Swiss market - Voegele Shoes
- 07 joining the partnership for the implementation of SDGs
- 07 acquisition of majority shareholding in DeeZee Sp. z o.o.
- 08 conclusion of a sponsorship agreement under which CCC will become a sponsor of one of the best cycling teams in the world
- 08 making the Reserve and Collect service available to CCC customers all over Poland
- 09 joining the Strategic Partners of the Responsible Business Forum
- 10 launching the CCC Research and Development Centre in Polkowice
- 10 launch of the esize.me project run by eobuwie.pl SA
- 11 establishment of a global partnership with UNICEF as the first Polish company in history
- 11 conclusion of an agreement with Hamm Reno Group GmbH, which will result in the sale of the subsidiary CCC Germany GmbH to the HR Group and the acquisition of a minority shareholding in the HR Group.
- 12 joining the Respect Index on the Warsaw Stock Exchange
- 12 adoption of the Environmental Protection Policy and Strategy and update of the HR Policy

# 12 of 19

key events is  
related to CSR



## BUSINESS MODEL

Being aware of the changes occurring in sales methods and the upcoming changes in retail, the CCC Group has adapted its business model to these changes.

## THE MOST IMPORTANT TRENDS SHAPING RETAIL



Offline stores



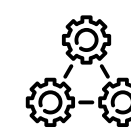
Online stores



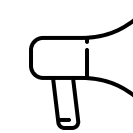
Mobile



Customization



A.I.



Social Media

## CCC VISION 2020

CCC - the winner in market transformation

In the coming **5-10 years** trade will change more than in last **100 years**.

# 1

THE MOST RESPONSIBLE retail company in Poland

# 2

CUSTOMER EXPERIENCE LEADER through omnichannel

# 3

HIGH PROFITABILITY

# 4

HEALTHY AND PROGRESSIVE BALANCE SHEET

# 5

DYNAMIC GROWTH in numerous business models



STRUCTURE OF THE CCC CAPITAL GROUP

The dominant entity in the CCC Capital Group is CCC S.A.  
The company's headquarters is in Polkowice,  
and the Regional Office is located in Warsaw.

Manufacturing activity	Distribution activity		E-commerce activity	Other activities
	CCC S.A.			
CCC Factory Sp. z o.o. 100% Poland	CCC.eu sp. z o.o. 100% Poland	CCC Obutev d o.o. 100% Slovenia	eobuwie.pl S.A. 74,99% Poland	NG2 Suisse S.a.r.l. 100% Switzerland
	CCC Germany GmbH 100% Germany <sup>[1]</sup>	CCC Slovakia s.r.o. 100% Slovakia	DeeZee Sp. z o.o. 51% Poland	CCC Isle of Man Ltd. 100% Isle of Man
	CCC Czech s.r.o. 100% Czech Republic	CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi 100% Turkey		CCC Shoes and Bags sp. z o.o. 100% Poland
	CCC Austria Ges.M.b.H 100% Austria	CCC Hungary Shoes Kft. 100% Hungary		Eobuwie.pl Logistics Sp. z o.o. 100% Poland
	CCC Hrvatska d o.o. 100% Croatia	CCC Shoes & Bags d.o.o. Beograd-Novi Beograd 100% Serbia		Eschuhe.de UG 100% Germany
	CCC Russia Sp. z o.o. 75% Russia	Karl Voegelé AG 70% Switzerland		Branded Shoes&Bags Sp. z o.o. 100% Poland
	CCC Shoes Bulgaria 100% Bulgaria	Shoe Express S.A. 100% Romania		

[1] In 2018, CCC SA concluded a conditional agreement on the sale of CCC Germany to the HR Group

2018 was an important year for the Group in terms of structuring its sales network, consistent organic growth in the region and acquisitions in developed markets.

On 17 January 2018, CCC.eu Sp. z o.o., a subsidiary of the Issuer, concluded a franchise agreement with Apparel FZCO with its registered office in the United Arab Emirates, providing for cooperation between the entities in the sale of CCC footwear and other products of CCC brands in the territory of 6 countries of the Middle East region, i.e. Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar, Bahrain.

On 25 April 2018, a subsidiary CCC Shoes & Bags Sp. z o.o. with its registered office in Polkowice acquired 100% of shares in Shoe Express S.A. with its registered office in Bucharest. Shoe Express S.A. previously acquired from Peeraj Brands International SRL an organized part of the enterprise covering the operation of all stores under the CCC brand in Romania. These stores have so far been operated by Peeraj Brands International SRL under a franchise agreement with CCC S.A.



On 18 June 2018, in the performance of a conditional sale agreement, the subsidiary NG2 Suisse GmbH with its registered office in Zug purchased from KAVO-Holding AG with its registered office in Zug (Switzerland) a majority shareholding of 1,400 shares in Karl Voegelé AG with its registered office in Uznach (Switzerland).

On 29 June 2018, CCC S.A. and Adler International spółka z ograniczoną odpowiedzialnością spółka komandytowa (Limited Compalimited Partnership) with its registered office in Dąbrowki, Czarna commune, Łańcut concluded an annex to the conditional agreement obliging to sell an organized part of the enterprise of 11 April, 2018 and a promised agreement, on the basis of which the Issuer purchased an organised part of the enterprise covering the management of footwear retail stores, marked with the „CCC” logo, that form the sales network organized by CCC in Poland.

On 24 November 2018, the Company concluded a conditional agreement on the sale of shares in HR Group Holding S.à r.l. with its registered office in Luxembourg, which will result in the sale of a subsidiary CCC Germany GmbH to the HR Group and the acquisition of a minority shareholding in the HR Group.

GINO ROSSI

Due to the difficult liquidity situation of Gino Rossi, the CCC Group decided to support it and decided to issue a tender offer for 100% of the Company’s shares.

At the same time, CCC signed the agreement on the purchase of existing loan receivables of the Company. CCC hopes that the announced tender offer, the acquisition of Gino Rossi’s loan receivables and the constructive attitude of the other creditors of the Company will allow to secure the further functioning of the company. CCC Group intends, together with Gino Rossi’s management, to improve the financial situation, increase the company’s capacity utilization in its factories in Poland, maintain current jobs and strengthen the brand and the company.



# Points of sale

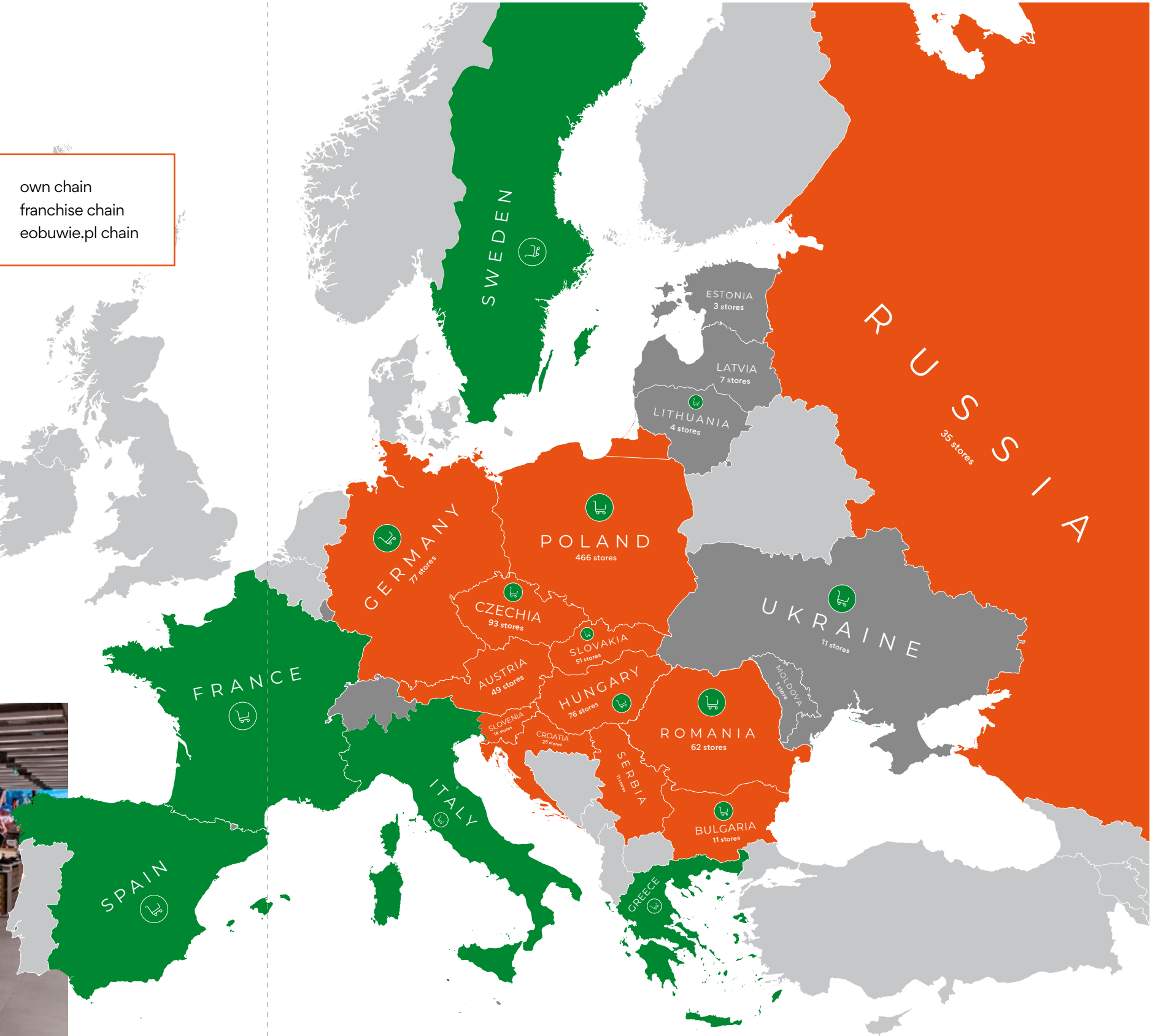
Number of CCC stores /points of sale	Status by 31.12.2018
Number of CCC POLAND stores - own stores	466
Number of CCC CZECH stores - own stores	93
Number of CCC SLOVAKIA stores - own stores	51
Number of CCC HUNGARY stores - own stores	76
Number of CCC AUSTRIA stores - own stores	49
Number of CCC SLOVENIA stores - own stores	14
Number of CCC CROATIA stores - own stores	25
Number of CCC GERMANY stores - own stores	77
Number of CCC BULGARIA stores - own stores	11
Number of CCC SERBIA stores - own stores	11
Number of CCC RUSSIA stores - own stores	35
Number of CCC ROMANIA stores - own stores	62
Number of CCC LATVIA stores - franchise stores	7
Number of CCC UKRAINE stores - franchise stores	11
Number of CCC LITHUANIA stores - franchise stores	4
Number of CCC ESTONIA stores - franchise stores	3
Number of CCC MOLDOVA stores - franchise stores	1
TOTAL number of CCC stores	996

Number of eobuwie.pl S.A. points of sale	Status by 31.12.2018
Number of eobuwie.pl POLAND stores	9
eobuwie.pl online platforms	
POLAND	
CZECH REPUBLIC	
SLOVAKIA	
GERMANY	
HUNGARY	
ROMANIA	
LITHUANIA	
SWEDEN	
BULGARIA	
UKRAINE	
GREECE	
FRANCE	
ITALY	
SPAIN	
Number of Voegele Shoes points of sale	
Number of Voegele SWITZERLAND stores	197

own chain

franchise chain

eobuwie.pl chain





# Value chain



1

## DESIGN AND ORDER

CCC Factory Sp. z o.o. has its own Design Department, where projects of footwear produced in the factory in Polkowice are created.

Before placing an order for the entire batch of footwear, the so-called confirmation pattern is assessed in terms of compliance with the previously adopted arrangements and design.

At this stage, the quality of materials, colors, and sewing and assembly techniques used is also controlled, as well as the passivity and stability of the footwear.

2

## PRODUCTION

Offered products come from the CCC Group factory in Polkowice, located in the Legnica Special Economic Zone and from domestic and foreign suppliers.

Before shipment to CCC, suppliers are obliged to provide a set of documents confirming compliance with quality standards and lack of chemical substances in products - this is a condition for accepting the delivery.

Suppliers are selected in accordance with strictly defined criteria, such as conducting business activities with the respect for human rights and social standards concerning many aspects, including working conditions and pay.

3

## LOGISTICS

Before shipment to CCC stores, the products go to the Logistics Center in Polkowice, one of the largest facilities of this type in Europe. The complex in Polkowice is able to accommodate 23 million pairs of footwear.

Orders placed on eobuwie.pl platforms are processed and shipped directly from the Distribution Centre in Nowy Kisielin / Zielona Góra. Ultimately, the Distribution Centre will support eobuwie.pl, CCC, DeeZee and Voegelé e-commerce.

4

## RETAIL SALES

The CCC Group strongly focuses on omnichannel. Currently, sales are carried out both at stationary points of sale and online platforms. In 2018, new solutions aimed at integrating the channels and helping customers reach the products were introduced.

At the end of 2018, the CCC Group consisted of 996 CCC stores, 9 eobuwie.pl stores, 197 Voegelé Shoes stores, 1 CCC platform with the Reserve & Collect service, 14 eobuwie.pl regional platforms, 1 Voegelé platform, 1 DeeZee platform, 33 maintenance-free esize.me points located outside stores.

5

## AFTER-SALES SERVICE

From 2018, consumers can use the modernized Customer Service CCC, which was created on the basis of a new IT system. Thanks to the changes, the employees responsible for customer contact are able to approach customers in a personalized and appropriate way.

In 2018, Customer Service accepted over 30 thousand consumer notifications. This is about 3 times more than the number of submissions in 2017 - 10.7 thousand.



# Awards and distinctions in 2018



## CCC S.A. awards

### FRIEND OF THE CONSUMER

- The title „Friend of the Consumer“ awarded by Office of Competition and Consumer Protection in the large companies category

### BEST INVESTOR RELATIONS

- The prime award in the category Best Investor Relations in the Stock Exchange Company of the Year 2017 Ranking

### THE STOCK EXCHANGE COMPANY OF THE YEAR

- The second place in the ranking of Puls Biznesu „2017 Stock Exchange Company of the Year“

### MANAGEMENT BOARD'S COMPETENCES

- The second place in the Management Board's Competences category in the ranking of Puls Biznesu „2017 Stock Exchange Company of the Year“

### SCF RETAILERS' AWARDS

- Retailer of the Year

### BUSINESS SHARKS

- The prime award in the Business Sharks competition in the Company of 2017 category

### CEE CAPITAL MARKETS & FINTECH AWARDS

- Best Overall Listed Company of the Year - Poland

### RESPONSIBLE COMPANIES RANKING

- 6th place in the general classification
- 3rd place in the industry classification of the Responsible Companies Ranking

### ORZEŁ WPROST 2018 [THE „WPROST” EAGLE 2018]

- Business Leader

### THE PRIZE AWARDED BY THE NEWSPAPER „DZIENNIK GAZETA PRAWNA” AS PART OF THE 6TH EDITION OF THE „THERE IS NO FUTURE WITHOUT ENTREPRENEURSHIP” PROJECT

- Polish Brand

## eobuwie.pl awards

### SCF RETAILERS' AWARDS

- Online Fashion Store of the Year

### IMAGINE EXCELLENCE 2018

- The Most Innovative Customer Experience

### ORŁY RZECZPOSPOLITEJ 2018 [THE EAGLES OF THE REPUBLIC OF POLAND 2018]

- The prime award in the category of trade and non-financial services

# Membership of associations and organizations


## RESPONSIBLE BUSINESS FORUM [FOB]

CCC joined FOB as a Strategic Partner. The Forum is a think-and-do-tank organization, which remains the initiator and partner in business activities strategic for Polish CSR.

 More about FOB at: <http://odpowiedzialnybiznes.pl/>

## THE CONVENTION OF JAN WYŻYKOWSKI UNIVERSITY (UJW) IN POLKOWICE


The CCC Group is represented in it by Marcin Czyczerski, Vice-President of the Management Board of CCC S.A. and Mariusz Gnych, President of the Management Board of CCC Factory Sp. z o.o. The UJW Convention is an opinion-forming and advisory body supporting the development as well as didactic, scientific and organizational activities of the University. Employers operating in the Convent have a real impact on the curriculum and the quality of education of their potential employees.

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

## POLISH ASSOCIATION OF LISTED COMPANIES

CCC SA acts in the organization as a supporting member.

Polish Association of Listed Companies cares about the development of the Polish capital market and represents the interests of companies listed on the Warsaw Stock Exchange. Existing since 1993, SEG provides the issuers' community with knowledge and advice in the field of stock market regulation and the rights and obligations of the participating companies.


 More about SEG at: <http://seg.org.pl>

## AMFORI BSCI

One of CCC's subsidiaries, Karl Voegelé AG is a member of amfori BSCI, a leading global association of entrepreneurs in the field of open and sustainable trade, bringing together more than 2,000 retailers, importers, brands and associations from over 40 countries.

## LSEZ'S LOWER SILESIAN EDUCATIONAL CLUSTER

Lower Silesian Educational Cluster in the Legnica Special Economic Zone was established in 2015 in order to facilitate forecasting the labour market demand for specific skills, occupations and to increase the availability of practical vocational training. The organization coordinates operation of schools and companies so that they can establish cooperation in creating vocational training classes and developing the idea of dual education system for the needs of enterprises.

 More about LSEZ's Lower Silesian Educational Cluster at: <http://lsse.eu/dolnoslaski-klaster-edukacyjny/>

## EXECUTIVE CLUB

Executive Club is a business organization associating representatives of top management of the most important Polish and international companies. Starting from 2005, the Club brings together business leaders with an established position who, through their actions, set directions for the development of the Polish economy.

 More about Executive Club at: <http://executive-club.com.pl/>

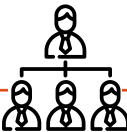




Selected data from the consolidated statement of profit or loss and other comprehensive income for period from January to December 2018

Financial activity	PLN million
Sales revenues	4 943,6
Poland	2 060,0
Central and Eastern Europe	1 035,4
Western Europe	430,8
Other countries	112,7
Retail	3 638,9
E-commerce	976,8
Wholesale	108,9
Production	0,5
Other	-
Gross profit (loss)	2 369,9
Gross margin on sales	47,9%
Segment results:	
Poland	292,3
Central and Eastern Europe	109,6
Western Europe	(72,4)
Other countries	(2,3)
Retail	327,2
E-commerce	99,9
Wholesale	27,9
Production	(0,3)
Operating profit	372,5
Profit before income tax	256,4
NET PROFIT	223,5
ADJUSTED NET PROFIT	84,1
Fixed assets	
3 574,1	
Current assets, including:	3 161,9
Stock inventory	1 806,1
Cash	375,8
TOTAL ASSETS	6 736,0
Long-term liabilities, including:	
Debt liabilities	2 650,9
210,0	
Short-term liabilities, including:	2 937,3
Debt liabilities	806,8
TOTAL LIABILITIES	5 588,2
EQUITY	1 147,8

# The Management Board of CCC S.A.



## CORPORATE GOVERNANCE

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

The Company makes every effort to comply with the principles of corporate governance, which is a set of rules of conduct of the Company, as well as its supervisory board, management board and shareholders, in all of its activities. The principles of corporate governance are defined in the document „Best Practice of GPW Listed Companies 2016”. CCC adheres to all the rules contained therein.

A full statement on the application of „DPSN 2016” can be found on the website, in the section dedicated to corporate governance: <https://firma.ccc.eu/lad-korporacyjny>



### DARIUSZ MIŁEK

Since 2004 has been serving the function of the President of the Management Board of CCC S.A. Founder of F.H. Miłek, and then CCC Sp. z o.o., which transformed into CCC S.A.



### MARIUSZ GNYCH

Since 2004 the Vice President of the Management Board of CCC S.A. Associated with the Company since 2000.



### MARCIN CZYCZERSKI

Since 1 January 2017 the Vice President of the Management Board of CCC S.A.



### KAROL PÓŁTORAK

Since 1 December 2016 the Vice President of the Management Board of CCC S.A.

Members of the Management Board of CCC S.A. are appointed and dismissed by the Supervisory Board. The competences and principles of operation of the Management Board of CCC S.A. have been defined in:

- The Commercial Companies Code;
- The Articles of Association, available on the website (<https://firma.ccc.eu/lad-korporacyjny>);
- The regulations of the Management Board, available on the website (<https://firma.ccc.eu/lad-korporacyjny>);
- Scheme of division of responsibility for individual areas of the company's activity among members of the Management Board (<https://firma.ccc.eu>).



# The Supervisory Board of CCC S.A.



**WIESŁAW OLEŚ**  
**Chairman of the Supervisory Board**  
since 2 June 2016 until now.  
In the Supervisory Board of CCC S.A since 2015.



**MARCIN MURAWSKI**  
**Member of the Supervisory Board**  
since 2012 until now.



**JERZY SUCHNICKI**  
**Member of the Supervisory Board**  
since 2015 until now.



**WALDEMAR JURKIEWICZ**  
**Member of the Supervisory Board**  
since 2 June 2016 until now.



**PIOTR NOWJALIS**  
**Member of the Supervisory Board**  
since 10 January 2017 until now.

## AUDIT COMMITTEE

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

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

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

## OWNERSHIP STRUCTURE OF CCC S.A.

Shareholder	Number of shares owned	% of participation in share capital	Number of votes at the General Meeting of Shareholders	% of share in the number of votes at the General Meeting of Shareholders
ULTRO S.a.r.l. (a subsidiary of Dariusz Miłek)	11.060.000	26,86%	16.520.000	34,55%
Leszek Gaczorek	2.000.000	4,86%	3.040.000	6,36%
AVIVA OFE*	2.975.150	7,23%	2.975.150	6,22%
Nationale-Nederlanden OFE*	3.429.086	8,33%	3.429.086	7,17%
Other investors**	21.703.764	52,72%	21.853.764	45,70%
<b>TOTAL</b>	<b>41.168.000</b>	<b>100%</b>	<b>47.818.000</b>	<b>100%</b>

\* data from the annual information on the structure of the Fund's assets as of 31/12/2018  
\*\* Other investors holding less than 5% of votes at the General Meeting of Shareholders

## CHANGES IN THE ORGANIZATION OF CCC GROUP WITHIN THE PERIOD COVERED BY THE REPORT

On 31 January 2018, Mr. Marcin Pałazej submitted his resignation from the position of the Vice President of the Management Board of CCC S.A. with effect as of 31 January 2018.

As of 25 July 2018, 4,000 series E shares with a nominal value of PLN 0.10 each were introduced to stock exchange trading as a result of exercising by the entitled person the right to convert subscription warrants to shares as part of the Incentive Scheme for 2013-2015.

On 3 December 2018, as a result of a cross-border merger of a subsidiary of Dariusz Miłek ULTRO S.à r.l. with its registered office in Luxembourg and a subsidiary of Dariusz Miłek Ultro sp. z o.o. with its registered office in Polkowice, as a result of which ULTRO S.à r.l. assumed all rights and obligations of Ultro sp. z o.o. and by law took over all of its assets and liabilities, including the shares of the Company and thus ULTRO S.à r.l. became a direct shareholder of the Company, share of Ultro Sp. z o.o. in the total number of votes at the General Meeting of Shareholders fell below 5%, i.e. to 0% and the share of ULTRO in the total number of votes at the General Meeting of Shareholders increased above 33% and 33 1/3%.

On 23 October 2018, the Issuer's subsidiary - eobuwie.pl S.A. commenced initial preparations for the first public offering (IPO) of eobuwie.pl S.A. shares and the admission of the company's shares to trading on the regulated market operated by the Warsaw Stock Exchange. The IPO is being considered in order to obtain funds by eobuwie.pl S.A to finance further development of the company's operations.

## THE BOARD

**100%**  
of men

**47 years**  
average age

**8 years**  
average time of performing  
the function of a Management  
Board Member

**16 resolutions**  
Management Board  
adopted in 2018

## SUPERVISORY BOARD

**100%**  
of men

**52 years**  
average age

**3 years**  
Average time as a Member  
of the Supervisory Board

**5**  
Number of the Supervisory  
Board meetings in 2018

**92%**  
Attendance of Members of  
the Supervisory Board at  
meetings

# Ethical system in the CCC Capital Group

**One of the CCC objectives on the road to success is to take into account sustainable development efforts as well as to understand the needs of stakeholders.**

This approach involves building an organisational culture based on internal values, honesty, respect and observing the rules of law and applicable standards. The foundation for creating such an organizational culture is the CCC Group Code of Ethics, which has been in force since 2014. In 2018, it was updated in such a way that both the company and the employees shared the same values.

The Code of Ethics formulates the highest values that strengthen the process of shaping an ethical environment and mutual trust in CCC. The CCC Group Code of Ethics presents the attitude of the employees of the companies from the CCC Capital Group and describes the obligations and guidelines concerning the standards of conduct, regardless of the area of business activity and the scope of responsibility in CCC.

This Code also compliments legal regulations, defining frameworks and standards of behaviours aimed at ensuring functioning of the organization in a way that adds to the reputation and goodwill of the CCC Capital Group.



## 1. DEVELOPMENT

- optimal use of knowledge and competences
- being a specialist in your field
- continuous skills and competences developments
- promoting engagement and effectiveness



## 2. ENTREPRENEURSHIP

- innovation and dynamism in the actions
- achieving ambitious goals
- recognizing and using opportunities
- expansiveness and creativity in developing new processes



## 3. RELIABILITY

- openness and reliability in communication
- fulfilling our commitments
- collaborative partnership
- authenticity in actions



## 4. RESPONSIBILITY

- awareness of our actions and consequences of our decisions
- care for the safety of employees
- attention to processes safety
- ensuring the expected product safety and quality

## Values of the CCC Group





## WEEK OF VALUES

In order to ensure efficient communication within the Group, in 2018, on the occasion of updating internal values and the Code of Ethics, the Week of Values was held in order to emphasize the shared values of the organisational culture.

During the Week, each of the values was communicated separately, along with a description and expected attitudes of the employees. In addition to the values of the CCC, anti-corruption rules, rules on accepting and giving gifts, conflict of interest and ways of reporting violations were also communicated. The Week of Values was addressed to all companies in the Group and was simultaneously conducted on the Polish and foreign markets.

The Code is supplemented by anti-corruption procedures, which together with it constitute a set of ethical principles applicable in the CCC Group.

**In 2018, two new regulations were introduced, i.e. The CCC Group Anti-Corruption Code and Procedures for reporting violations in the CCC Capital Group.**



# The CCC Group Anti-Corruption Code

**The CCC Capital Group takes a zero-tolerance policy against corruption in all areas of its operation.**

The main purpose of The CCC Group Anti-Corruption Code, applicable to CCC S.A. and its subsidiaries is to prevent corruption and bribery behaviors undertaken by any person acting in the name of or on behalf of the CCC CG.



**In accordance with the provisions of the Code, all employees are obliged to apply the following rules:**



- not offering to give or giving any material or personal benefit;
- not accepting any kind of material or personal benefit;
- refusing to accept any material or personal benefit;
- not soliciting to give any material or personal benefit;
- promoting ethical behaviors and transparency among associates and business partners;
- not taking any actions which expose a Company from the CCC CG to the risk of non-compliance with anti-corruption laws;
- reporting any suspicions or indications of committing an act of corruption.

**The Code also regulates matters of accepting and offering business gifts. Any case of a business gift acceptance shall be without prejudice to the following rules:**

- its value is less than PLN 100 per a calendar year (gifts of small value);
- it cannot be given in the form of cash or its equivalent (e.g. shares, vouchers, sodexo coupons, prepaid cards);
- it is not given pending a favourable business decision (acceptance of a tender);
- it is not given in response to Employee's request;
- disclosure of its acceptance could result in Company or Employee reputational damage.

The CCC Group strives to ensure that its dealings with employees and third parties are characterised by compliance with national laws and regulations, taking into account cultural circumstances.

At the same time, it makes every effort to create an environment conducive to open and honest communication. In the event of a suspicion of a violation of the rules of law or of the principles outlined in the Code of Ethics or the Anti-Corruption Code, each person (regardless of whether they are employees or third parties) may use the available information tools in order to report a violation / irregularity.

**In 2018, the CCC Group focused on raising employees' awareness of the applicable ethical principles and possibilities of reporting violations.**

**In 2018, no corrupt practices were identified in the CCC Group.**

Percentage and total number of business units analyzed for corruption risks and risks identified	
Total number of business units of the organization	20
Total number of business units analyzed for corruption risk	20
Percentage of business units analyzed for corruption risk	100%

Potential corruption mechanisms constituted one of the elements of the risk analysis carried out by the Internal Audit.

Due to the fact that most of the CCC Group processes are centralised, the greatest risks related to corruption have been identified in CCC S.A. and CCC.eu Sp. z o.o. In other companies, the risk is negligible, and therefore actions have been targeted at companies generating the greatest risk.

**Dedicated channels of information exchange include:**

- contact form available on the Company's website at: [responsibility/ethics](https://responsibility/ethics);
- dedicated e-mail address for reporting all the abuses and violations: [etyka@ccc.eu](mailto:etyka@ccc.eu);
- direct contact with the Internal Auditor;
- under justified circumstances, direct contact with a Management Board Member of CCC S.A.

Reporting any conflict or difficulty is the appropriate behaviour.

All issues raised by an employee, regardless of the form of contact, shall be treated confidentially and handled with due diligence.

Every employee is guaranteed full anonymity, unless they decide to disclose their personal information. The CCC Group also ensures that no retaliatory action will be taken.





The identified areas of increased corruption risk include:

- Accepting or giving business gifts and other tangible or intangible benefits in order to develop and maintain business relations;
- Selection of a service / commodity provider;
- Drawing up or participation in tenders;
- Incurring liabilities and purchasing in the name of or on behalf of the Company;
- Entering into significant transactions due to the nature of transaction or an entity entering into transaction, e.g. rental agreements;
- Making payments on behalf of the Company;
- Relations with business partners, including commercial goods suppliers;
- Obtaining permissions and favourable clerical decisions both domestic and foreign;
- Audits performed by state institutions, regulatory authorities;
- External audit;

Employees, in particular managers of organisational units in CG CCC subsidiaries are obliged to identify current bribery and corruption risks within the scope of their actions, thorough internal control and ensuring transparency of processes and activities performed in terms of preventing corruption and promoting ethical behaviours among associates. As part of strengthening the ethical system and counteracting corruption in the CCC Group in 2018 and in connection with the risk analysis carried out, anti-corruption clauses covering investment orders were implemented. Each order is accompanied by a standardized clause, which includes a description of the CCC approach to corruption, as well as the ways of reporting irregularities or violations.

In 2018, no anti-corruption training was conducted. In 2019, online trainings in this area will be conducted for all employees.

For employees in areas of increased corruption risk, additional training courses will be prepared, covering the issues related to the risks they may face.



Risk Management System

The CCC has clearly defined risk management rules that allow for effective minimization of negative internal events and counteracting the effects of adverse external circumstances. As a result, the security of the Company’s operations, the effectiveness of the decisions made and the implementation of the objectives outlined in the Strategy are assured.

The objective of the systemic approach to risk management adopted in CCC S.A. is to:

- increase the possibility of achieving Company’s objectives, increase the effectiveness of process implementation, ensure safety through meeting requirements in terms of technical safety;
- reduce the frequency of negative events occurrence, as well as to ensure better preparation for such events and reduce losses resulting from them in the situation when such events occur;
- support better utilization of the organization’s resources and promote continuous improvement.

STRATEGY IMPLEMENTATION RISKS

Area of risk	Risk description	Actions taken
Strengthening own sales network	Between 2018 and 2019, the Group plans to increase the commercial space of CCC stores by 210,000 m2:  If the objectives are not achieved, the Group may lose its market share to the benefit of competitors, which will translate into lower revenues. At the same time, the Group may incur costs higher than planned and necessary, in the event of network development inconsistent with the market demand.	In order to minimize risk in the area of strengthening own sales network, the Group implemented the following solutions: <ul style="list-style-type: none"><li>• monitoring competitors activities,</li><li>• monitoring the situation in the industry,</li><li>• monitoring of the macroeconomic situation,</li><li>• creation of a detailed plan and setting up the team responsible for achieving the objectives related to the development of own sales network.</li></ul>
Actions aimed at increasing brand recognition and value	The increase of brand recognition and its value, contributes to retaining regular customers, as well as to the systematic attraction of new ones. As a result, this will lead to an increase in market share and revenues. In the event of a decrease in brand recognition and its value, there may be an outflow of customers and a decrease in market share and, consequently, in revenues.	In order to ensure further development of brand recognition, the Group has taken the following actions: <ul style="list-style-type: none"><li>• introduction of appropriate advertising and promotional instruments,</li><li>• introduction of an interesting decor of the stores, placing the stores in prestigious location.</li></ul>
Location of commercial units	The location of commercial units is an important factor determining the attractiveness of the brand for consumers. Inadequate choice of location may lead to low profitability per m2 of space and, consequently, to lower profitability of the entire Group. Strengthening the position on the market through the dynamic development of a chain of commercial units may be associated with the risk of an unsuccessful location of a store, as well as with a limited number of new, attractive locations.	In order to ensure choosing the appropriate location of commercial units, the Group thoroughly analyzes locations before deciding to sign the lease agreements, and bases its decisions on historical data.

INTERNAL RISKS

Type of risk	Description of risk	Actions taken
Credit risk	The source of this risk is uncertainty whether and when the receivables will be settled. As part of wholesale, sales are also carried out with a deferred payment date, whereby the Capital Group CCC S.A. is exposed to the risk of financing the recipients. In order to maintain its leading position on the footwear market, the Capital Group CCC S.A. uses a trade credit instrument, additionally increasing the attractiveness of the company for wholesale contractors.	<ul style="list-style-type: none"><li>• In order to minimize the credit risk, the Group has taken the following actions:</li><li>• constant verification of the financial situation of contractors,</li><li>• constant examination of the history of cooperation with contractors</li></ul>

EXTERNAL RISKS

Type of risk	Description of risk	Actions taken
Exchange rate risk	Companies of the Capital Group CCC S.A. records revenues in PLN, EUR, CZK, HUF, HRK, BGN, RSD, RUB, CHF. Most of the costs are incurred in foreign currencies. Consequently, the exchange rates of CZK, HUF, HRK, BGN, RSD, RUB, CHF, USD and EUR (practically all imports are denominated in USD and EUR, and a large percentage of space lease costs in EUR) will affect the Group's income and costs structure. The main supply market for the Capital Group CCC S.A. is the Chinese market and, as a result, the exchange rate of the Chinese CNY in relation to major world currencies may also have a significant impact on the Group's costs. The appreciation of CNY may worsen the import conditions and, consequently, result in higher costs for consumers.	In order to minimize the exchange rate risk, the Group has taken the following actions: <ul style="list-style-type: none"><li>constant monitoring of changes in exchange rates significant for the Group,</li><li>implementation of a natural hedging strategy.</li></ul>
The risk of changes in interest rates	The Capital Group CCC S.A. is exposed to the risk of changes in interest rates, in connection with the concluded credit agreements. These loans bear interest at a variable interest rate based on WIBOR or BLR. An increase in interest rates will have an impact on the amount of interest paid on loans.	In order to minimize the risk of changes in interest rates, the Group has taken the following actions: <ul style="list-style-type: none"><li>diversification of sources of capital raising,</li><li>monitoring the most important interest rates</li></ul>
The risk of general economic situation	The Capital Group CCC S.A. conducts its business activity primarily on the Polish, Czech, Hungarian and Slovakian markets, hence the purchasing power of consumers and propensity to consume are important for the Group. Deterioration of the economic situation may have a negative impact on the results of operations and financial situation of the Group. The CCC Group also operates on several other foreign markets (e.g. Germany, Austria, Croatia, Slovenia, Bulgaria, Serbia, Russia).	<ul style="list-style-type: none"><li>In order to minimize the risk of general economic situation, the Group has taken the following actions:</li><li>diversifying operations in terms of the countries in which the Group operates (reducing the correlation of the economic situation between countries),</li><li>monitoring the economic situation in the world and in the countries important for the Group, and adjusting the Group's strategy accordingly,</li><li>monitoring important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).</li></ul>
Seasonal sales and weather conditions	Sales and the value of inventories depend on the seasonality of demand (the peak demand falls in spring and autumn). Disturbances in weather conditions may result in customers postponing their purchasing decisions or in shortening the peak sales season.	The factor allowing to reduce the vulnerability of the Capital Group CCC S.A. to seasonal and weather conditions is the possession of own production capacities. The Group is able to rapidly adjust production and deliver goods to stores that are in line with expectations and current weather conditions.
Trends in fashion and missed collections	The Capital Group CCC S.A. is exposed to the risk of missed footwear collections.	The factor allowing to reduce this risk is the long-term market experience of the dominant entity and constant observation of trends in European and world fashion (participation in international footwear fashion fairs, including Milan, Garda and Dusseldorf).

Following the leading global corporate models and in response to the expectations of stakeholders, CCC S.A. decided to implement a risk management system covering all areas of the Company's activity. Risk management is a part of the company's management system, it is a key element of sustainable protection and building its value. It concerns both threats to the business operations, bringing solely adverse effects and a potential decrease in its value (negative risks), as well as risks related to the implementation of the strategy and processes and accompanying development opportunities (positive risks - opportunities). Risk management is conducted at each level of managing the organization.

The risk management process supports building the corporate governance in CCC S.A. The effect of its introduction is the standardization of solutions used for risk management, so that the Management Board of the Company, as well as other stakeholders have up-to-date, credible, aggregated and structured knowledge about threats and opportunities for the Company's operations and methods of utilizing them.

The risk management system implemented in CCC S.A. was designed using the guidelines of the international ISO 31000:2012 standard „Risk Management - principles and guidelines“. This standard sets out principles which must be followed in order for risk management to be effective and it also recommends organizations to continuously improve the framework structure of risk management. The fundamental assumption of risk management under this standard is the integration of the risk management process in different areas of the organization's operation and with the overall corporate governance.

CSR Strategy

STRATEGIC CSR ASSUMPTIONS OF THE CCC GROUP FOR 2017-2019

Our mission is sustainable development based on three key strategic areas. These are our ambitions and, at the same time, the contribution of our Group to the three global Sustainable Development Goals (SDG's) defined by the UN regarding: responsible consumption and production, gender equality and climate action.

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



#GO FOR MORE

Brand promise is customer's experience

**Ambition I**  
CCC increases the value of the brand by consciously shaping the experience of customers and their involvement in all sales channels. It offers products that are safe, of good quality, manufactured with the awareness of the origin of materials, with care for the environment, and sold in a responsible manner.

- Priorities:**
- 1. We provide high quality and safety of the products
  - 2. We care about positive experience and relationship with the customers
  - 3. Through the brand, we give our customers „something more“



#MORE OPPORTUNITIES

Developing organizational potential

**Ambition II**  
CCC provides dynamic development on the Polish and international market based on a cohesive organisational culture, respect for diversity, cooperation and employee commitment as well as implementation of innovative development projects.

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



#MORE TRUST

Good and effective management

**Ambition III**  
CCC operates on a strong ethical basis, improves its management process, taking into account social risks in the supply chain, and undertakes actions aimed at cost and environmental efficiency.

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



# Current status of implementation of the CSR Strategy for 2017-2019

9 priorities were set within the strategy, with 51 key actions assigned to them, having an impact on the achievement of the goals set.

- 32 - implemented
- 8 - in progress
- 11 - before starting

In accordance with the Strategy and the expectations of our stakeholders, in 2018 we achieved the defined goals in relevant areas of CSR.

Commitment from the 2017 Non-financial Report of the CCC Group	Implementation
Developing a system of responsible supply chain management and implementation of the Code of Ethics for suppliers;	→ Page 46
Strengthening the ethics management system;	→ Page 26
Supporting employee's initiatives as part of volunteering and community involvement;	→ Page 98
Raising the level of innovation within our Research and Development Center;	→ Page 51, 65
Development of internal communication with employees;	→ Page 78
Improving dialogue with the customers.	→ Page 62



Implementation of the CSR Strategy also involves appropriate management of key areas and implementation of appropriate policies and procedures.

In 2018, 10 internal regulations concerning significant areas of CSR were introduced/updated. The following chapters of the Report describe the risks, the results of the implemented policies and internal procedures, and the actions taken.

Issues	Selected, applicable internal regulations
Employee-related	<ul style="list-style-type: none"><li>• The HR Policy</li><li>• Recruitment Procedure</li><li>• Data Protection Policy</li><li>• Occupational Health and Safety Policy, Fire Protection Instructions, Procedure for Occupational Health and Safety Training (and other detailed procedures)</li><li>• Work Regulations</li><li>• Remuneration Rules</li><li>• Employee Benefit Fund Rules</li><li>• Professional Development Procedure</li><li>• Diversity policy in corporate governance and top management</li><li>• Periodic appraisal system procedure for employees in administrative and office positions and in warehouses</li></ul>
anti-corruption	<ul style="list-style-type: none"><li>• Code of Ethics</li><li>• Anti-Corruption Code</li><li>• Procedures for reporting violations</li></ul>
respect for human rights	<ul style="list-style-type: none"><li>• The CCC Group Suppliers Code of Conduct</li><li>• Chemicals Management Policy</li><li>• Restricted Substance List (RSL)</li><li>• Regulations for counteracting discrimination and mobbing in CCC S.A.</li></ul>
natural environment	<ul style="list-style-type: none"><li>• Environmental Protection Policy</li><li>• Environmental Strategy</li></ul>
social	<ul style="list-style-type: none"><li>• Sponsoring Policy</li><li>• Employee Volunteering Regulations</li><li>• Grant Program Policy</li></ul>
consumer-related	<ul style="list-style-type: none"><li>• Complaint procedure for customer goods in stationary CCC stores</li><li>• Responsibility and contacts – Complaints Department</li><li>• Regulations of return of goods in CCC S.A.</li><li>• Customer service standards in offline stores</li><li>• Regulations of the CCC Shoes&amp;Bags website</li><li>• Regulations of the CCC Club loyalty program</li></ul>

\*The regulations introduced in 2018 are marked in orange



# Dialogue with stakeholders

Key stakeholders of the CCC Group are all entities that have a significant impact on the functioning of the organization and on which CCC has an impact by operating in the business and social space. Their identification allowed CCC to select appropriate forms of stakeholder engagement and stakeholder relations management.

In order to understand the expectations of its stakeholders, CCC holds a dialogue session every two years. The next stakeholder panel is scheduled for 2019.



The last meeting with stakeholders was held on 4 July 2017 in Polkowice. The dialogue session was attended by representatives of key external stakeholders, such as:

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

In addition, employees and customers were interviewed about the perception of CCC as a responsible company and the expectations and important issues that the Group should address as part of sustainable development. The surveys will be conducted in parallel to the dialogue session.

Stakeholders constitute an important element in the implementation of the CCC Group CSR Strategy, since thanks to them and through joint initiatives it is possible to successfully implement projects that meet the expectations and needs of various entities. This concept has also guided preparation of this report, which shows the practices of CCC from the perspective of individual key stakeholders.

## Key stakeholder expectations

### 1. RESPONSIBLE PRODUCT AND RESPONSIBLE SALES



Responsibility standards in the supply chain  
→ PAGE 46



Discussion of care for the quality of manufactured products and services provided  
→ PAGE 47



Company's activities in the field of informing customers about the conditions of production, quality and manner of footwear use, mechanisms for reporting complaints  
→ PAGE 62



Presentation of the company's relations with subcontractors and partners  
→ PAGE 45



Presentation of anti-corruption methods  
→ PAGE 30

### 2. FRIENDLY WORKPLACE



Recognition of CCC as a significant player in the labor market  
→ PAGE 72



Overview of how the company ensures employee safety  
→ PAGE 82



Description of the working conditions offered  
→ PAGE 78



Presentation of the CCC employees involvement in company life  
→ PAGE 90



The company's involvement in the training of future employees  
→ PAGE 87



Presentation of the company's approach to employing foreigners  
→ PAGE 89

### 3. ENVIRONMENTAL IMPACT



Description of the company's activities in the field of environmental protection  
→ PAGE 52, 66, 91, 110



The issue of packaging and its impact on the environment  
→ PAGE 51



Addressing the issue of used footwear disposal and activities in the context of circular economy  
→ PAGE 54

### 4. SOCIAL ENGAGEMENT OF THE CCC GROUP



Presentation of the company's social engagement activities  
→ PAGE 102



Commentary on the company's activities for employee volunteering  
→ PAGE 97



Appreciation of the company's commitment to sport  
→ PAGE 104





Supplier  
Experience



# Characteristics

In order to build the position of the most responsible retail company in Poland, the CCC Group is aware of interdependencies and a wider spectrum of influence, not only through its presence on 25 markets, but also through cooperation with suppliers.

Effective management of the supply chain and relations is of great importance for the entire CCC Group. Cooperation with suppliers is based on mutual trust and long-term relations. Thanks to suppliers who share the Group's goals and values, CCC can develop its business alongside the development of its partners.

Each party benefits thanks to building partnership relations and implementation of detailed standards and requirements - CCC minimizes operational and reputation risk and has the ability to exert a positive influence globally, while suppliers are able to improve the living conditions of their employees and the local community and improve the efficiency of the processes carried out.

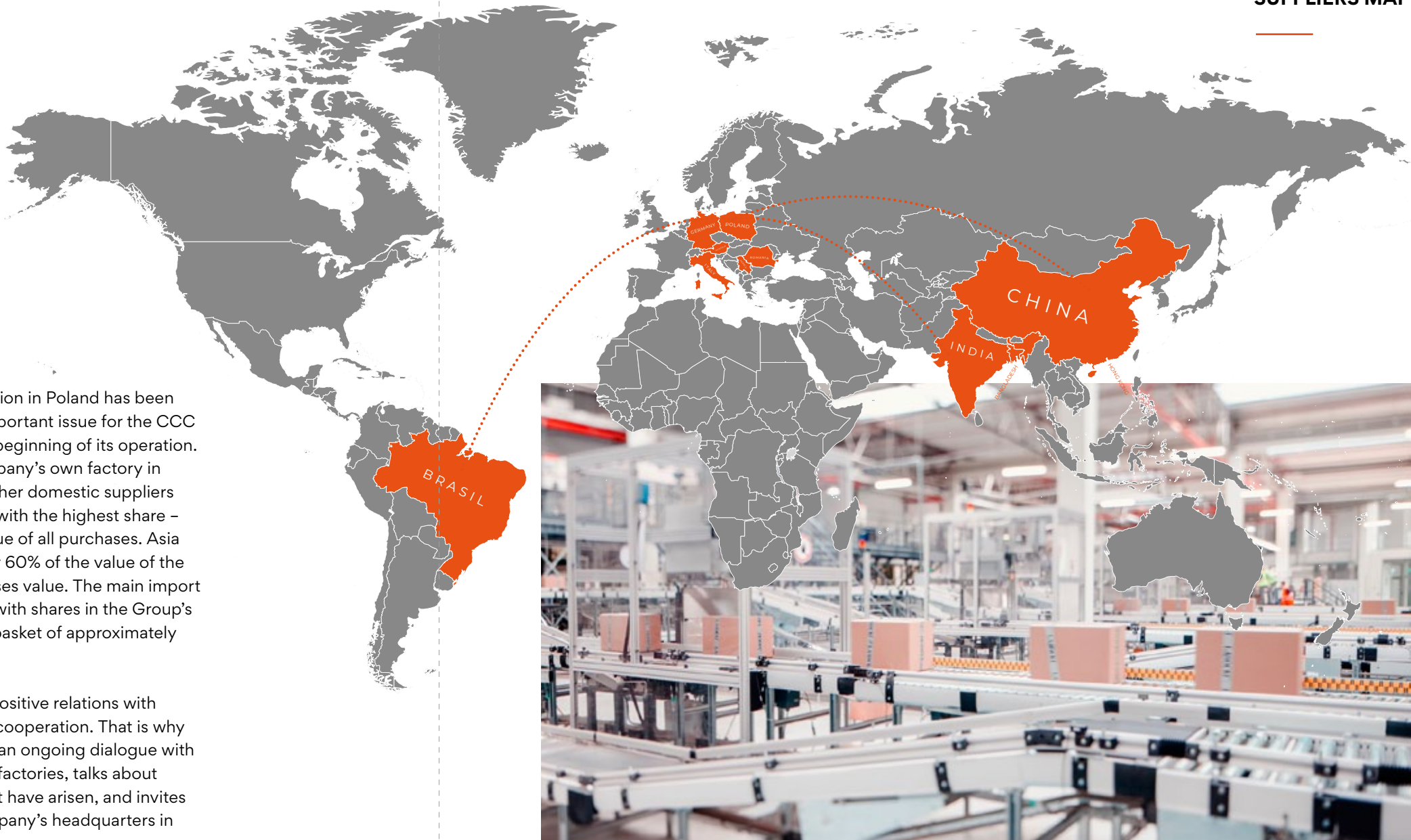
Products offered in CCC stores come both from the Group's Polkowice factory located in the Legnica Special Economic Zone (CCC Factory Sp. z o.o.), and from domestic and foreign suppliers.

Locating production in Poland has been an immensely important issue for the CCC Group since the beginning of its operation. In 2018, the company's own factory in Polkowice and other domestic suppliers delivered goods with the highest share – over 30% - in value of all purchases. Asia accounts for over 60% of the value of the footwear purchases value. The main import market is China, with shares in the Group's entire shopping basket of approximately 25%.

CCC strives for positive relations with suppliers during cooperation. That is why CCC engages in an ongoing dialogue with them, visits their factories, talks about the problems that have arisen, and invites them to the Company's headquarters in Polkowice.

In some Asian factories there are also supervisors from CCC, who keep track of the production process and are able to prevent potential emergency situations. Effort put into building long-term relations with suppliers enables the development of standards of conduct they should follow.

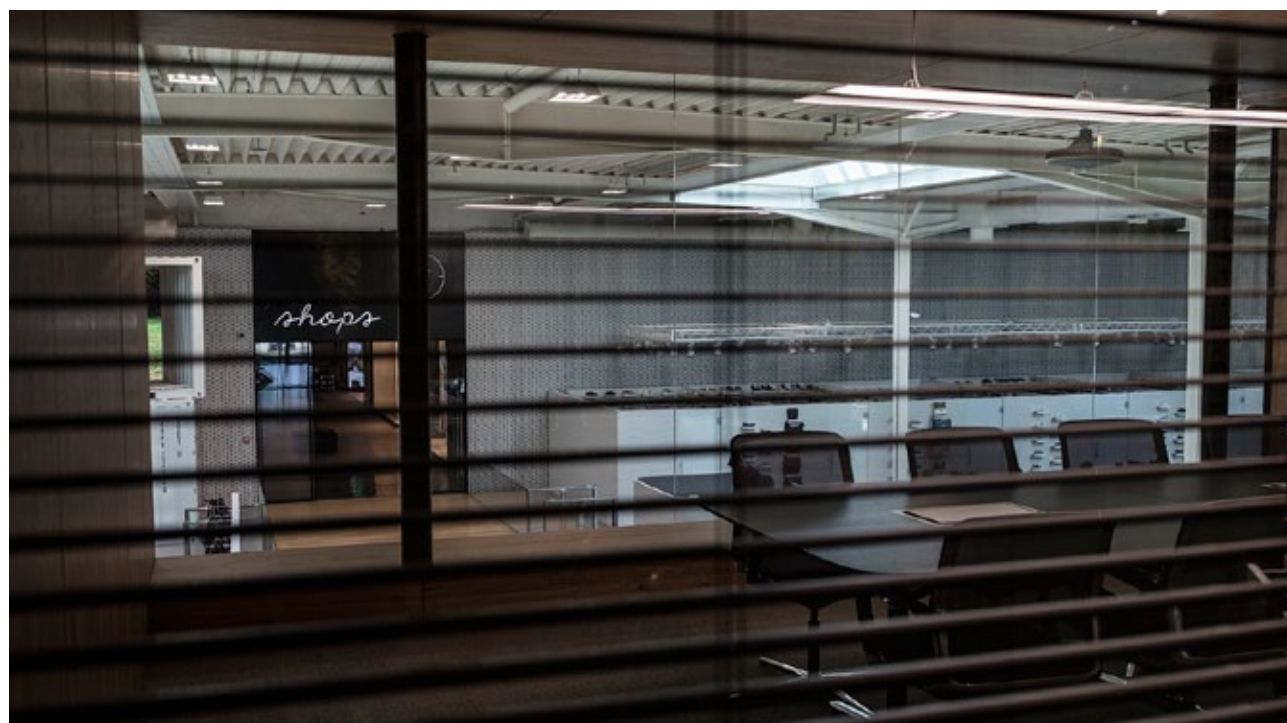
## SUPPLIERS MAP



## STRUCTURE OF PURCHASES, BY VALUE, IN %

	Footwear	All goods
Poland	35%	33%
China	25%	26%
India	21%	20%
Bangladesh	11%	10%
Hong Kong	6%	8%
Other	3%	3%
Total	100%	100%





## Challenges /risks

**The nature of the CCC Group's business and the dispersion of its supply chain can result in an increased risk in terms of labour and human rights. Key sectoral risks in the footwear industry include child labour, forced labour, violation of fundamental labour rights, non-compliance with minimum wage regulations, use of hazardous chemicals, environmental pollution, bribery and corruption.**

On the basis of a risk assessment carried out in 2017, CCC identified the most significant risk of damage in the supply chain and assigned appropriate risk levels to suppliers, namely: low, medium, high. Factors that were taken into account included: factors related to producer countries - geographical location of suppliers, factors related to the supply model - cooperation with the agent and direct producers, factors related to the business model - number of sub-suppliers and their location, factors related to products - production of leather and synthetic footwear.

The challenge that remains is to enforce suppliers' compliance with the Code of Conduct, to obtain information on the origin of raw materials, and to develop an audit system to enable dialogue with local employees and other stakeholders, such as trade unions.

**The Company plans to introduce formal regulations to enhance security supervision in the supply chain, as well as to take actions that will constitute the Company's commitments for the coming years.**

## Responsibility

1. Selection of a supplier | 2. Cooperation with the supplier | 3. Monitoring and assessment of the supplier | 4. Logistics

### 1. SELECTION OF A SUPPLIER

Long-term relations with partners enable CCC to develop common standards of cooperation, which translate into meeting high requirements concerning product quality and safety, timeliness of production and delivery, as well as respect for human rights and observance of social and environmental criteria.

CCC.eu Sp. z o.o. based in Polkowice, as a contracting entity of products for the entire Group, sets binding standards and guidelines to be implemented by suppliers, so that each product offered to customers meets their expectations and is safe to use.

CCC.eu Sp. z o.o. builds a base of footwear suppliers on the basis of clearly defined rules that meet the internal requirements of cooperation.

**Over 15 years**

of cooperation - 9 suppliers: 5 from Poland, 2 from China, 1 from Italy, 1 from Bangladesh

**10-14 years**

of cooperation - 19 suppliers: 4 from Poland, 8 from China, 7 from India

**Over 130**

in 2018 the Company cooperated with over 130 suppliers from Poland and other countries

**Prior to commencing cooperation, the supplier shall meet the requirements in such areas as:**

- Price; where CCC.eu, when choosing a footwear/bag supplier, pays attention to the level of price, responsibility for delivery and transport costs;
- Production quality and timeliness, which are one of the key factors taken into account when choosing a supplier. CCC cooperates only with reliable suppliers who are able to meet all the requirements concerning product safety and quality. Suppliers are obliged to provide the best quality of the product so that it meets all the required standards and does not pose any threat to the health and life of consumers;
- Potential, which considers the production capacity of a plant, factory;
- Service, that is offered by the supplier to the Company CCC.eu in the production and delivery of goods. The quality of machinery and equipment as well as the experience of the supplier in cooperation with European customers are of great importance.

**In addition, each supplier is informed about the detailed requirements for the production of footwear as well as labor and environmental standards.**

Suppliers are not selected for a single season, and those who can meet the requirements and develop together are sought after. For many years CCC has been cooperating with a base of factories, and the direction which CCC wants to follow is long-term cooperation, production in Poland, factories producing exclusively, supervision of CCC employees on site and regular visits to foreign factories.



## Responsibility

1. Selection of a supplier | **2. Cooperation with the supplier** | 3. Monitoring and assessment of the supplier | 4. Logistics

### 2. COOPERATION WITH THE SUPPLIER

The cooperation between CCC and the supplier is based on placing an order for a ready-made product. Important documents in the procurement process are: quality and safety requirements, procedures, schedule and the Supplier Code of Conduct, along with the Restricted Substance List.

The standards to be met by the supplier with regard to labour and human rights are outlined in the Code of Conduct, which covers the following four thematic areas:

#### The supplier shall be obliged to:

- implement the standards of the Code in their own business operations and those of their sub-contractors,
- identify and manage risks in relation to the matters addressed by the Code,
- continuous improvement and implementation of possible corrective actions,
- immediately report to the CCC Company any events resulting in violations of the Code.



#### RESPECT

- Prohibition of child labour,
- Prohibition of forced labour,
- Prohibition of discrimination, harassment and violence.



#### JUSTICE

- Work time lawfully allowed,
- Decent pay on time,
- Freedom of association and collective bargaining,
- Counteracting corruption and bribery.



#### RESPECT FOR THE ENVIRONMENT

- Water and wastewater management,
- Chemical substances' management,
- Air emissions management,
- Environmental protection,
- Restricted substances.



#### SAFETY

- Employee safety,
- Employee health,
- Product safety.

The first version of the Code of Conduct was prepared in 2017, when suppliers were consulted on individual provisions. The Code was accepted and handed over to suppliers in 2018. The majority of suppliers obliged themselves to apply the provisions.

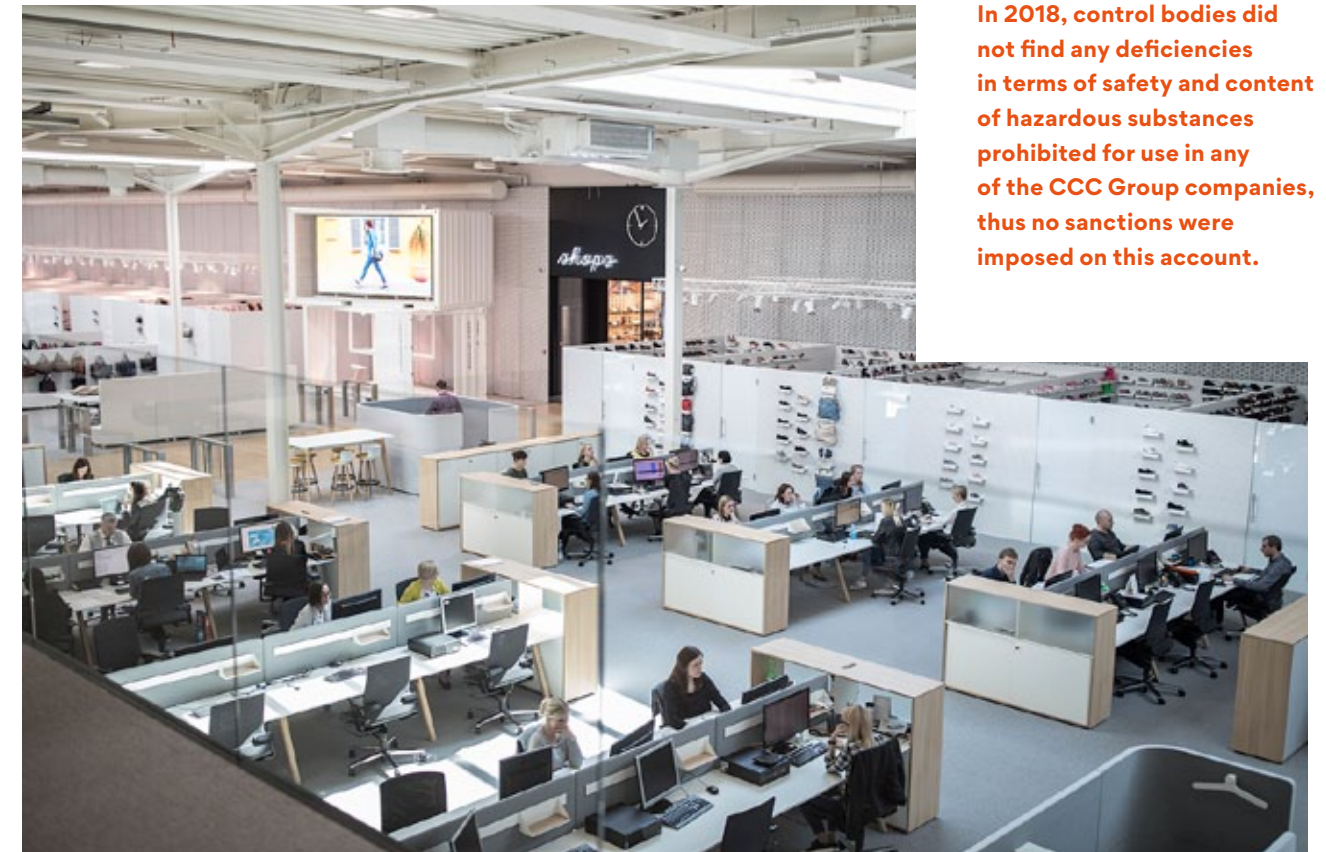
Due to having their own social standards in the supply chain, 10 suppliers decided not to sign the Code. All of them are international manufacturers of third-party brands, with their own extensive ethical systems and supply chain monitoring tools. CCC signed separate arrangements within the scope of the Code.

In December 2018, the Code was supplemented by a list of restricted chemical substances (RSL) together with a specification of the substances and acceptable limits and a list of accredited laboratories in which suppliers can perform chemical tests.

By the time this Report was drawn up, approximately 30% of suppliers had committed to fully comply with the new requirements, while the others were in the process of self-assessment or verification of compliance with the guidelines set out in the Code.

According to the provisions made, suppliers shall ensure that none of the goods supplied contains restricted substances and pollutants or exceeds the limit values. The supplier shall test each colour-model of manufactured footwear and all components by the approved testing laboratories and carry out all tests on pollutants.

CCC will not accept products that fail to comply with the applicable RSL. Before shipping the finished product, each supplier is obliged to provide laboratory tests for the content of chemical substances.



In 2018, control bodies did not find any deficiencies in terms of safety and content of hazardous substances prohibited for use in any of the CCC Group companies, thus no sanctions were imposed on this account.

## Responsibility

1. Selection of a supplier | 2. Cooperation with the supplier | **3. Monitoring and assessment of the supplier** | 4. Logistics

### 3. 3. MONITORING AND ASSESSMENT OF THE SUPPLIER

The main tools for monitoring and assessment of suppliers include.:

- Employing CCC personnel permanently residing in Asian factories and responsible for the production process and inspection of conditions in individual factories.
- Regular visits of the company's headquarters employees to the factories.
- Social compliance audits of suppliers.

In 2018, the Company verified some of its suppliers in terms of the number of audits performed. A number of suppliers were also audited to verify compliance with the provisions of the Code of Conduct with respect to social and environmental issues.

Tools to manage, monitor, evaluate and audit the supply chain are continuously being developed and improved. In 2019, suppliers will be qualified for audits based on the type of procurement.

Two companies in which CCC acquired shares in 2018: Karl Voegelé AG and the HR Group are members of the BSCI amphora organization, whose mission is to enable each member to increase people's well-being, use natural resources responsibly and trade openly all over the world. It was agreed that audits of CCC suppliers will also be performed in accordance with BSCI amphora standards.



**15 employees**  
exercise regular on-site supervision  
in Asian factories.



**20 factories**  
produce exclusively for  
CCC



**approx. 60 days**  
in 2018 Employees of the Purchasing  
Division spent about 60 days visiting  
factories in China. These are 6 persons  
who, interchangeably, supervise  
the standards several times a year.

The selection of suppliers is a very important issue for CCC and it is subject to constant assessment. Following this assessment and in the event of any irregularities, corrective or preventive action is taken together with the supplier on the basis of the analysis performed.

In case of suspicion or confirmation that the product fails to meet the safety requirements, CCC takes appropriate action to clarify the situation with the supplier of the goods. Suppliers verify information on deficiencies and take action to check causes of the irregularities found. In addition, suppliers contact sub-suppliers to control the quality of materials used in production. In case of the aforementioned situation, suppliers are obliged to initiate corrective and remedial actions in order to prevent such events in the future.

The situations described above occur incidentally, but are nonetheless relevant to the supplier's assessment through warning them, monitoring them and raising their awareness of the consequences of such an incident. If the supplier demonstrates commitment to product quality and safety, the cooperation is continued. Where justified, CCC reserves the right to withhold or discontinue cooperation.





## Responsibility

1. Selection of a supplier | 2. Cooperation with the supplier | 3. Monitoring and assessment of the supplier | **4. Logistics**

### 4. LOGISTICS

#### CCC suppliers provide orders to two locations - the CCC Logistics Centre in Polkowice and in Zielona Góra, which is currently under development.

In 2018, another advanced high-bay warehouse was opened in the vicinity of the existing facilities of the CCC Company. The new 22-metre-high structure increased the storage area of the CCC logistics complex by an additional 18.5 thousand m<sup>2</sup>, reaching a total of 110 thousand m<sup>2</sup> and the storage capacity of CCC S.A. at the level of 23 million pairs of shoes.

The facilities of CCC (warehouses and Research and Development Centre) are characterized by intelligent and environmentally friendly industrial automation solutions compatible with the BMS building management systems such as: DALI LED lighting, heating and ventilation control and charging stations for VNA forklift trucks. These trucks are equipped with lithium-ion batteries. CCC is one of the first companies in Poland that decided to adopt this environmentally friendly technology in system forklift trucks, contributing to the reduction of CO<sub>2</sub> emissions (no need to build a battery charging room). Moreover, the trucks are economically efficient and can be recharged during breaks.

In 2017, the first units of transport forklift trucks were ordered, and due to the satisfactory results, the company decided to continue orders in 2018 and to develop the technology in the system trucks as well. Eventually, all forklift trucks will be replaced by Li-Ion forklifts.

In 2018, eobuwie.pl also commenced works on constructing the largest logistics centre in Poland (in terms of total area), which will be built in Zielona Góra. Warehouse space will ultimately amount to approx. 150,000 m<sup>2</sup>. The expansion will contribute to the creation of over 1,000 new workplaces. The employees will be supported in efficient handling of tens of thousands of orders a day by the state-of-the-art warehouse automation solutions, including autonomous machinery.

The new logistics centre will support eobuwie.pl e-commerce platform as well as CCC, Voegele Shoes and DeeZee.pl online shops.



## Innovations

As part of the Research and Development Centre opened in 2018, works on the development of product distribution technology in the CCC network are in progress. The research area includes:

- Research on modelling and optimizing the distribution processes of the CCC network products;
- Development of an IT tool supporting sales and logistics;
- Development of an optimal operational scheme limiting the consumption of cardboard and ensuring efficient use of resources - with a particular focus on reducing operating costs and negative impact on the natural environment;
- Durability tests of new types of packaging according to ECT, BCT norms or aging of packaging materials;
- Works in the field of new commodity coding system - RFID - study of the impact of RFID technology on the security, efficiency and reliability of supply processes along the entire logistics chain organized by CCC Group companies;
- Research on the testing robot, including: platform modelling, design of robotic sensor systems, navigation and communication systems, design of control system improvements and algorithms, experimental verification of selected functional modules, design;
- Development and creation of the so-called „Interactive Mirror” with functionalities adjusted to the needs of end users.

**In 2018, a device for erecting and sealing shoe packaging - a cartoner - was implemented, which automated warehouse processes. The device will be used for assembling corrugated cardboard boxes and will simultaneously fold the bottom and lid of the same packaging.**

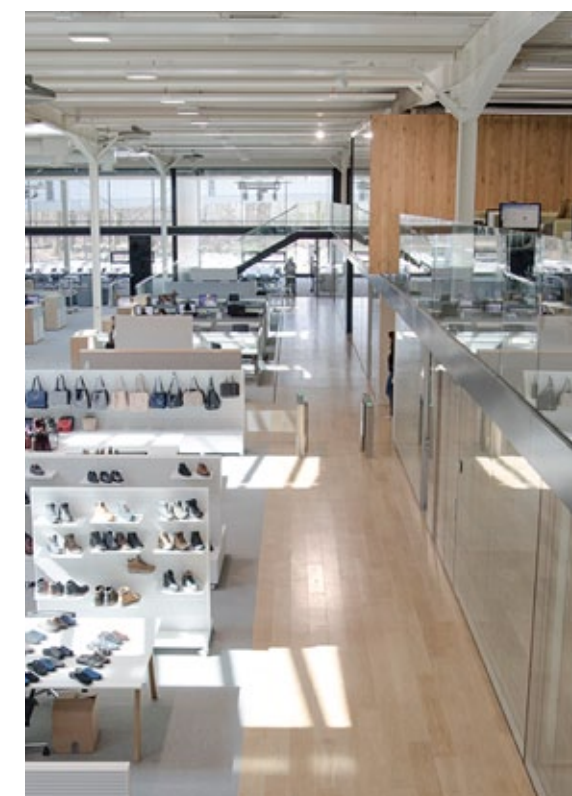


At a later stage, an optimal action plan will be developed to reduce the consumption of the cardboard. Measurable, target results of research and development works in this scope will be:

- development of the footwear distribution technology,
- minimizing waste generation,
- minimizing packaging costs and negative environmental impact.



**>100 tonnes**  
annual savings on cardboard  
with the implementation of  
an innovative case packer





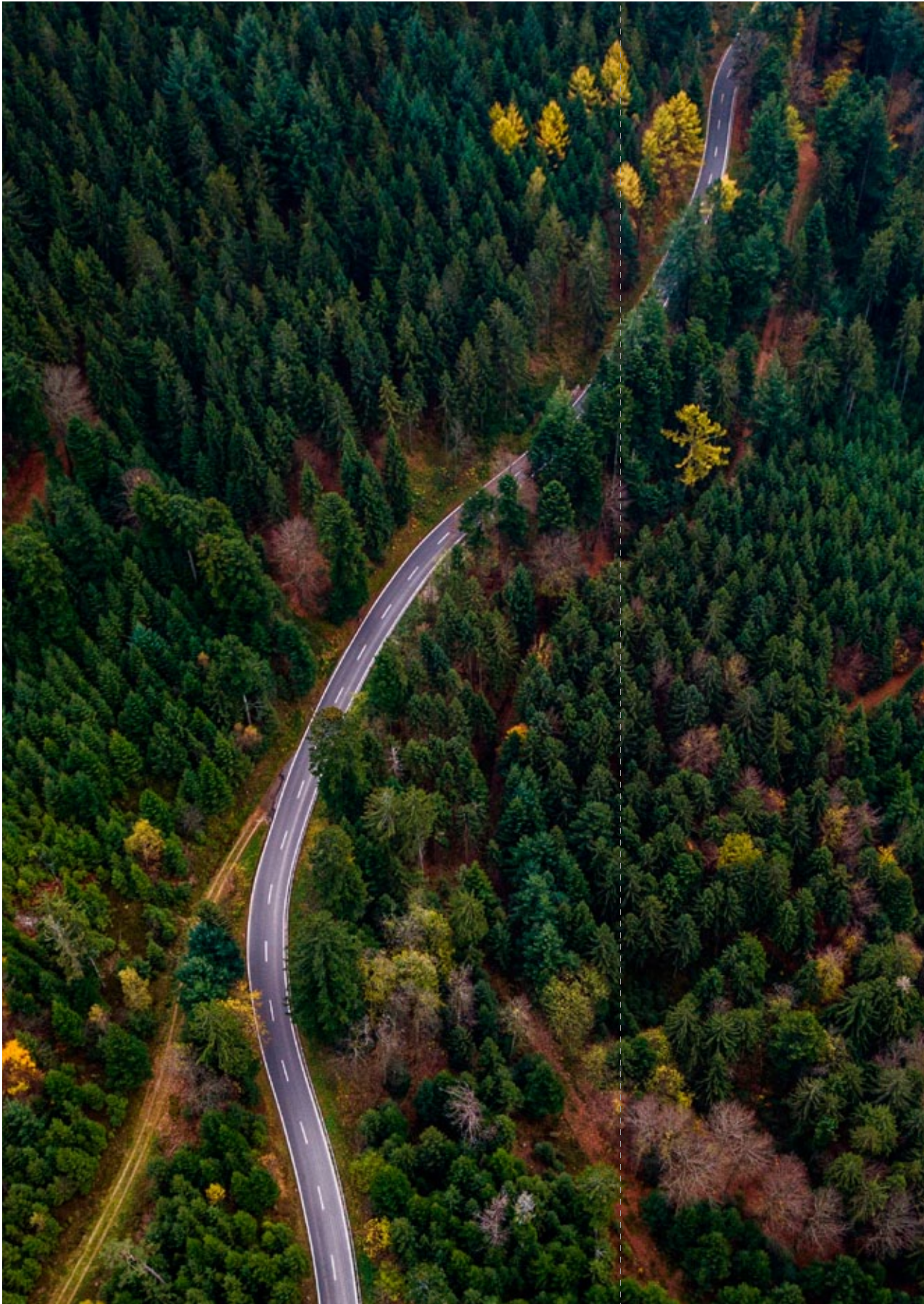
# The environment

**The environmental goals that CCC promotes among its suppliers are:**

- in terms of water and wastewater management - minimizing water consumption in the production process and efficient management of water resources,
- in terms of discharging post-production tannery wastewater - proper treatment of wastewater before discharge,
- in terms of emissions to the atmosphere - monitoring the level of emissions to the environment and concern for the protection of employees and local society against the harmfulness of such an impact.

All suppliers shall be obliged to comply with applicable environmental regulations and to use resources sparingly. Suppliers strive to ensure that die-cutting generates minimum waste. The material scraps that remain after the cut-outs are still used for all sorts of decorative elements (e.g. a zip puller tag, etc.).

In the CCC Group, raw materials and consumables are mainly used in production and logistics processes.



**RAW MATERIALS AND CONSUMABLES USED IN CCC S.A.**

Raw materials/consumables used by weight	Total consumption (weight / volume)
2018	
natural gas (m³)	449872
diesel oil (l)	123190
petrol (l)	156562
paper (t)	378,63

**RAW MATERIALS AND CONSUMABLES USED IN EOBUWIE.PL S.A. AND EOBUWIE.PL LOGISTICS SP. Z O.O. COMPANIES.**

Raw materials/consumables used by weight	Total consumption (weight / volume)
2018	
natural gas (m³)	120365
diesel oil (m³)	54,10
petrol (m³)	36,58
paper (t)	62,98
wood (t)	730,26

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

Raw materials/consumables used by weight	Total consumption (weight / volume)
2018	
natural gas (m³)	191791
diesel oil (l)	9841
petrol (l)	1235
leather (m²)	685575
paper, including card-board (kg)	895,18

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

Raw materials/consumables used by weight	Total consumption (weight / volume)
2018	
diesel oil (l)	136807
petrol (l)	49804

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

Raw materials/consumables used by weight	CCC S.A.	CCC Factory Sp. z o.o.	eobuwie.pl S.A. eobuwie.pl Logistics Sp. z o.o.	Total
The total volume of water collected by the Company by source (in m³)	Total volume (m³)			
water supply from the municipal network	20356,718	4680,22	5155	30191,938

**Additional measures implemented in the supply chain include ecological management of own transport, as well as of transport service providers, through:**

- selection of means of transport appropriate to the routes and type of cargo,
- optimization of the vehicle's cargo space, which reduces CO<sub>2</sub> emissions into the atmosphere.

One of the elements analyzed when deciding upon selection of a transport service provider are environmental aspects, e.g. compliance with the Euro 5 and 6 standards, which determine the acceptable pollutant emission levels of vehicles.

Warehouses are equipped with innovative, energy-saving LED lighting. Storage facilities have also been equipped with many other solutions to reduce energy consumption, such as air curtains, automatic blinds and windows limiting the penetration of solar radiation.





Specific Objective  
of the Environmental Strategy:

**Reduction of the environmental  
indicator by 5% by 2021  
in relation to the average  
indicator for 2015-2017**

WASTE BY TYPE OF WASTE AND TREATMENT METHOD

Total weight of hazardous and non-hazardous waste by method of treatment	CCC S.A.		CCC Factory Sp. z o.o.		eobuwie.pl SA, eobuwie.pl Logistics Sp. z o.o.	
	2018		2018		2018	
	non-hazardous waste	hazardous waste	non-hazardous waste	hazardous waste	non-hazardous waste	hazardous waste
Recycling [Mg]	2993,76		149,38		935,01	
Landfill storage [m3]	16,03			159,90	1247,98	
Recovery [Mg]			183,51	17,12		
Reuse [Mg]					497,27	
On-site storage [Mg]					0,77	
TOTAL	3009,79		332,89	177,02	920,91	

An important aspect of the environmental impact of CCC's operations is the waste generated. The main sources of waste are generated in connection with production, logistics and warehousing works. The largest percentage of waste is cardboard packaging, plastic packaging, and footwear production waste.



**>90%**  
of our waste is recycled  
or subject to other recovery  
processes.

Where possible, CCC strives to reuse packaging and prevents packaging waste through: limiting the repackaging of post-seasonal footwear (e.g. in cases of: damage to individual packaging). Collective packaging is a material used repeatedly during storage and distribution as well as after-season goods transportation to the headquarters or storage of goods in deposit warehouses. Damaged cartons, for which reuse is not possible, are recycled. Before the secondary raw material is handed over to authorised recyclers, cartons and paper are sent to balers, which optimise the waste space and transport costs.

All waste that is not prevented from being generated is stored selectively and handed over to companies with appropriate permits for the management of a specific type of waste.



Further  
commitments

**In 2019, the CCC commits itself to introduce formal regulations to enhance supply chain security supervision, including the qualification of suppliers for audits and the implementation of tools to manage, monitor, evaluate and audit the supply chain.**

The need to verify the origin of raw materials and consumables, especially leather, will also be of importance for CCC in the future.

Being aware of more than just the need to ensure product safety, CCC aims to educate its suppliers on human, labour and environmental rights issues.





# Customer Experience



# Characteristics

**Invincibly, CCC and Lasocki are the most recognizable footwear brands in Poland. The awareness of the CCC brand is high and stable among Polish customers - over 90% of Poles are familiar with the CCC brand, 70% have once bought shoes, while for nearly 50% it is a regular place to buy footwear.<sup>1</sup>**

Customers include a wide variety of age groups. The largest group of customers is people aged between 25-49. The brand also has relatively good brand awareness indicators in the 18-24 age group. In both age groups, the brand recorded a significant increase in recognisability, thus strengthening its position.

The image of CCC is strong and stable - the main attributes of the brand appreciated by customers are: a wide range of products, fashionable design and attractive price. Moreover, the most valuable Polish footwear brand, and also one of the most valuable trademarks of Polish origin<sup>2</sup> - the Lasocki brand is appreciated for its high quality leather shoes.

<sup>1</sup> Based on our own research conducted among IQS clients, November 2018

<sup>2</sup> Rzeczpospolita Ranking of the most valuable Polish brands – 23 February 2018



## 255 mln

customers visited offline CCC stores in Poland and other countries in 2018



## 39,5 mln

customers purchased from CCC in 2018



# Challenges /risks

**The essence of the activities performed by the CCC Group is following the customers' needs, listening to them intently and responding to their expectations.**

Nearly 60% of Poles take into consideration purchasing CCC footwear which is a significant increase compared to 2017 (42%). In connection with the ongoing changes in the retail sector and growing expectations, CCC opens up to new concepts and challenges.

The current revolution in trade, which focuses on digitalization and changing the model of making purchases, increases complexity of the whole purchasing process, but at the same time individualizes it. The customer no longer has to adjust to shop opening hours. They can make purchases in the most convenient ways for themselves, from any place and at any time, and simultaneously check the availability of the offer, product reviews and compare prices.

The pace of change is not slowing down, and it certainly is a challenge to match the offer to customers who are active both online and offline, while still meeting their expectations regarding price, product quality and safety, service standards, availability and convenience of shopping. At the same time, one must not forget about the risks, which have accompanied the industry for many years, i.e. seasonality of sales, weather conditions or unsuccessful collections.



# Responsibility

1. Searching for footwear | 2. First impression | 3. Sales and products | 4. Customer service | 5. After-sales service

## 1. SEARCHING FOR FOOTWEAR

Sales are currently evolving, shopping must be simple, comfortable and enjoyable. The main incentive to buy footwear is the change in weather conditions, but also special offers and current trends. As a result, companies have to constantly monitor the situation and react and adjust their sales channels to customers' expectations. The offer of the CCC Group entities is not competitive, but rather complementary. Both traditional and online sales operate in parallel and complement each other.

Traditional sales of the CCC Group include 1201 stores in 18 countries under the names of CCC, eobuwie.pl and Voegele, while online sales are conducted in 14 countries through the CCC, eobuwie.pl, DeeZee, and Voegele platforms.

Advertising is an important carrier of information about products. The CCC Group strives to ensure that the marketing message is reliable, honest and informative about product prices and promotion rules. In the case of sales and products at discount prices, special attention is paid to the correct price and discount.

In addition, there are detailed regulations for the sale.

In 2018, there were no cases of non-compliance with regulations and voluntary codes regarding marketing communication or the principles of free competition and monopolistic practices in the CCC Group.

## 2. FIRST IMPRESSION

The attention of the customer is first attracted by the interior design and furnishing - architecture, atmosphere and displays play an important role in the customer's perception of the brand. An important aspect is also the systematic improvement of the quality of service - by providing appropriate staff assistance and satisfying expectations. With a larger and well-arranged store, it is possible to display more assortment and give customers a better navigation to products they are interested in, so that they do not waste time on unnecessary activities.

In order to improve the quality of customer service and optimize the work, the CCC sales room space is divided into functional zones:

- entrance,
- the centre of the sales room,
- counter,
- service point (optional).

Regardless of the functional zones, there is also a division into product sections in the sales room. A central aisle with linear lighting allows customers to pass through the space divided into separate „rooms” in the store. Such a system facilitates space organization and directing customers to the products they are looking for. The following exemplary sections are individually identified for each store:

- women's footwear
- men's footwear
- kids' footwear
- sports footwear
- bags / handbags.



Customers shopping in stationary eobuwie.pl stores are welcomed in a store with apparently no shoes, and only with touchscreens.

There are about 50 screens, without shoe displays in the store.

The store is divided into three sections. The first one is a fast track, where you can place an order using tablets. Then, there is a comfort zone, where you can sit back on sofas and browse through the offer.

Another one is the pick-up and storage area. Behind the counters, you can see the whole open warehouse with tens of thousands of shoes. The area of the sales room is about 300m<sup>2</sup>, with about 1700 m<sup>2</sup> of warehouse space.

The customer can easily search for shoes by category, purpose, size or color, just like online. The difference is that the customer does not have to wait a whole day for delivery, but only 3 minutes when the footwear is being moved from the warehouse to the store. This is the exact time between placing an order and having shoes to try on.

The above concept is introduced in new CCC stores, and these changes are also made when relocating, enlarging or remodelling. It is also introduced on foreign markets, where CCC is present. At the end of 2018, the number of stores in the new space arrangement reached 150 stores.





Responsibility

1. Searching for footwear | 2. First impression | 3. Sales and products | 4. Customer service | 5. After-sales service

3. SALES AND PRODUCTS

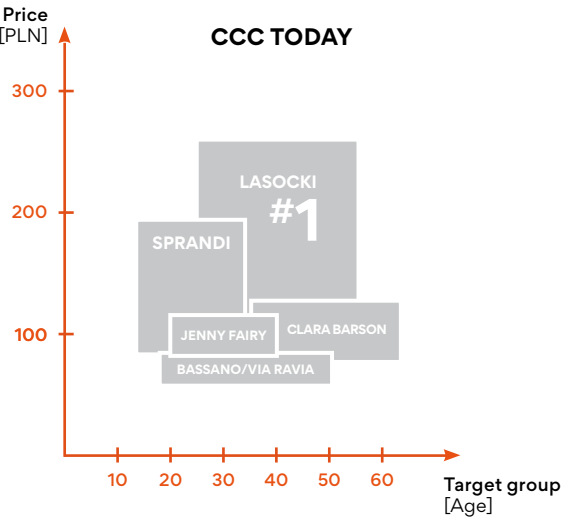
The main product that customers buy in CCC stores is footwear, which accounts for 83.47% of the sales structure. CCC offers both own and foreign (sports) brands.

SALES STRUCTURE IN 2018

Category	Share in sales
footwear	88,4%
bags	5,9%
cosmetics	1,4%
other	4,3%
TOTAL	100,00%

The CCC sales network offer is democratic and targeted at the entire socioeconomic cross-section of consumers. The perception of CCC varies according to the age of the customers.

Therefore, in addition to a comprehensive offer, CCC introduces footwear for each of the target groups in order to best fit the needs of various age groups.



4. CUSTOMER SERVICE

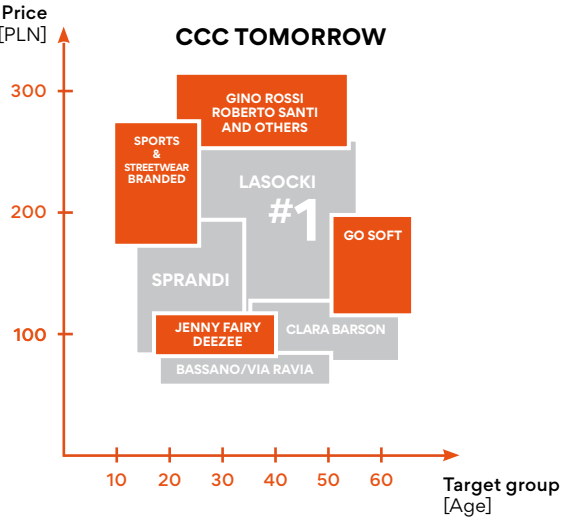
Knowledge of the specific rules of conduct of employees in the store testifies to professionalism, commitment and kindness. Developed Customer Service Standards apply to all salespersons in CCC stores. The uniform standards of conduct specified are aimed at standardizing the personnel's behaviours and ensuring maximum customer satisfaction while shopping.

While the concept of stationary sales in the CCC network is based on self-service, a store employee is at customer's disposal at any time and should initiate direct contact, if the customer expresses interest in buying or the need for help.

**+17.000**  
the number of incoming calls  
from external customers

**+6.000**  
the number of outgoing calls

**12.000**  
the number of responses to inquiries  
sent by the form and e-mail



ISSUES ADRESSED BY CUSTOMERS OF CSC IN 2018



The scale of contacts with customers has increased significantly since the previous year. In 2018, the CSC accepted **over 30,000** consumer notifications. This is approximately 3 times more than the number of notifications in 2017 - 10.7 thousand.

In any situation, regardless of the number of customers and the tasks assigned, the following rules must be observed to ensure a high level of satisfaction with the atmosphere in the store and the assistance provided. These include the following issues:

- greeting and welcoming each client entering the store;
- the customer always meets a smiling, courteous and helpful employee;
- the store is orderly, making it easier for customers to make their choices;
- he salesperson is visible to all customers who may need assistance;
- each customer who expresses a need for help should be noticed by the staff;
- each customer requesting assistance must be serviced by the staff;
- making the customer leave the shop with a positive impression after the purchase.

At each stage of purchase, customers can use the support offered by the Customer Service Office (CSC), which was reorganized in February 2018. In addition to new telephone numbers and e-mail address, CCC has introduced advanced systems that allow for maximum personalization of customer contact, e.g. through the functionality of assigning a „favourite“ agent, recognizing the customer by phone number, entering comments on preferences, and credible measurement of indicators.

All changes were aimed at improving the quality of service, customer satisfaction and the ability to direct adequate communication to callers. The new version of the Customer Service Office, apart from the initial support for customers, has also become an important support for stores since June 2018 as part of the „Order online, collect at the store“ process.

Apart from the Customer Service Centre located in Poland, in 2018 local offices were opened in the Czech Republic, Croatia, Slovenia, Slovakia and Hungary.

Customer Service Offer receives 98% of calls initiated by customers. 9 out of 10 calling customers connect with a CSC employee in the first 25 seconds. At the same time, thanks to the current operational activities and growing competences of the BOK team, the average time of the call with the customer was reduced from 476 seconds in the first quarter to 113 seconds in the fourth quarter.

An important element of CSC's daily work is the support of the „Order online, collect at the store“ process. Still, for every 1000 orders placed, about 30 require the support of the Customer Service Office. A similar number of contacts for every 1000 orders is also initiated by the customers themselves to inquire about certain issues.

An important element of CSC's work is the registration of all calls that were initiated to the Helpline and that could not be answered (too many calls in one time or calls out of CSC's working hours). Each person making an unsuccessful attempt to contact the Customer Service Office is called back by an employee at the earliest convenience or at the beginning of the following working day.



## Responsibility

1. Searching for footwear | 2. First impression | 3. Sales and products | 4. Customer service | **5. After-sales service**

### 5. AFTER-SALES SERVICE

Complaint of goods purchased in a offline store of the CCC network can be reported by the client in any offline store of the CCC network in Poland. According to the Act of 30 May 2014 „Consumer Rights Act“, the client should be informed about the complaint handling procedure applied by the entrepreneur. Information on this subject has been made available on the website is provided directly by the sellers and posted on information leaflets for customers. The complaint forms also include a provision informing about the possibility of using out-of-court methods of handling complaints and asserting claims.



CCC S.A. consents to out-of-court settlement of consumer disputes, which aims to amicably end the dispute between the customer and the seller. The procedure, introduced by the Act on out-of-court settlement of consumer disputes, is aimed at faster, often free of charge and much less formalized settlement of the case than in the proceedings before the common court. Independent experts, such as mediators, help to reach an agreement.

Poles willingly use the possibility of amicable resolution of consumer disputes (ADR). Last year, they submitted a total of 18,123 ADR applications. Most frequently they requested assistance in resolving a dispute over a complaint about shoes and financial services.<sup>4</sup>

In 2018, CCC, as one of three entities in Poland, received the title of Amicus Consumantium awarded to companies that promote the idea of amicable dispute resolution. The title was established by the Office of Competition and Consumer Protection (UOKiK) together with the Senate Team for Consumer Protection.

<sup>4</sup> <http://polubowne.uokik.gov.pl/komunikaty,143,pl.html>

## Innovations

**In 2018, the Research and Development Centre began its operation. The vast majority of R&D works to be implemented are characterised by a potentially world-class level of innovation of products created as a result.**

The unit will deal with 4 research areas, 3 of which are directly related to customers:

- Research on the development of the CCC Group's product offer - development of the Lasocki brand (Comfort Line in particular) towards innovative products with a particular focus on health-oriented solutions;
- The area of neuromarketing research – understanding customer needs – a model store (Customer Innovation Center);
- The area of analytical research (CCC analytics).

As a result of the implementation of R&D works in the area of product innovation, solutions such as footwear with extended life cycle, innovative shoe constructions and materials facilitating convalescence processes, constructions increasing the comfort and safety of use by people after injuries will be developed.

New product solutions are aimed at increasing the innovativeness of the Lasocki brand in terms of materials, construction, utility (especially in the context of safety of use and consideration of health aspects) and even higher quality, as an expression of our responsibility towards customers and their needs.

For those who are afraid of online shopping, especially the mismatch of size, eobuwie.pl has implemented esize.me - an original system of foot scanning in 3D technology. Thanks to this groundbreaking technology, each customer can perform a free foot scan in a few seconds, and the system will recommend shoes matched to the individual shape of the customer's foot. The entire process is possible thanks to artificial intelligence.

**Innovative (product and process) solutions planned to be developed within the framework of R&D work include:**

- Development of the Lasocki brand on the basis of extending the life cycle of footwear, including health prevention;
- Development of an authorial, custom-made solution in the form of a sales assistant - intelligent mobile robot;
- Creation of a knowledge-sharing platform / interaction design in the field of decision-making processes and customer needs;



**The esize.me scanner is able to capture an accurate 3D foot model, including the length, width, height and girth of the foot. The 3D image and precise foot dimensions are displayed on a touch-screen device, where you can see the detailed model and dimensions data. The scanning process takes a few seconds and is free of charge**

This scanner allows customers to choose the footwear that fits their footprint, resulting in fewer returns, which translates into benefits for both the customer and the company itself.



# The environment

**Intensive development of the CCC stores network encourages paying close attention to environmental issues, including taking concrete actions and developing a thoughtful, sustainable and economically justified approach to designing sales stores.**

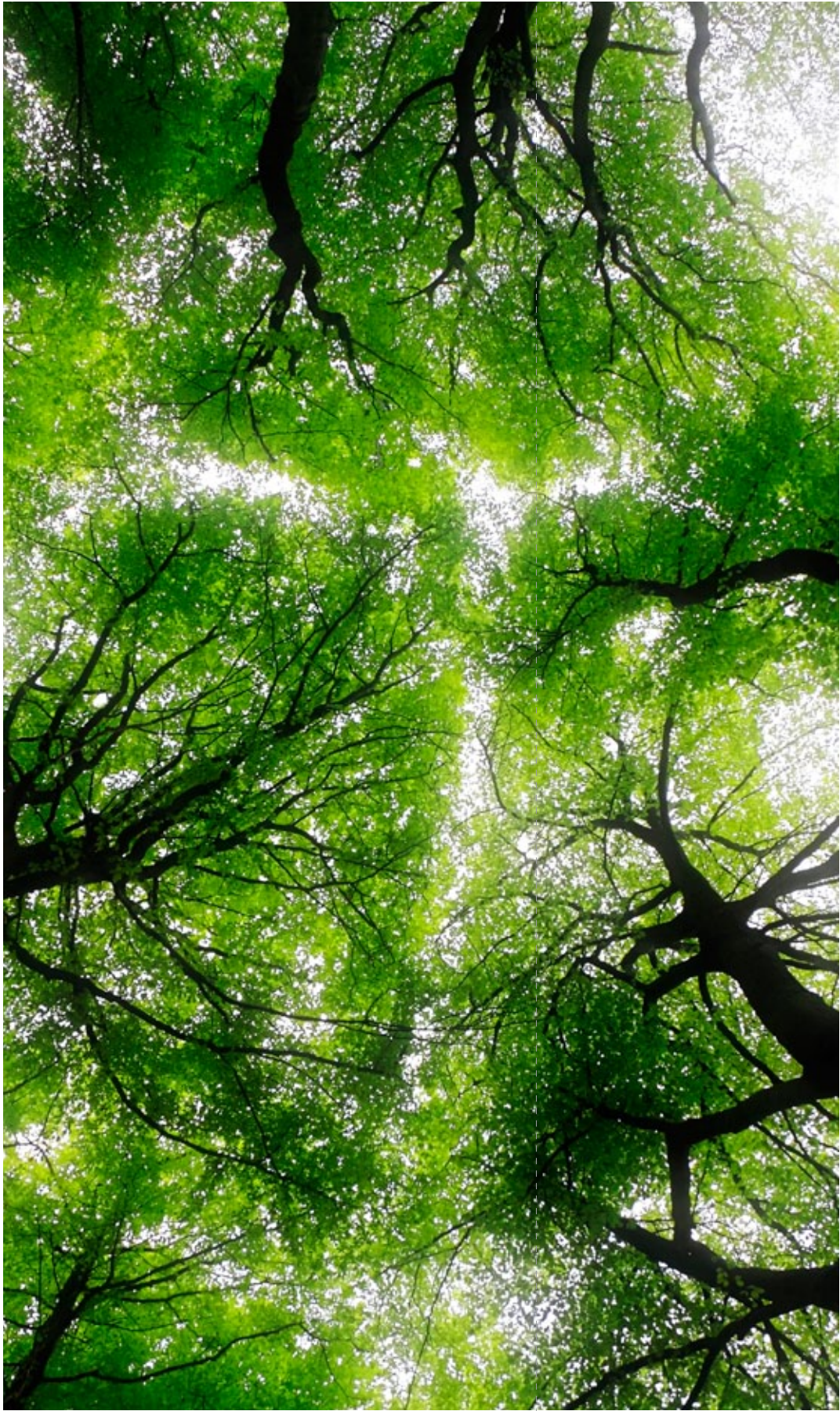
As a result of work carried out by CCC, environmentally friendly solutions are implemented to the stores, which at the same time reduce the costs of energy, maintenance or replacement of equipment, furnishings and marketing materials.

Work on the development of an optimal model for managing energy parameters in showrooms started in 2018. This model was developed through a test measurement of all areas of electricity consumption in a designated group of model stores. This will allow locating energy loss areas and eliminate them in the future.

These actions are aimed at eliminating all unnecessary sources of energy consumption and stopping all devices from operating in „stand by“ mode except for server circuits. Reducing the excessive number of consumption sources is to be ensured by implementing an optimized management model in the stores and eliminating unnecessary receivers. The application of these solutions is expected to bring results in the field of energy efficiency. In the following years, research on the test model will be continued.

In 2018, works related to the elimination of metal-halide lighting, which started in 2015, were continued. The main advantage of changing the technology is optimal use of energy.

LED lamps do not generate thermal losses to the environment when converting energy into light, thereby not overloading the air-conditioning systems of the facility, while the metalohalogens used only half of the energy consumed, converting the rest into waste heat released to the environment.



Another advantage of this solution is the long lifetime of the technology, up to 50 000 hours of LED lamp operation, and thus the lack of frequent replacement of lighting and less waste, which generates additional benefits.

Furthermore, LED lamps guarantee good quality light, so that both customers and employees can feel comfortable in the store, as the technology does not strain the sight, is friendly to the human eye and does not produce harmful UV radiation.

The changes implemented in the field of lighting allowed to reduce the consumption of electricity. Works on new solutions to reduce power consumption by LED screens are also in progress. Modern technologies and screen management will allow for achieving measurable benefits linked to the operation of screens.

**Detailed information on environmental activities was included in the Environmental Protection Policy adopted in 2018, on the basis of which the Environmental Strategy for 2019-2021 was implemented.**

## MEASURES TOWARDS ENERGY EFFICIENCY IN THE STORES

Years	Measure	Saving
2019-2021	Further replacement of LED lighting with more modern and less energy-consuming	<ul style="list-style-type: none"><li>• 36,8 MWh / 1 store / year energy saving</li><li>• 32310 kg / 1 store / year CO<sub>2</sub> saving</li></ul>
2019 - 2021	Development and implementation of an optimal energy management model	<ul style="list-style-type: none"><li>• 32 MWh / 1 store / year energy saving</li><li>• 28096 kg / 1 store / year CO<sub>2</sub> saving</li></ul>

The format of eobuwie.p offline stores allows to provide more services and meet customers' expectations faster (e.g. Same Day Delivery, reserve & try on). As a result, the time of delivery to customers in agglomerations where shops are located (from 24 hours to 3 hours) has also been shortened. Deliveries are made using electric cars, which are characterized by low operating costs and are in line with the policy of sustainable use of resources.





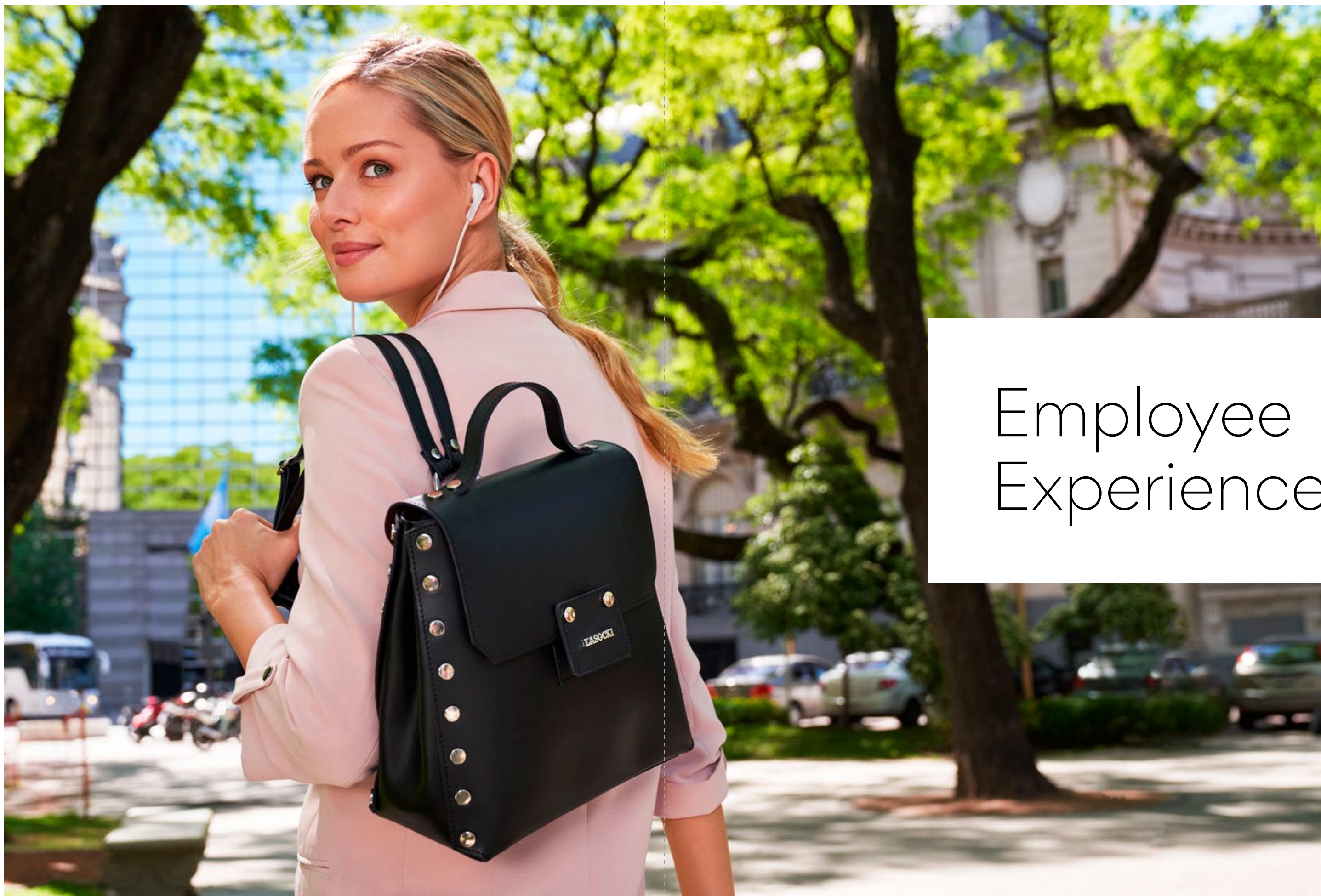
## Further commitments

**The year 2019 also includes further projects in the area of broadly understood customer service. Along with the development of Internet sales, CCC focuses on a more comprehensive customer service.**

Therefore, in the coming months, intensive works will be carried out on:

- implementation of a tool for electronic communication with customers (chatbot), which will shorten the time of waiting for an answer regardless of the place of inquiry initiation (website, Facebook, mobile application).
- implementation of tools to monitor customer satisfaction with the quality of products and service in CCC (CSC, shops).
- development of tools supporting customers in obtaining feedback independently (shipment location, complaint status).
- optimization of the complaint process.





Employee  
Experience



# Characteristics

**CCC consistently builds the image of an attractive and desirable employer guided by its values, i.e. development, entrepreneurship, credibility and responsibility. The CCC Group is keen for its employees to find their own path of development and boldly go for more, discovering new career opportunities.**

The CCC Group employs more than 15,000 people, including over 8500 people working in Poland, where the headquarters is located as well as the factory and the Logistics Centre in Polkowice and a chain of 466 CCC stores.

CCC S.A., which houses administrative, storage and sales premises, employs nearly 6600 people, a significant part of which are women employed in sales - 84%. .

CCC.eu Sp. z o.o. employs 407 people, half of whom are women - 49%.

CCC Factory Sp. z o.o., footwear manufacturing company, employs 712 people - 79% of whom (i.e. 560 employees) are women.

All employees of CCC Factory are employed under employment contracts, while in CCC S.A. and CCC.eu Sp. z o.o. the indicator is nearly 100%.

The company eobuwie.pl S.A. with its registered office in Zielona Góra employs 627 people under employment contracts. The majority of the Company's employees are women. Contracts of mandate were signed with 171 persons, 133 of whom are women.

The company eobuwie.pl Logistics Sp. z o.o. employs 175 people, half of whom are women. 4.6% of all employees work part-time.



DeeZee Sp. z o.o. with its registered office in Kraków employs 44 people under employment contracts. Women constitute 63.6% of the employees.

Over 7,000 people work in subsidiaries operating abroad.



## EMPLOYMENT STRUCTURE OF CCC S.A.

Total number of employees by gender and region:	Number of employees		
	2018		
	Women	Men	Total
permanent employees	3419	352	3771
fixed-term employees	2563	218	2781
<b>Total</b>	<b>5982</b>	<b>570</b>	<b>6552</b>

## EMPLOYMENT STRUCTURE IN THE CCC GROUP

Total number of employees by gender and region:	Number of employees		
	2018		
	Women	Men	Total
permanent employees	8793	1097	9890
fixed-term employees	4977	757	5734
<b>Total</b>	<b>13770</b>	<b>1854</b>	<b>15624</b>

Number of employees (per person) by type of employment:	Number of employees		
	2018		
	Women	Men	Total
full-time	3475	472	3947
part-time	2507	98	2605
<b>Total</b>	<b>5982</b>	<b>570</b>	<b>6552</b>

Number of employees and associates (per person) divided into:	Number of employees		
	2018		
	Women	Men	Total
employees under contract of mandate	5	5	10

Number of employees (per person) by type of employment:	Number of employees		
	2018		
	Women	Men	Total
full-time	7922	1521	9443
part-time	5848	333	6181
<b>Total</b>	<b>13770</b>	<b>1854</b>	<b>15624</b>

Number of employees and associates (per person) divided into:	Number of employees		
	2018		
	Women	Men	Total
employed under a contract of mandate	1215	229	1444
employed under a contract for specific work	1	0	1
self-employed	1	6	7
supervised workers and/or seasonal workers	63	104	167
<b>Total</b>	<b>1280</b>	<b>339</b>	<b>1619</b>

Jednostka organizacyjna	Total number of senior management staff	Number of senior management staff from the local market	Percentage of senior management staff employed from the local market
CCC S.A.	4	4	100%
CCC.eu Sp. z o.o.	4	4	100%
CCC Shoes & Bags Sp. z o.o.	2	2	100%
eobuwie.pl S.A.	3	3	100%
eobuwie.pl Logistics Sp. z o.o.	1	1	100%
CCC Factory Sp. z o.o.	1	1	100%
DeeZee Sp. z o.o.	4	4	100%
Foreign subsidiaries	24	11	40%



# Challenges /risks

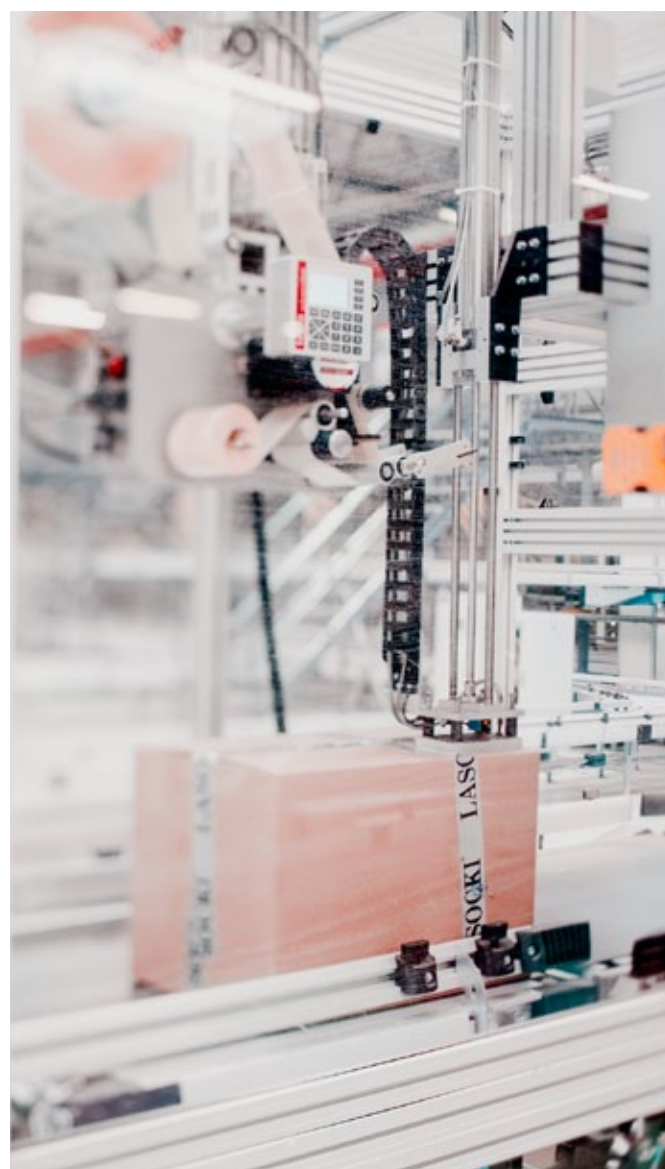
**The presence of committed and competent employees determines the success of the entire Group, hence CCC pays great attention to strengthening its corporate culture, communication, increasing job satisfaction and employee development.**

Currently, the CCC Group is facing typical labor market risks, i.e. recruitment of qualified employees and their retention in the company. An additional aspect related to retail sales is the pressure on remuneration and providing employees working in sales with working conditions stimulating them to perform their professional duties with commitment.

CCC S.A. periodically conducts job satisfaction surveys in order to identify areas in which efforts aimed at improving the satisfaction and involvement of employees should be intensified. Based on the results obtained, action plans for continuous improvement of motivation are prepared. The last survey was conducted in 2017. The average satisfaction rate in nine different areas was 76%. The highest score was found for the area where overall job satisfaction is measured (81,5 % satisfaction). The lowest score was found for work organization (65.7%). The challenge is to implement activities in a manner that job satisfaction increases alongside the expansion and development of the company.

**Work satisfaction in CCC S.A. and CCC.eu Sp. z o.o., in percentage and areas for improvement:**

- overall job satisfaction – 81,5
- CCC as an employer – 80,5
- cooperation with the superior – 79,9
- working conditions – 78,9
- relations with co-workers – 77,3
- incentive and bonus system – 73,6
- communication within the company – 71,8
- professional development – 71,5
- organization of work – 65,7



# Responsibility

1. Recruitment | 2. Adaptation | 3. Working environment | 4. Occupational Safety and Health  
5. Competency development | 6. Diversity management

## 1. RECRUITMENT

**In order to reach potential candidates with a job offer, CCC uses a number of activities that go beyond the standard recruitment advertisement, including establishing cooperation with universities all over Poland, participation in job fairs, recruitment campaigns in social media, searching and contacting potential candidates directly (direct search), use of mobile applications for recruitment or cooperation with employment offices, local websites and the press.**

The Employee Referral Program was also launched in 2018, as CCC strongly believes in its effectiveness, commitment of our employees in recruitment activities and rewarding them. In order to ensure the best possible communication with candidates in the recruitment processes in CCC, the Applicant Tracking System (ATS) was introduced, which allows for efficient management of the recruitment process starting from the creation of an advertisement to the selection of the best candidate.

In 2018, the career website [goformore.ccc.eu](https://goformore.ccc.eu) was also updated, allowing potential candidates to easily find a job offer they are interested in, as well as to get acquainted with the values that are appreciated by employees in the CCC Group.

The recruitment policy is conducted on a non-discriminatory basis. The recruitment process guarantees equal opportunities for participants and objective assessment of candidates through the use of appropriate selection tools tailored to the position. As a socially responsible company, CCC is open to employing people with disabilities. For more information, see the Diversity Management section.

The objective of recruitment activities is to fill particular positions so that tasks assigned to them can be performed efficiently, as well as to acquire employees with competences that will allow us to „go for more“ together.

CCC focuses primarily on the internal development of its employees. Each recruitment process is first started internally and communicated to employees of the sales network, warehouses and office administration. External recruitment starts when there are no persons meeting the job requirements among the staff.

The Company also promotes the education of young people starting their professional careers. The internal internship program „I’m going for more with CCC“ was prepared in order to attract young, ambitious people who have the status of a student / graduate and to build a positive image of CCC as a reliable employer.

Building a positive image among future interns is the role of the Ambassador of the CCC brand. Appointment of the Ambassadors of the CCC brand is intended to establish cooperation between the academic community in selected cities in Poland and the HR Department. The aim of the project is to build a positive image of CCC as an attractive employer at selected universities.

CCC continues to collaborate with Employment Offices all over Poland in organizing internships. In 2018, 154 applications for organizing internships for the unemployed were submitted to the store structures, with 68 of them being approved. 9 internship applications were submitted to Polkowice headquarters, resulting in 7 interns starting cooperation.



CCC S.A. NEWLY HIRED EMPLOYEES

Total number of employees (per person) divided into:	Number of employees (per person)	Number of newly hired employees	Percentage of newly hired employees (per person)
	2018		
Women	5982	3812	63,72%
Men	570	457	80,18%
Total	6552	4269	65,16%

Total number of employees (per person) by age group:	Number of employees (per person)	Number of newly hired employees (per person) per group	Percentage of newly hired employees
	2018		
<30	3110	3259	104,79%
30-50	3215	946	29,42%
>50	227	64	28,19%
Total	6552	4269	65,16%

CCC S.A. EMPLOYEE DEPARTURES

Total number of employee departures (per person) divided into:	Number of employees (per person)	Number of employee departures (per person)	Percentage of employee departures
	2018		
Women	5982	4422	73,92%
Men	570	379	66,49%
Total	6552	4801	73,28%

Total number of departures (per person) by age group:	Number of employees (per person)	Number of employee departures (per person) in the respective age group	Percentage of employee departures
	2018		
<30	3110	3350	107,72%
30-50	3215	1343	41,77%
>50	227	96	42,29%
Total	6552	4789	73,09%

THE CCC GROUP NEWLY HIRED EMPLOYEES

Total number of employees (per person) divided into:	Number of employees (per person)	Number of newly hired employees	Percentage of newly hired employees (per person)
	2018		
Women	13770	7750	56,30%
Men	1854	1271	68,41%
Total	15624	9021	57,74%

Total number of employees (per person) by age group:	Number of employees (per person)	Number of newly hired employees (per person) per group	Percentage of newly hired employees
	2018		
<30	7131	6096	85,49%
30-50	7363	2647	35,95%
>50	1130	278	24,60%
Total	15624	9021	57,74%

THE CCC GROUP EMPLOYEE DEPARTURES

Total number of employee departures (per person) divided into:	Number of employees (per person)	Number of employee departures (per person)	Percentage of employee departures
	2018		
Women	13770	8570	62,24%
Men	1854	1141	61,54%
Total	15624	9711	62,15%

Total number of departures (per person) by age group:	Number of employees (per person)	Number of employee departures (per person) in the respective age group	Percentage of employee departures
	2018		
<30	7131	6274	87,98%
30-50	7363	3132	42,54%
>50	1130	417	36,90%
Total	15624	9823	62,87%

Responsibility

1. Recruitment
2. Adaptation
3. Working environment
4. Occupational Safety and Health
5. Competency development
6. Diversity management

2. ADAPTATION

In 2018, the new employee onboarding process in both administrative and store structures was standardized.

The project assumes that a newly-hired employee remains in the structures much longer if the onboarding process is carried out properly in the initial period of employment. Its aim is to shorten the time for an employee to acquire full ability to perform their duties and to smoothly engage them in collaboration with other employees. In order to minimize problems in the initial phase of employment, employee adaptation programs have been developed.

As part of the process, the following programs were implemented: the onboarding program dedicated to administrative structures - „Welcome to the team” and the „ACCction Adaptation” project dedicated to store structures.

An important element of each of them is to emphasize the responsibility of the superior for each acquired employee. Properly personalized programs for each position are the key to the success of effective employee onboarding.



The onboarding process for office administration employees, apart from the training in their own area, also assumes the participation of each new employee in the store training, where they learn about the key processes for the CCC business „from within“.

The effectiveness of the process is measured by analyzing the results of the „Stay Interview“ survey, conducted within approximately 2 months from the date of employment.

The aim is to get to know the opinions and impressions of a new employee within the first months of work. This is the moment when it is possible to verify whether and to what extent the arrangements made during the recruitment process are, in the employee’s opinion, implemented.





## Responsibility

1. Recruitment | 2. Adaptation | **3. Working environment** | 4. Occupational Safety and Health  
5. Competency development | 6. Diversity management

### 3. WORKING ENVIRONMENT

The Group has a multi-channel communication system, thanks to which employees are informed about ongoing changes and the Group's development plans. In addition, a job satisfaction survey is conducted once every two years, enabling the identification of employees' needs and elimination of reported irregularities, which results in an increase of employee engagement and strengthening our market position.

An important step in the communication development within the company was the introduction of Intranet for CCC employees in 2018. The Intranet standardized communication with employees and became a focal point for the information exchange concerning various business areas. One of the Intranet components is a training platform where an e-learning series of training on sales and recruitment standards has been launched.

The business success of the company depends on the motivation of employees and their engagement. In order to meet the challenges in this field, employees can benefit from a number of solutions: non-financial incentives include: training (on soft and hard skills, foreign language course), succession planning, employment stability. As part of financial incentive, the company offers additional bonus systems (e.g. sales bonus, performance bonus, attendance bonus), as well as other wage supplements (e.g. agglomeration bonus, internship bonus, jubilee bonus).

#### IN ORDER TO ENSURE AN ATTRACTIVE WORKPLACE, THE EMPLOYEES OF CCC S.A. AND CCC.EU SP. Z O.O. ARE OFFERED THE FOLLOWING BENEFITS:

- Unlimited, free access to private medical care for employees and their families in the LUXMED or Medicus network;
- the possibility of joining group life insurance in the PZU Group;
- Multisport package or OK System sports package;
- co-financing for education;
- discount cards for CCC stores and eobuwie.pl online store;
- prepaid cards for holidays;
- English language course for office administration employees;
- tickets to sport games (e.g. basketball matches).



#### THE CCC FACTORY SP. Z O.O. MANUFACTURING COMPANY OFFERS THE EMPLOYEES ITS OWN BENEFITS PACKAGE, WHICH INCLUDES:

- co-financing of commuting to work in the amount of 90% of incurred costs;
- medical care provided on the premises of the factory - a nursing practice open daily and the possibility of a medical visit twice a week;
- twice a year, Christmas and Easter holiday packages;
- subsidized holidays for children up to 80% of the costs;
- possibility to buy tickets to the aquapark in Polkowice at preferential prices.



Responsibility

1. Recruitment | 2. Adaptation | **3. Working environment** | 4. Occupational Safety and Health
5. Competency development | 6. Diversity management

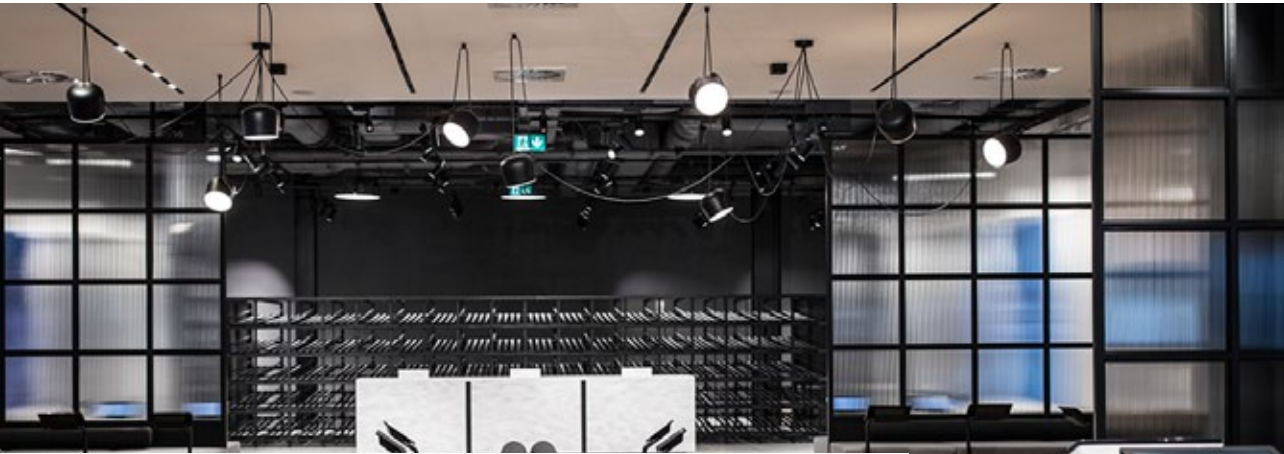


**CCC Factory Sp. z o.o. is also friendly for women and families - work takes place from Monday to Friday, while Saturdays and Sundays are free. The work is organized in a two-shift system, without night shifts.**

Working hours of shifts are set as in the other companies in the LSEZ, so that employees can use transport with employees from other companies in the zone. Employees' working time is planned in such a way as to enable them to enjoy the so-called long weekends. Each year, during the summer holidays, when all production is stopped, employees take a 4-week holiday leave - this facilitates the organization of childcare during holidays, and employees can use their holidays in a period that is attractive to them.

In CCC Factory, in addition to constant access to the assistance of a nurse and a doctor, every year a Medical Action is organized. Within its framework, employees may use specialist medical examinations. The examinations include: blood screening analysis, within the framework of which cancer antigens 125 (ovarian cancer) and PSA (prostate cancer) as well as breast, thyroid and abdominal USG are screened. The offered medical examination package is altered each year.

**Over 80% of CCC Factory employees benefited from the Medical Action in 2018.**



**BENEFITS OFFERED TO EMPLOYEES OF EOBUWIE.PL COMPANIES INCLUDE:**

- Multisport cards, which may be granted for a token monthly fee. Employees can also buy cards for members of their families
- Luxmed private medical care for employees and their families
- life insurance
- discount cards for CCC stores and eobuwie.pl online store
- co-financing for English language courses as part of a course offered at the company's premises



Company of the CCC Group	the ratio of WOM-EN'S remuneration at lower employment levels to the minimum wage	the ratio of MEN'S remuneration at lower employment levels to the minimum wage
CCC S.A.	1,43	1,51
CCC.eu Sp. z o.o.	1,33	1,55
CCC Factory Sp. z o.o.	1,25	1,2
eobuwie.pl S.A.	1,39	1,37
eobuwie.pl Logistics Sp. z o.o.	1,52	1,6
DeeZee Sp. z o.o.	1,32	1,43
DeeZee Sp. z o.o.	4	4

Foreign subsidiaries	the ratio of WOM-EN'S remuneration at lower employment levels to the minimum wage	the ratio of MEN'S remuneration at lower employment levels to the minimum wage
Austria	1,38	1,82
Bulgaria	1,57	1,57
Croatia	1,22	1,22
Czech Republic	1,24	1,24
Germany	1,17	1,21
Hungary	1,01	1,01
Switzerland*	1,04	1,04
Romania	1,08	1,05
Russia	1,59	1,42
Serbia	1,44	1,44
Slovakia	1,32	1,32
Slovenia	1,00	1,00

\*The statutory minimum wage does not apply in Switzerland. The calculations are based on the recommendations of the "Schuhschweiz".





Responsibility

1. Recruitment
2. Adaptation
3. Working environment
4. Occupational Safety and Health
5. Competency development
6. Diversity management

4. OCCUPATIONAL SAFETY AND HEALTH

Ensuring health and safety at work is one of the CCC Group’s priorities. The investments made allow employees to work in modern facilities. In addition, regular measures are taken against the reported needs to improve safety.

All workstations in the CCC Group meet the OHS and fire safety standards. The number of work-related accidents is marginal for the entire Group.

NUMBER OF WORK-RELATED ACCIDENTS

Jednostka organizacyjna	Kobiety	Mężczyźni	Ogółem
CCC S.A.	7	1	8
CCC.eu Sp. z o.o	0	0	0
CCC Factory	4	4	8
eobuwie.pl S.A.	3	0	3
eobuwie.pl Logistics Sp. z o.o.	3	2	5
DeeZee Sp. z o.o.	0	0	0

INCIDENT FREQUENCY RATE (IR)\*

Jednostka organizacyjna	Kobiety	Mężczyźni	Ogółem
CCC S.A.	1,13	2,02	1,19
CCC.eu Sp. z o.o	0	0	0
CCC Factory	14,3	52,6	22,5
eobuwie.pl S.A.	6,67	0	4,71
eobuwie.pl Logistics Sp. z o.o.	11,2	7,4	18,65
DeeZee Sp. z o.o.	0	0	0

\* IR, calculated as the number of persons injured to the number of employees

\*\* LDR, calculated as an indicator of the total number of days lost to the number of planned working hours

\*\*\* Accident severity rate, calculated as the number of days of inability to work due to an accident to the number of accidents

\*\*\*\* AR, calculated as the total number of hours of absence due to sick leave or sick-ness and accidents at work to the number of planned working hours of employees

\*\*\*\*\*ODR, calculated as the number of cases of occupational disease to the total number of hours worked by all employees

TOTAL NUMBER OF DAYS OF INCAPACITY FOR WORK DUE TO WORK-RELATED ACCIDENTS (LDR)\*\* / LOST DAY RATE (LDR)

Jednostka organizacyjna	Kobiety	Mężczyźni	Ogółem
CCC S.A.	3,07	13,92	3,87
CCC.eu Sp. z o.o	0	0	0
CCC Factory	205,7	113,2	186
eobuwie.pl S.A.	6,98	0	6,98
eobuwie.pl Logistics Sp. z o.o.	23,44	9,65	33,1
DeeZee Sp. z o.o.	0	0	0

ACCIDENT SEVERITY RATE\*\*\*

Jednostka organizacyjna	Kobiety	Mężczyźni	Ogółem
CCC S.A.	27,3	69	32,5
CCC.eu Sp. z o.o	0	0	0
CCC Factory	72	10,75	41,37
eobuwie.pl S.A.	10	0	10
eobuwie.pl Logistics Sp. z o.o.	11,33	7	9,6
DeeZee Sp. z o.o.	0	0	0

ABSENTEEISM RATE (AR)\*\*\*\*

Jednostka organizacyjna	Kobiety	Mężczyźni	Ogółem
CCC S.A.	4,06	1,88	3,88
CCC.eu Sp. z o.o	4,31	1,49	2,86
CCC Factory	5,12	2,8	4,62
eobuwie.pl S.A.	5,06	5,63	5,21
eobuwie.pl Logistics Sp. z o.o.	8,31	3,16	4,78
DeeZee Sp. z o.o.	1,15	1,36	1,23

OCCUPATIONAL DISEASE DETECTION RATE (ODR)\*\*\*\*\*

Jednostka organizacyjna	Kobiety	Mężczyźni	Ogółem
CCC S.A.	0	0	0
CCC.eu Sp. z o.o	0	0	0
CCC Factory	0	0	0
eobuwie.pl S.A.	0	0	0
eobuwie.pl Logistics Sp. z o.o.	0	0	0
DeeZee Sp. z o.o.	0	0	0



The total number of all accidents in 2018 amounted to 24, of which 8 took place in CCC S.A., the remaining 8 in CCC Factory and 8 in eobuwie.pl and eobuwie.pl Logistics. All of them were of minor nature.

No fatal accident was recorded and the severity of events that took place in 2018 was low in the entire Group, both among women and men.

In CCC S.A., CCC.eu Sp. z o.o. and CCC Factory Sp. z o.o. there are Health and Safety Committees, which examine, for instance, issues in the field of technical safety at work. Their tasks also include the development of preventive measures and solutions to improve working conditions. H&S Committees are made up of 5 persons each, their member is also a doctor appointed by the entity that the company has an agreement with for the provision of medical services.

Due to the nature of the production, in the CCC Factory solely 33 employees are exposed to work in conditions of increased noise and 24 to the risk of vibration. In order to minimize the risk of occurrence of particular occupational diseases, a Program of organizational and technical measures aimed at limiting the exposure to noise and mechanical vibrations of employees of CCC Factory sp. z o.o. in Polkowice was developed.

In 2018, the Health and Safety and Fire Protection Department organized numerous exercises in the field of practical verification of evacuation organization and evacuation conditions. The exercises were carried out in several CCC facilities located in the LSEZ in Polkowice. In total, nearly 350 people practised the scenario of a trial evacuation. The exercises took place with the participation of the National Fire Service from Polkowice.



Responsibility

1. Recruitment | 2. Adaptation | 3. Working environment | 4. Occupational Safety and Health
5. Competency development | 6. Diversity management

5. COMPETENCY DEVELOPMENT

The primary objective of the development policy is to strengthen the competences of employees, the process of knowledge sharing and linking training activities to specific business needs, as well as to bridge the competence gaps among employees in all areas of the company’s operations.

Employees constantly improve their competences and benefit from development programs through participation in training, conferences, symposium, seminars, workshops and studies financed or co-financed by the employer. In 2018 The CCC S.A. Capital Group also benefited from training subsidized by the National Training Fund. Within the framework of the project, subsidies for the organization of 200 hours of didactic training were obtained, with 82 employees taking part in them. As part of the training, the employees gained new or expanded their existing skills in the following areas: design, accounting and taxation, legal aspects of complaints; currency risk management, settlement of business trips, operation of machinery and equipment, material science.



Support in competence development is based on the 60:40 Development model:

60% - On the job development - participation in projects, job rotation, management by objectives and coaching&mentoring;

40% - Formal development - training workshops (internal and external), language courses, e-learning.

Additionally, in response to the need to improve soft skills, an internal training project „Let’s CCCo-operate effectively“ was launched. It is carried out in the form of workshops run by internal trainers. The scope covers the development of soft competences such as: cooperation, communication and feedback. In 2018, a total of 202 employees were trained as part of the project, during 25 training sessions.

Due to the high opinion of the participants, the project will be further developed in 2019 and extended by new areas of competence.

NUMBER OF TRAINING HOURS PER EMPLOYEE

CCC S.A.	Total number of training hours by gender		
	2018		
	Women	Men	Total
Total number of training hours by gender	15195	1333	16528
Number of employees (values identical to GRI 102-8 data)	5982	570	6552
Average number of training hours by gender	2,54	2,34	2,52

CCC S.A.	Total number of employees by employment structure	Total number of training hours by employment structure	Average number of training hours by employment structure
Employment structure	2018		
Executives	72	1315	17,77
Administrative staff	248	6927	27,82
Warehouse employees	791	3650	4,60
Sales network employees	5441	3594	0,66

CCC Group	Total number of training hours by gender		
	2018		
	Women	Men	Total
Total number of training hours by gender	61454	9768	71222
Number of employees (values identical to GRI 102-8 data)	13770	1854	15624
Average number of training hours by gender	4,46	5,26	4,56

CCC Group	Total number of employees by employment structure	Total number of training hours by employment structure	Average number of training hours by employment structure
Employment structure	2018		
Executives	346	6823,97	19,72
Administrative staff	1251	16580,01	13,25
Warehouse employees	1098	4662,51	4,22
Sales network employees	12351	44938,5	3,66
Production employees	578	144,5	0,25





Responsibility

1. Recruitment | 2. Adaptation | 3. Working environment | 4. Occupational Safety and Health
5. Competency development | 6. Diversity management

The periodical appraisal system in the CCC S.A. Capital Group is dedicated to personnel employed in administrative, office, store and warehouse positions

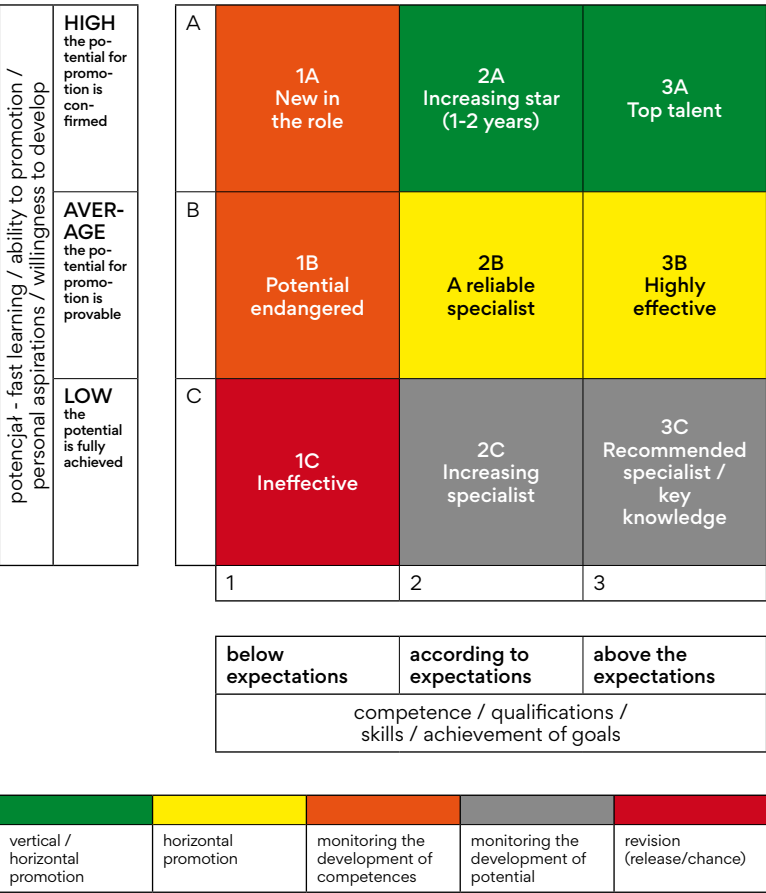
The main objective of the periodical appraisal is to raise employees' awareness of their strengths and weaknesses, thereby strengthening positive areas and reducing competence gaps. In this way, it is possible to increase the effectiveness and quality of actions taken by employees to achieve the objectives, as well as the implementation of a development plan which defines the specific actions and stages of their implementation.

Employee appraisal is carried out in accordance with the „9 boxes” principle, the aim of which is to build a link between the effectiveness and potential of employees.

Succession planning in the subordinate area is the responsibility of each manager.

In 2019, the successors will take part in the development program, which will include participation in Development Center sessions and building individual development paths for employees.

In order to ensure constant development of the managerial staff and effective use of their potential, a series of coaching sessions has been scheduled for them.



In 2018, the CCC Group did not conduct a formal employee appraisal process. The appraisal is conducted every two years and therefore the next one is scheduled for 2019.

COLLABORATION WITH UNIVERSITIES

For many years CCC has been actively cooperating with universities in order to effectively implement the internship program „I’m going for more with CCC“. The program was developed to establish cooperation with ambitious, young people. The programme assumes entering into permanent cooperation in the form of an employment contract.

CCC regularly participates in academic life through dedicated lectures given by CCC CG employees, post-graduate studies, internships for students and thematic workshops. Companies from the Group cooperate with student organizations by effectively supporting selected projects dedicated to students.

CCC also participates in fairs and industry events. It has won numerous awards, including those which confirm its effectiveness as an attractive employer. In March 2018, the third edition of post-graduate studies was launched, this time under the name „Management of Sales Development and Foreign Expansion“. The studies are a joint project realized by Wrocław University of Economics and the CCC Capital Group. This innovative project was addressed to people starting their professional life, as well as to those who were interested in an international career.

Furthermore, in 2018 the Company conducted an educational project in cooperation with the Witelon State University of Applied Sciences in Legnica and Oracle and Accenture companies. The project included a series of meetings with lecturers-practitioners and included classes in the area of IT, innovation, technology and solutions for sales, and was concluded by student internships in the company.





Responsibility

1. Recruitment | 2. Adaptation | 3. Working environment | 4. Occupational Safety and Health
5. Competency development | 6. Diversity management

6. DIVERSITY MANAGEMENT

The diversity policy of the CCC Group is implemented in the following ways:

1. in the area of primary identity (race, nationality, ethnic group, gender, age, sexual orientation, disability) the company:
- creates diverse teams in terms of gender and age, which enables a broader perspective in the problem-solving process, a better working atmosphere, higher team creativity and the possibility of knowledge transfer;

• promotes behaviors that respect diversity and support charity initiatives;

• provides training for executives and their teams in working with people with disabilities;

• supports the work-life balance through: the possibility of early exit from work in family emergencies and trouble-free leave in emergencies;

• actively counteracts discrimination and harassment in the workplace.
2. in the area of secondary and organizational identity (level of education, place of residence, family status, work experience, job position, sector, etc.) the company:
- builds an organizational culture based on the values of the CCC S.A. CG;

• ensures equality in terms of access to promotions and training;

• ensures equal access to the benefit system (including the bonus system) within the job groups.

The CCC Group emphasizes its openness to the employment of people with disabilities, as well as making every effort to support employees with disabilities and strengthen internal integration.

As of 31/12/2018, the employees with disabilities employed by the Group constituted approx. 5,11% of all employees. The majority of disabled employees are employed in Poland and constitute about 69,8% of all disabled persons employed in the CCC Group.

**Companies with the highest percentage of employment of people with disabilities:**  
CCC Factory Sp. z o.o. – 6,88%,  
CCC Hungary Kft. – 6%,  
CCC S.A. – 5,78%,  
CCC Slovakia sro – 5,22%.

Due to the high employment rate of people with disabilities, the CCC Factory Sp. z o.o. has been exempt from payments to PFRON (State Fund of Rehabilitation for Disabled People) since 2016.

- At present, mainly local measures are undertaken, depending on the needs and situation, including:
- cooperation with Employment Offices (e.g. publication of job advertisements with the ON (persons with disabilities) mark and information that the job offer is addressed to such persons);

• cooperation with local foundations, e.g.

o the Aktywizacja Foundation - Bydgoszcz Branch,

o Wielkopolskie Forum Organizacji Osób z Niepełnosprawnościami Foundation (Greater Poland Forum of Organizations of People with Disabilities),

o the AKME foundation in Szamotuły,

o and other that support the employment of people with disabilities.

THE CCC GROUP

Employees by age and diversity	Percentage of employees in each category in 2018 in relation to the total number of employees in the organization		Total percentage of employees in each group in 2018
	Women	Men	
<30 years of age	39,60%	6,40%	45,99%
30-50 years of age	42,17%	4,85%	47,02%
>50 years of age	6,54%	0,61%	7,16%
Total % by gender	88,3%	11,9%	100,0%
Foreigners	11,65%	1,96%	13,6%

Employees according to employment structure	Percentage of employees in each age group in 2018 in relation to the total number of employees in the organization			Total percentage of employees in each group in 2018
	<30 years of age	30-50 years of age	>50 years of age	
Executives	0,28%	1,71%	0,32%	2,31%
Administrative staff	3,24%	4,39%	0,46%	8,09%
Warehouse employees	3,14%	3,43%	0,48%	7,05%
Sales network employees	38,82%	34,87%	5,25%	78,94%
Production employees	0,58%	2,22%	0,90%	3,70%

Employees according to employment structure	Percentage of employees in each category in 2018 in relation to the total number of employees in the organization		Total percentage of employees in each group in 2018
	Women	Men	
Executives	1,31%	0,91%	2,22%
Administrative staff	5,37%	2,62%	7,99%
Warehouse employees	4,12%	2,93%	7,1%
Sales network employees	74,40%	4,81%	79,25%
Production employees	3,08%	0,61%	3,70%

**In 2018, the company continued its program, thanks to which the people with hearing loss and deafness became employees of CCC stores.**

The CCC S.A. CG deliberately met the expectations of deaf people by offering them employment in CCC Group stores, thus breaking the communication barrier. After conducting training for the store teams, a number of persons were employed, some of whom are still employed today, e.g. in the flagship CCC store in Wars Sawa Junior department store in Warsaw. These employees are distinguished by characteristic information on shirts.

CCC S.A.

Employees by age and diversity	Percentage of employees in each category in 2018 in relation to the total number of employees in the organization		Total percentage of employees in each group in 2018
	Women	Men	
<30 years of age	42,45%	5,02%	47,47%
30-50 years of age	45,53%	3,54%	49,07%
>50 years of age	3,30%	0,17%	3,47%
Total % by gender	91,3%	8,75%	100,00%
Foreigners	0,24%	0,56%	0,80%

Employees according to employment structure	Percentage of employees in each age group in 2018 in relation to the total number of employees in the organization			Total percentage of employees in each group in 2018
	<30 years of age	30-50 years of age	>50 years of age	
Executives	0,02%	1,05%	0,06%	1,13%
Administrative staff	1,04%	2,58%	0,17%	3,79%
Warehouse employees	5,39%	6,19%	0,49%	12,07%
Sales network employees	41,03%	39,23%	2,75%	83,01%

Employees according to employment structure	Percentage of employees in each category in 2018 in relation to the total number of employees in the organization		Total percentage of employees in each group in 2018
	Women	Men	
Executives	0,56%	0,56%	1,13%
Administrative staff	3,01%	0,78%	3,79%
Warehouse employees	7,20%	4,87%	12,07%
Sales network employees	80,52%	2,49%	83,01%

Composition of the Supervisory Board by age and diversity	The % breakdown for each category in 2018		Total percentage of each group in the SB in 2018
	Women	Men	
<30 years of age	0,0%	0,0%	0,0%
30-50 years of age	0,0%	40,0%	40,0%
>50 years of age	0,0%	60,0%	60,0%
Total % by gender	0,0%	100,0%	100,0%

Composition of the Management Board by age and diversity	The % breakdown for each category in 2018		Total percentage of each group in the MB in 2018
	Women	Men	
<30 years of age	0,0%	0,0%	0,0%
30-50 years of age	0,0%	50,0%	50,0%
>50 years of age	0,0%	50,0%	50,0%
Total % by gender	0,0%	100,0%	100,0%



**Collective labor agreements were not adopted in the CCC Group companies.**



# Innovations

**From 2018, employees can actively participate in the implementation of innovative solutions in the company thanks to the „Innovation Action“.**

It is a competition in which, using the Ideas Box on the Intranet, it is possible to submit innovative projects improving everyday work within 8 categories:

- our Employees;
- our Client;
- our Logistics;
- our IT;
- our products;
- our stores;
- other Departments;
- any other business.

The competition will be continued and held periodically at quarterly intervals. Each round of the competition will see the implementation of the 10 best ideas and prizes for the winners.

In 2018, 193 ideas were submitted, 10 of which were selected (9 awarded employees).

The implemented ideas are related to, e.g. improvements in the store system, improvement of communication among employees, new solutions in the CCC loyalty program.

## INNOVATION DAY

**In 2018, the employees also had the opportunity to take part in the Innovation Day organized on the premises of the CCC Research and Development Center.**

The idea was to familiarize employees with interesting solutions and stimulate them to innovate in their daily duties through access to expert knowledge, passion and creativity that are typical for start-ups. It is also an incentive to ask questions and try to experiment.

**During the Innovation Day, the companies selected in the Retail aCCcelerator program as well as other start-ups presented their ideas. The area of presentation and discussion included, inter alia, new solutions in retail, data collection, activities to support work organization.**



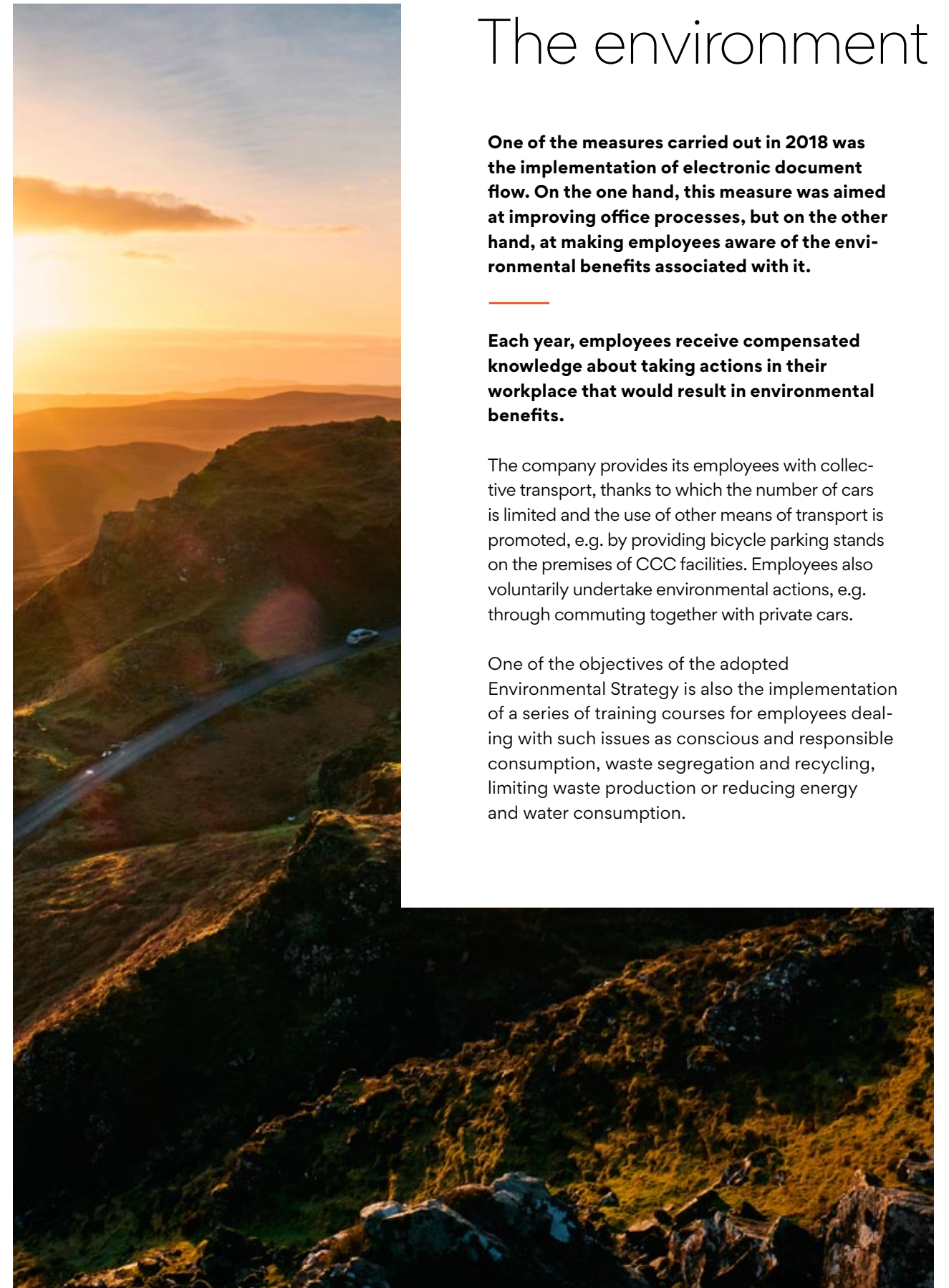
# The environment

**One of the measures carried out in 2018 was the implementation of electronic document flow. On the one hand, this measure was aimed at improving office processes, but on the other hand, at making employees aware of the environmental benefits associated with it.**

**Each year, employees receive compensated knowledge about taking actions in their workplace that would result in environmental benefits.**

The company provides its employees with collective transport, thanks to which the number of cars is limited and the use of other means of transport is promoted, e.g. by providing bicycle parking stands on the premises of CCC facilities. Employees also voluntarily undertake environmental actions, e.g. through commuting together with private cars.

One of the objectives of the adopted Environmental Strategy is also the implementation of a series of training courses for employees dealing with such issues as conscious and responsible consumption, waste segregation and recycling, limiting waste production or reducing energy and water consumption.







## Further commitments

**Implementing the personnel policy assumptions, in 2019 CCC will continually support the development of the competences of its employees through development programs, projects and trainings, including dedicated activities for the sales network. The goal of the CCC Group is to strengthen the position of CCC on the market as a reliable and attractive employer, therefore one of the challenges will be to further implement the Employer Branding strategy, thanks to which the Group employs the best candidates ready to go with CCC for more. Continuously caring for employees' satisfaction, activities will also be focused on continuous improvement of processes to influence work efficiency, build commitment and motivation, and at the same time maintain the role of business partner for the organization.**

**In the near future, the CCC Group plans to implement a comprehensive approach to diversity management, starting with the adoption of a diversity policy, which hitherto has been an element of other documents, such as the HR Policy, the Recruitment Procedure, the Code of Ethics.**

In 2019, it is to become binding in the form of a separate document, which will comprehensively define the approach to diversity and the most important aspects related to it.

In 2019, the company intends to further address the needs of students and will cooperate with student organizations, including the Business Education Forum at the Wrocław University of Economics. The purpose of cooperation with student organizations is to conduct Employer Branding and PR activities and to establish contacts with future potential employees of CCC. Moreover, the company is well aware that cooperation with universities from the local market is another important aspect. This year the company planned to launch a series of workshops under the CCC brand, which will be followed by paid internships for the best students.





Community  
Experience



# Characteristics

**CCC wants to share its success, have a positive impact on its immediate social environment, demonstrate opportunities and support local development.**

Thanks to the fact that CCC operates in 23 markets, it can be influential in a larger scale, implementing the CSR strategy throughout the CCC Group. Correspondingly to the scope of its activity, CCC engages in projects for local communities near Polkowice, where its headquarters are located, nationwide charity actions and global help for the most needy.

Social engagement is a significant area of CCC activity. In 2018, the Company responded to stakeholders' expectations from the dialogue session by improving communication and presenting forms of implementing actions for sustainable development.

# Challenges/risks

**It certainly is a challenge for CCC to enter into valuable intersectoral partnerships and to direct assistance to those who need it most. CCC deals with numerous requests for help and cooperation, supporting and engaging in activities that are in line with the Group's objectives and values.**

Another challenge for the Group is to strengthen the involvement of employees in volunteering projects and to raise their awareness of local communities' needs. CCC supports its employees in reporting their own grassroots initiatives and implementation of these. The risks that remain include lack of interest on the part of employees, local communities and discrepancies between the objectives set by CCC and the needs and proposals of volunteers. This may lead to a reduction in the number of employees engaging in social programs.



# Responsibility

- 1. Employee volunteering
- 2. Partnerships and support for local communities
- 3. Involvement through sport
- 4. Global activity

## 1. EMPLOYEE VOLUNTEERING

An important part of the CSR Strategy is the establishment of an employee volunteering scheme, which CCC intends to successively develop. Participation in volunteering initiatives is an opportunity for CCC - and its employees to prove themselves in a new situation, an opportunity to acquire new skills to be used in everyday work and an element of integration with other associates or the local community, since a well-functioning enterprise is based on a well-coordinated team.

CCC supports the commitment of its employees to local initiatives. In 2018, a grant program dedicated to administrative and office employees and sales outlets in Poland was launched. The main objective of introducing volunteering in the CCC Group is the integration of employees around common values and the involvement of as many employees as possible. Thanks to this, CCC volunteers can support local communities, create a positive corporate image and improve their competences.

Under the grant program, projects can be submitted in the following areas:

- Helping people in need, especially children and the youth,
- Support for people with disabilities,
- Environmental protection activities,
- Promoting a healthy lifestyle and physical activity,

## Go for more IN 5 STEPS TO HELP WITH THE GRANT PROGRAM



Grant contests	Edition I/2018	Edition II/2018
Number of applications submitted	13	4
Number of grants awarded	5	3
Number of localities	5	3
Number of CCC volunteers	21	projects are currently in realisation
Number of hours worked as part of volunteering	268	
Number of beneficiaries	562	



## Responsibility

1. Employee volunteering | 2. Partnerships and support for local communities | 3. Involvement through sport  
4. Global activity

### Projects implemented within the framework of the grant programme in Edition I/2018:

#### 1. REVITALIZATION OF THE „OSTOJA PRZYRODY” PARK AT THE PRIMARY SCHOOL IN STRACHOCIN

The project carried out by CCC volunteers covered 2 elements: Clean-up and maintenance works in the Ostoja Przyrody Park, during which plant care works were made, new vegetation was planted and elements of small architecture in the park were waterproofed. The second stage was the organization of the Family Festival, which aimed at promoting CCC and the school as institutions actively supporting environmental protection. It was an enormous satisfaction to observe the involvement of primary school children in the work of volunteers. Thanks to this, the park gained a new quality, but also the children raised their knowledge and awareness in the field of environmental protection.



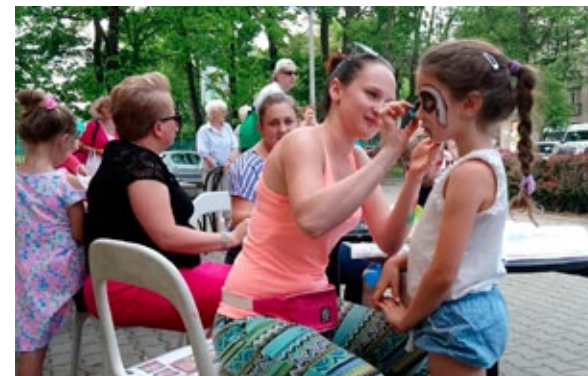
#### 2. OPEN UP TO AUTISM

The „Open Up to Autism” grant program organized in order to increase public awareness of autism. CCC volunteers from Gdańsk organized an „Open Day”, during which a fundraising for therapeutic classes for 7-year-old Julia was carried out.

Our employees prepared perfectly for the event, first by talking to Julia’s mother about the needs and necessary therapies. Among other things, a photo shoot of the girl was organised (the photos were then put up for auction, which took place during the Open Days), a charity candy shop, a children’s corner and an educational corner dedicated to disorders of autism spectrum. The employees genuinely put their hearts into organizing the event and encouraging as many people to participate as possible (including preparing information brochures, sending out invitations, hanging up posters).

#### 3. SKILL UP COMPETENCE RELAY

As part of the grant, theatre workshops were held for 12 junior high school students participating in the „Projekt Mokotów” Foundation project, which is addressed to children coming from smaller and medium-sized towns or from less affluent families whose parents or custodians do not have the means, opportunities or time to support their children in their education and development. The workshops took place in the Słupsk Cultural Centre, which cooperates with the local theatre – „Rondo”. During the series of workshops the play „Career of the villain” was prepared.



#### 4. REVITALIZATION OF THE GARDEN NEAR THE MUNICIPAL KINDERGARTEN IN ŁÓDŹ

CCC volunteers decided to turn the grey, unattractive garden near the Kindergarten into a colourful and pleasant place to play and rest for children and their carers. The kindergarten is located in the city centre, therefore each additional planted shrub and plant (especially in the area surrounding children) affects not only the aesthetics, but also the air quality. As part of the project, the volunteers undertook the following tasks: planting more than 60 shrubs, installing 2 city benches, sowing a new lawn, installing a bird feeder.

#### 5. CHILDREN'S DAY IN NOWA HUTA

As part of the event, CCC volunteers participated in three stages of the „Ukryte Skrzydła” Foundation work - they took part in the design, preparation and organization of integration games for children and teenagers. They were carried out during the „Magiczny czas...” festival, which took place on 1 June 2018. The event was held on 1 June 2018 outside the Ludowy Theatre in Nowa Huta in Kraków. During the Children’s Day we managed to provide various attractions for over 300 people.



Responsibility

1. Employee volunteering
2. Partnerships and support for local communities
3. Involvement through sport
4. Global activity

CCC is proud of the involvement of its employees not only in volunteering, but also in widely understood social initiatives.

„WOŚP” – THE GOCCC FOUNDATION

- CCC employees also actively participate in other voluntary activities. In 2018, they donated items for auction in the Polkowice headquarters of the Great Orchestra of Christmas Charity. The Management Board of the Company also donated one of the CCC city bicycles on the GOCCC auction platform. The bicycle was used by the ambassadors of CCC, who, spreading positive energy, travelled through Polish cities in order to promote the CCC brand and the opening of new sales stores.

„NOBLE GIFT“

- In December, CCC employees joined in the preparation of the Noble Gift for selected families. For one of them, the Investment Department undertook to renovate the flat, even though it was not on the list of needs. Over 100 parcels included necessities requested by families as well as Christmas gifts. Traditionally, all packages contained shoes, which were contributed by CCC.

„THE GIFT OF A GOOD HEART”

- Each year before Christmas, employees of the Sales Division organize „The Gift of a Good Heart” campaign. In 2018, thanks to the money raised, it was possible to buy a steam iron, a carpet or clothes for the children from the orphanage in Mroczków Gościnny.

„CHARITY IS NOT FATTENING“

- One of the actions organized in the Company was the „Charity is not fattening” action, during which employees brought cakes and the donations for them were handed over to a colleague from the IT Department for medical treatment.



VOLUNTEERING ABROAD

The employees of the CCC Czech subsidiary focused on three areas of charity. The employees of the head office in Prague, as every year, supported children from the Kangurek orphanage, run by an organization for children at risk. The employees of the stores organized a fundraising campaign for Kangurek in Litoměřice, a small town in northern Czech Republic, where charities and sponsorship are even more difficult to find. Children from this orphanage had a huge, unfulfilled dream - equipment for playing table tennis. Stores from across the Czech Republic teamed together and raised an impressive amount of money for which it was possible not only to buy a table tennis table, but also to provide a stay in a sanatorium for children in need. CCC additionally joined as a donor and each of the children could choose shoes for themselves.

Stores in North Moravia also initiated their project, which they called „Heart on the sleeve”. They supported an animal shelter in Olomouc with funds raised and additionally donated canned and dry pet food, treats for pets, towels, toys and many other things for abandoned animals.

CCC Slovakia repeated last year’s successful fundraising for children and their mothers in a difficult life situation, associated in the „Szansa” („Chance”) organization. On Mother’s Day and Children’s Day mothers and children were invited to our stores, where they could choose shoes according to their needs. Employees of Slovak stores additionally organized collections of clothes, sweets, books and toys.



EMBLEM OF CCC VOLUNTEERS

The emblem that accompanies our volunteers was designed by an employee of one of CCC stores in Szczecin - Aneta, as part of the contest organized by the Company for the logo of the CCC volunteering.

In order to familiarize volunteers with employee activities and initiatives, the Company created a Facebook profile and regularly publishes information on the employee intranet.





## Responsibility

1. Employee volunteering | 2. Partnerships and support for local communities | 3. Involvement through sport  
4. Global activity

### 2. PARTNERSHIPS AND SUPPORT FOR LOCAL COMMUNITIES

#### IN-KIND AND FINANCIAL DONATIONS

The basic form of financial support of CCC for local communities are grants awarded by our volunteers within the framework of grant contests. CCC also very frequently supports various institutions and organizations, as well as individuals directly through donations of footwear, which is particularly important in autumn-winter season. In 2018 nearly 1500 pairs of shoes were donated. In various unforeseen circumstances or in support of the activities of non-governmental organizations (NGOs), it is possible to provide the stakeholders with a financial donation. The terms of providing assistance in such cases will be regulated in the Policy of granting material and financial donations by CCC S.A., which will be officially implemented in 2019.

**As part of a joint initiative with AmRest volunteers, 100 pairs of footwear were donated for the homeless in the Market Square, Wrocław.**

Every Sunday, a group of about 100 homeless people, which once numbered less than 20, gathers in Plac Wolności (Freedom Square) in Wrocław. The gathered people await volunteers from „Zupa na Wolności” (The soup on freedom square), who give out warm meals.

The initiative was extended by the support offered by CCC in the form of donating winter footwear to those in need. In this way, a small grassroots initiative of a socially engaged employee could flourish with the help of businesses.

More: <https://www.facebook.com/zupanawolnosci/videos/2259760367614154/>

**In 2018, the Company, following its CSR strategy and designated directions of assistance, provided donations in the following forms:**

financial donations, e.g. to:

- Association for the Development of the Witelon State University of Applied Sciences in Legnica, known as the „Academic Community”;
- Charity Association „Życ Godnie” based in Polkowice;
- Association for Children and Young People „CHANCE” based in Głogów;

in-kind donations, e.g. for the benefit of:

- Educational Care Center Group in Bielsko-Biała;
- Educational Care Center Group in Strzelin;
- The Patriotic Association „Kresy” in Częstochowa;
- The „Hobbit” Foundation based in Wrocław;



## COOPERATION WITH PARTNERS

### ASSOCIATION FOR CHILDREN AND YOUNG PEOPLE „CHANCE” BASED IN GŁOGÓW

In 2018, one of the organizations that received support from CCC was the Association for Children and Young People CHANCE in Głogów, involved in working for the benefit of children, young people and their families. Last year, the Association launched a Children's Aid Centre (CPD). This is one of four such places in Poland where a child, together with parents and carers, will receive comprehensive assistance, as well as an interdisciplinary diagnosis and intervention. The CPD has a hearing room where children can be questioned by the court in friendly and safe conditions. CPD is a place for children who suffered violence, were sexually abused, for those in acute crisis, manifesting suicidal behaviors or for children engaged in legal procedures.

CCC started permanent cooperation with SZANSA. Apart from being Children's Aid Center, SZANSA is a space for young people, where they can realize their passions, develop talents and skills, work on changing their behavior, but also to get involved to help others or do some useful work for their local community. One of the directions of work with children and youth is to encourage them to be active and to demonstrate their own initiative. There are many examples of such youth initiatives, and employees who themselves received support from SZANSA in the past also participate in their implementation.

More: <https://facebook.com/SzansaGlogow/videos/314659449159318/>

### LEGNICA SPECIAL ECONOMIC ZONE

CCC, besides being a member of the Educational Cluster of the Legnica Special Economic Zone, is also involved in joint projects of the LSEZ. In 2018, together with the LSEZ, it participated in the Bike Marathon, during which, in a specially prepared zone, one could actively spend time with their families and take part in the competition.

More: <https://facebook.com/LSSElegnica/videos/1839196496162975/>

### PARTICIPATION IN CONFERENCES

CCC representatives were also actively involved in nationwide conferences covering CSR issues.

In 2018, these included, inter alia.:

- Responsible business - Responsible development. Due diligence in supply chains. Standards and practice;
- Non-financial reporting as a way to the RESPECT Index;
- Responsible Business Laboratory conference.

During panel discussions, CCC employees had the opportunity to share their knowledge, exchange experiences and communicate the CCC activities among recipients interested in the CSR issues.

### CSR FAIR

In April 2018, the CSR Fair was held - an event organised by the Responsible Business Forum, which annually attracts about 70 exhibitors and 2000 visitors. This year's Fair was held under the banner of „Business in cooperation”, thus for CCC as an exhibitor it was a perfect opportunity to acquaint the visitors not only with the principles of cooperation with NGOs and current partners, but also to exchange experiences with other CSR experts.

### PARTNERSHIP FOR THE IMPLEMENTATION OF SDGs

The CCC Group joined the partnership for the implementation of the UN Sustainable Development Goals (SDGs) during the „National Agenda Forum 2030 Agenda”. CCC transferred an individual commitment in which it confirms the implementation of specific activities / projects, which are part of the achievement of selected sustainable development objectives adequate to the company's operations.



## Responsibility

1. Employee volunteering | 2. Partnerships and support for local communities | **3. Involvement through sport**  
4. Global activity

### 3. INVOLVEMENT THROUGH SPORT

#### #RideForMore

**Involvement in sport is a part of building the company's value for its stakeholders. Athletes who promote the orange colours of CCC are among the best, not only in Poland, but also worldwide.**

In 2018, CCC revised its sports sponsoring strategy and strengthened its previous activities related to cycling by becoming the titular sponsor of three teams - the CCC Team, belonging to the UCI World Tour series, with the Olympic champion, Greg Van Avermaet; the CCC-Liv Women's Team, which will include Marianne Vos as the leader; and the continental team, the CCC Development Team.

#### CCC TEAM

CCC Team is a cycling group with a Polish licence in UCI World Tour. The team was formed through the transformation of BMC Racing Team. It is the first team with its seat in Poland, a Polish sponsor and a number of Poles on the team roster and in the management board. Thanks to the shirts with the UNICEF logo, the cyclists of the CCC Team proudly present their cooperation with UNICEF.

<https://www.facebook.com/CCCProTeam/>



#### CCC-Liv TEAM

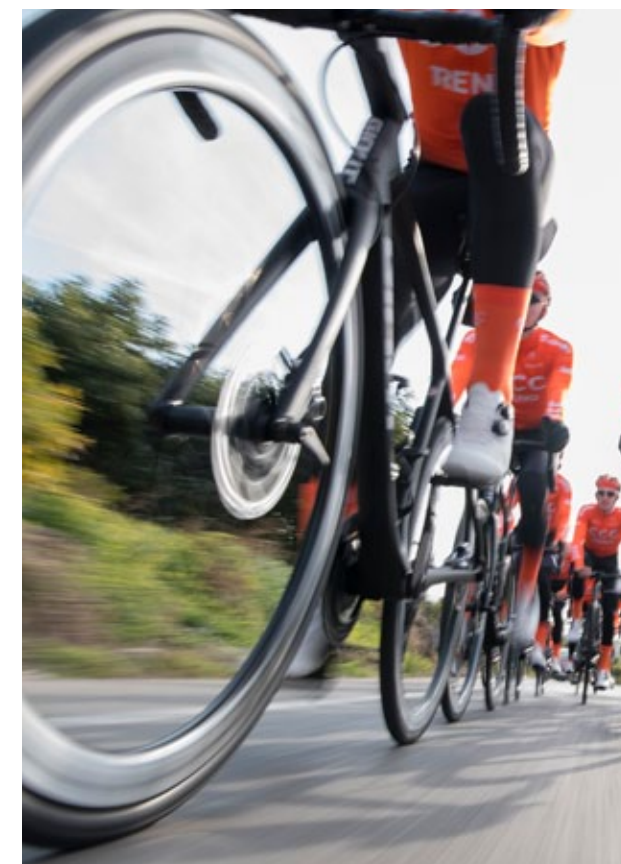
CCC-Liv Team is the first women's cycling team sponsored by CCC. It is a world-class group, which will appear on the routes of Women's World Tour races, a series of the major competitions in women's road cycling.

<https://www.liv-cycling.com/pl/teams-and-riders/ccc-liv-team/207>

#### CCC DEVELOPMENT TEAM

CCC Development Team is a continental group affiliated with the UCI World Tour team, the CCC Team. The professional cycling group of the CCC Development Team is a titled Polish cycling group which aims to develop future champions.

<https://cccsport.eu/>



**CCC Development Team (in 2018 CCC Sprandi Polkowice) seeks to make its fans smile not only through sports results, but also through various types of meetings.**

In December, cyclists of the CCC Development Team together with the Polkowice Commune organized an exceptional cycling competition „Cyklomaniak” in two primary schools. Three of the orange - Michał Paluta, Patryk Stosz and Piotr Brożyna hosted the event. They played the role of judges and coaches, cheering students and giving them valuable tips.

Young cycling enthusiasts had to face an obstacle course race to be overcome on two wheels and also tested their skills on a cycling trainer. Participants from 13 different grades gave their best and all of them could come back from these competitions as winners, additionally receiving a gift.

Representatives of the CCC Development Team, Mateusz Taciak and Adam Pluciński, also visited the children's ward of the Regional Health Centre in Lubin in 2018. The meeting with children undergoing treatment there was held under the slogan „Polkowice sports - to strengthen hearts”. Young cycling fans and bicycle enthusiasts could learn about the life of a professional cyclist.

Cyclists are also eager to talk about their passion and work on the occasion of children from kindergartens visiting the headquarters of the CCC Development Team, where they can see bicycles, cars, trucks and other vehicles, which during the season are used by team members and the staff, travelling all over Europe and beyond.



Responsibility

1. Employee volunteering
2. Partnerships and support for local communities
3. Involvement through sport
4. Global activity

BASKETBALL

CCC also continues the sponsorship of the women’s basketball team. CCC’s involvement and common experience with basketball began in 2000. In that same season, the basketball players were promoted to the first division. Since 2014 the club has been representing Polish basketball on the international arena, competing against the best teams of women’s basketball in Europe. In 2018, the CCC Polkowice team won the Polish Championship for the second time (2012/2013).

 <http://kosz.mkspolkowice.pl/>



TRIATHLON

One of the best athletes in this discipline, Krzysztof Augustyniak, competes in orange colours. He represents Poland at the European Championships in Triathlon, and in 2018 he won the silver medal at the Polish Championships in Triathlon at the IRONMAN distance.

 <https://www.facebook.com/Krzysztof.Augustyniak.Triathlon/>

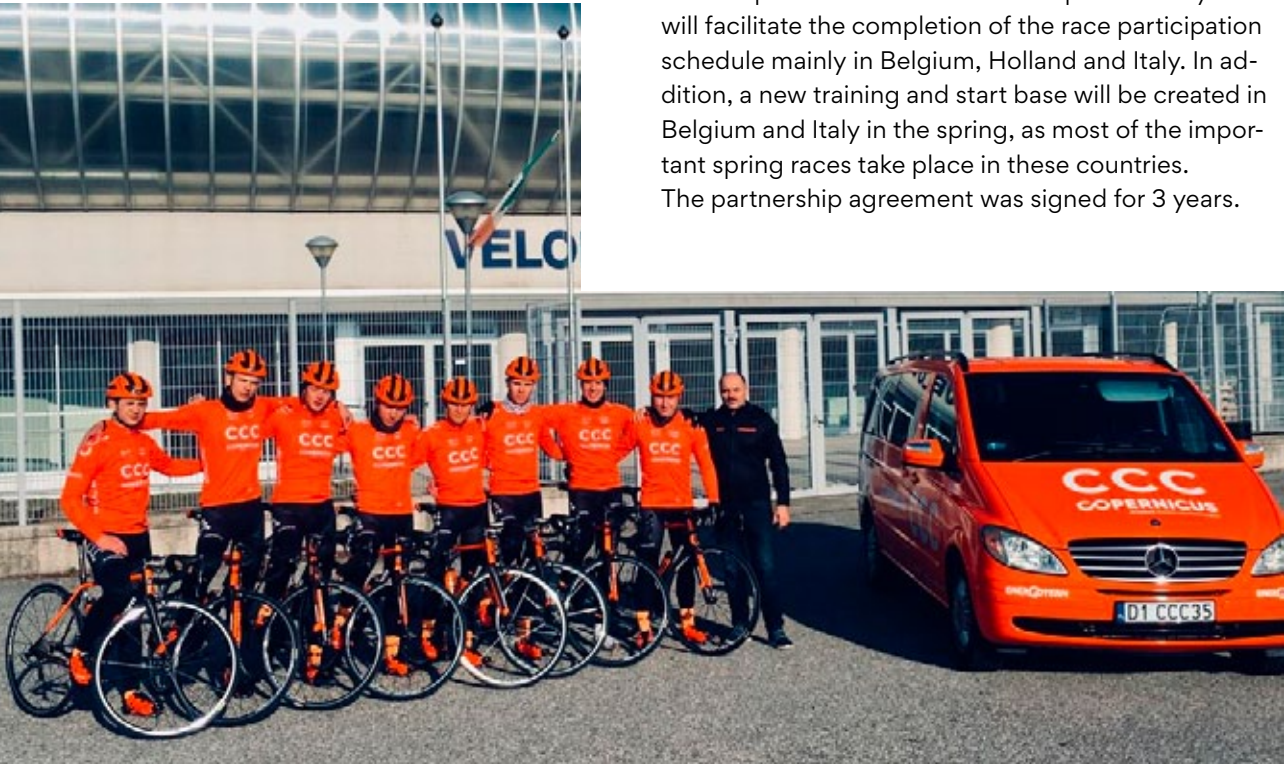
**The Group’s sponsoring policy is consistent with strategic and marketing objectives. CCC is involved in projects that help to achieve the objectives set at the local, national and international level. When selecting sponsoring activities, it is significant whether the nature of the project is consistent with the area of interest of the CCC, as well as the experience and good reputation of the organizer.**

PROMOTING SPORTS AMONG CHILDREN AND THE YOUTH

SPONSORING OF MKS POLKOWICE

CCC supports MKS Polkowice, which is the largest club in Poland specializing in training children and youth in road and mountain cycling. In 2015, MKS Polkowice took first place in the Polish MTB Cycling Schools Championships team standings. Miejski Klub Sportowy Polkowice is an organizer of cycling events for children from primary schools under the name of MTB Cycling Schools League of the Copper Belt. In the 2018 season, the cyclists competing in the national competitions stood 31 times on the podium (15 times taking first places, 9 times second and 7 times third place on the podium). Currently, about 60 boys and girls aged 9 to 20 take part in trainings systematically. Classes are held six days a week in four age groups.

 <http://kolarze.mkspolkowice.pl/>



PARTNERSHIP WITH THE MICHAŁ KWIATKOWSKI ACADEMY COPERNICUS

At the end of 2018, a strategic partnership between CCC and the Academy of Michał Kwiatkowski Copernicus was announced. CCC and the most titled Polish cyclist Michał Kwiatkowski, teamed together in order to support and promote talented cyclists of the young generation. Michał Kwiatkowski and his team of coaches and social activists from Toruń have been creating a club for 5 years, which over the course of several seasons has become one of the most successful Polish youth teams.

Throughout 5 seasons, Copernicus team members stood on the podium of national races more than 1000 times, won over 200 Polish Championship medals, as well as medals of the European and World Championships. The club from Toruń is currently training over 100 players in four age categories - from juvenile to junior. The next step in the development will be regular starts abroad. Increasing the budget and cooperation with other teams sponsored by CCC will facilitate the completion of the race participation schedule mainly in Belgium, Holland and Italy. In addition, a new training and start base will be created in Belgium and Italy in the spring, as most of the important spring races take place in these countries. The partnership agreement was signed for 3 years.



Responsibility

- 1. Employee volunteering
- 2. Partnerships and support for local communities
- 3. Involvement through sport
- 4. Global activity

4. GLOBAL ACTIVITY

GLOBAL PARTNERSHIP WITH UNICEF

CCC has always supported charitable activities, and, thanks to the strength of its brand and increasing international success, has decided to partner with the UNICEF - the largest humanitarian and development organization supporting children.

The CCC Group was the first Polish company to become a global partner of UNICEF. Over the course of three years, CCC will provide funds to help children around the world. UNICEF is a humanitarian and development organization supporting children. It operates in small villages and alongside governments because it believes that every child, regardless of birthplace, skin color or religion, has the right to a healthy and safe childhood.

The partnership will be communicated in CCC footwear stores in 21 countries, including Poland, the Czech Republic, Germany, Austria, Switzerland and Hungary. Cycling team of CCC Team was also included in the partnership. The shirts of the cyclists will be labeled with the UNICEF logo. Thus, the cycling group which belongs to CCC will proudly present the partnership with UNICEF and the company’s involvement in efforts for the benefit of children during races all over the world.



Innovations

CCC together with its partners launched the Retail aCCcelerator, an acceleration platform dedicated to young and innovative companies developing new solutions for retail. This is an opportunity for the best teams to accelerate their development and adapt to real market conditions.

The aim is to accelerate the development of innovative ideas and products for customers and retailers.

The projects will be filtered and selected with the assistance of CCC Partners and companies submitting them will have the opportunity to test their ideas with specialists cooperating with CCC, confront them with the customers and to track their market entry time.

The first 5 selected start-ups had the opportunity to present themselves during the Innovation Day organized at the headquarters of the Company.





# The Environment

**Popularizing ideas and shaping environmental habits and pro-environmental attitudes is the major driver of changes taking place in society at every level. In 2018, CCC together with its partner - a waste recycling organization organized lessons on recycling for primary school children of the 1st - 3rd grade. The aim of the classes was to build children's attitudes and environmental awareness in cooperation with local educational institutions. The workshops were attended by a total of 74 young participants.**

Workshops and environmental education are one of the core elements of the Environmental Strategy implemented in 2018. In the following years, similar initiatives will be continued.

Other priorities within the Environmental Strategy are: minimizing the business activity impact on the natural environment and reducing energy consumption and greenhouse gas emissions.

CCC aims to reduce energy consumption and greenhouse gas emissions through, for example: the use of energy from renewable sources, including own solar energy. A photovoltaic farm located on the building of one of the warehouses in Polkowice generates annual benefits from energy savings and CO<sub>2</sub> emissions reduction.

The main areas of consumption, and thus energy savings as part of the activities performed at the CCC headquarters are determined through the operation of a modern, integrated ZENON power grid control system.

This comprehensive software implemented by us for improved supervision of the power infrastructure of the facilities allows for efficient monitoring, analysis and reporting of data in area of energy.



The main energy consumers at the Company's headquarters are:

- ventilation and air-conditioning systems for office spaces,
- warehouse space lighting in connection with the 3-shift operation system,
- compressor system operation,
- automated storage and retrieval system operation in the AWS facility.

New investments, both at the design and implementation stage, take into account the use of energy-saving technologies. The implemented measures include the transition to energy-efficient, sensor-controlled solutions for managing energy consumers in facilities.

In the commissioned facilities of the Research and Development Center, the energy consumption reduction is ensured by an advanced BMS system, which is designed to manage the building's lighting intelligently. The system is equipped with sensors which, depending on the level of sunlight in the building, automatically adjust its illumination.

Energy consumption in the Group's major companies (with the largest impact on energy consumption)	CCC S.A.	CCC Factory Sp. z o.o.	eobuwie.pl SA eobuwie.pl Logistics Sp. z o.o.
Total energy consumption from non-renewable resources (own or purchased) by type of resource	Amount (MWh)		
Natural gas	4651,516	1710,1	1066,93
Total energy consumption from renewable resources (own or purchased) by type of resource	Amount (MWh)		
Solar energy	78,434		
Total consumption of energy generated or purchased divided into: electrical, thermal	Amount (MWh)		
Electricity	6070,333	1659,743	1271,41
Total energy consumption	10800,283	3369,843	2338,34

A further step to minimize the negative environmental impact is the modernization of the existing car fleet. In 2017, CCC began to replace the fleet with hybrid vehicles by purchasing the first 20 cars of this type, which accounted for about 20% of the fleet, while in 2018, the replacement of 70 more cars was consistently continued in order to reduce operating costs as well as to reduce greenhouse gases. **At the end of 2018, hybrid cars accounted for 40% of the entire fleet.**

In the following years, the company also plans to purchase electric cars to move around the company's premises in Polkowice and its immediate vicinity.

Greenhouse gas emissions	CCC S.A.	CCC.eu Sp. z o.o.	CCC Factory Sp. z o.o.	eobuwie.pl S.A. eobuwie.pl Logistics Sp. z o.o.
Direct emissions	Greenhouse gas emissions [tCO <sub>2</sub> e]	Greenhouse gas emissions [tCO <sub>2</sub> e]	Greenhouse gas emissions [tCO <sub>2</sub> e]	Greenhouse gas emissions [tCO <sub>2</sub> e]
Emissions from electricity	4370,397		1194,949	
Emissions from natural gas combustion	811,559		345,986	124,61
Emissions from the transportation of materials, products and waste	671,407	447,869	26,586	225,034
Total direct emissions	5853,363	447,869	1567,521	349,65

**In 2018, the companies of the CCC Group were not subject to any penalties related to environmental protection.**





## Further commitments

**The Company maintains its decision to continue the dialogue with stakeholders in order to obtain information on stakeholder needs in the following areas: responsible product and responsible sales, workplaces, environmental impact, social engagement of the Group.**

CCC appreciates the reported expectations towards future actions. At the same time, the Company undertook to communicate and present its activities in sustainable development both locally and in a broader scope. The Company plans to conduct another stakeholder panel in the first half of 2019. In 2019, it is also planned to implement formal regulations under which the Company will provide in-kind and financial support, as well as undertake sponsorship activities

**The priority in the field of environmental protection are measures aimed at reducing CO<sub>2</sub> emissions by increasing the consumption of energy from renewable resources in the Group' overall energy balance.**

Renewable energy sources such as solar energy, geothermal energy, wind farms, energy from biogas and biomass combustion are the sources of „cleaner, greener“ energy, which is the most environmentally friendly. The generation of such energy does not pollute the atmosphere. By 2021, it is planned to increase the share of renewable energy sources in the total energy consumption to 50%. Such a share of green energy would reduce annual CO<sub>2</sub> emissions by about 13,000 tonnes per year.

Another measure to reduce CO<sub>2</sub> emissions is forest planting, jointly with the local Forest Districts. It is the most effective way to offset carbon emissions from economic activity. The solution is environmentally friendly and of great educational value.



# About The Report

The non-financial report includes data for the period from January 1 to December 31, 2018.

In accordance with good international practice and the Polish market, the publication was created in accordance with the standards of the Global Reporting Initiative (GRI Standards) in the Core option. The requirements of the EU Directive 2014/95 and the resulting changes introduced to the Accounting Act regarding the disclosure of non-financial data have also been met. Non-financial report coverage includes CCC S.A. and the CCC Capital Group.

In accordance with the regulatory requirement, the financial data are presented separately in consolidated form and for CCC S.A. The report has not undergone external verification. In subsequent years, responding to the requirements of the Accounting Act (UoR), the report will be published on an annual basis.

The previous non-financial report covering the period from January 1 to December 31, 2017 was published on March 26, 2018. In relation to it, significant changes in this report relate to the scope - in the reporting period, the CCC Group acquired 100% shares in Shoe Express S.A., 70% shares in Karl Voegelé AG and 51% shares in DeeZee Sp. z o.o.

The non-financial report keeps the consistency of economic entities included in the consolidated financial statements. Some subsidiaries have not been covered by the consolidation due to the immateriality of the data.

Data regarding: energy consumption, water consumption, waste size do not contain information about other subsidiaries and stores, due to the media coverage in the price of renting m<sup>2</sup> of space.

Entity	Type of activity	Scope of the CCC Group's non-financial report
CCC S.A. spółka dominująca	management	yes
CCC Factory Sp. z o.o.	manufacturing	yes
eobuwie.pl S.A	e-commerce	yes
DeeZee Sp. z o.o.	e-commerce	yes
CCC.eu Sp. z o.o.	distribution	yes
CCC Germany GmbH	distribution	yes
CCC Czech s.r.o	distribution	yes
CCC Austria Ges.M.b.H.	distribution	yes
CCC Hrvatska d.o.o.	distribution	yes
CCC Russia Sp z o.o.	distribution	yes
CCC Shoes Bulgaria EOOD	distribution	yes
CCC Obutev d.o.o.	distribution	yes
CCC Slovakia s.r.o.	distribution	yes
CCC Hungary Shoes Kft.	distribution	yes
CCC Shoes & Bags d.o.o. Beograd — Novi Beograd	distribution	yes
Karl Voegelé AG	distribution	yes
Shoe Express S.A.	distribution	yes
CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi	distribution	no
Eobuwie.pl Logistics Sp. z o.o.	other activity	yes
Eschuhe.de UG	other activity	no
Branded Shoes&Bags Sp. z o.o.	other activity	no
CCC Isle of Man Ltd.	other activity	no
CCC Shoes and Bags Sp. z o.o	other activity	no
NG2 Suisse S.a.r.l.	other activity	no

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

- Steps of identification, prioritization and validation have been carried out. In order to define the issues important for the organization in the field of sustainable development and responsible business the following has been made: internal analysis and analysis of the business environment. To this end, in 2017, a survey was conducted among 295 employees and customers representatives and a dialogue session based on the international standard AA1000SES dialogue. The session was attended by 17 external experts - representatives of public administration, consumer organizations, financing institutions, non-governmental organizations, business partners, universities and neighbours - with the participation of a member of the CCC Group Management Board. The assumptions of the Report, relevant topics and indicators have been accepted by the managerial staff. Opinions and expectations of stakeholders were taken into account in the previous report and in this non-financial report for 2018. The next dialogue session will be held in 2019, in accordance with the Company's decision to conduct the dialogue at two-year intervals.
- Consistency with 10 GRI principles has been maintained regarding content definition (materiality, sustainability context, stakeholder coverage, completeness) and quality of the data presented (balance, reliability, comparability, accuracy, timeliness, transparency).
- In accordance with GRI requirements in the Core option, profile indicators and selected detailed indicators have been reported within relevant topics. The list of indicators is presented in the GRI Index.

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

- Market responsibility**  
[Topics particularly relevant to customers, suppliers and subcontractors]
- Safety and quality of the product
  - Customer relationship (including service standards)
  - Responsible sales in CCC stores
  - Transparency in the product development cycle and accountability standards in the supply chain (including counteracting human rights violations)
  - Process and production innovation

- Responsibility at workplace**  
[Topics particularly relevant to current and potential employees of the factory, stores, office and administration]
- Conditions of employment and relations with employees
  - Occupational Health and Safety
  - Staff development
  - Equal opportunities (diversity)
  - Ethics (including counteracting corruption and bribery, discrimination)

- Responsibility towards the social environment**  
[Topics particularly relevant to the local community, beneficiaries of actions and employees]
- Sponsoring and philanthropic activities
  - Employee social involvement

- Responsibility towards the environment**  
[Topics particularly relevant to clients, employees and the local community]
- Implementation of environmentally friendly technologies in the production process and logistics
  - Reducing the negative impact of the company in the office and shops



We are open to your questions or opinions. Please address them to Magdalena Kaźmierczak (CSR Coordinator) and Anna Natanek (Manager of the Organization and Investor Relations Office) to the email address: [csr.eu@ccc.eu](mailto:csr.eu@ccc.eu).



GRI INDEX

Number of GRI Standard	Indicator number	Indicator title	Required at the CORE level	Page
Assumptions and basics of reporting				
GRI 101		Assumptions and basics of reporting	CORE	114
PROFILE INDICATORS				
Profile of organization				
GRI 102	102-1	The name of the organization	CORE	8
GRI 102	102-2	Description of the organization's activities, main brands, products and / or services	CORE	8
GRI 102	102-3	Location of the organization's headquarters	CORE	14
GRI 102	102-4	Location of operating activity	CORE	14
GRI 102	102-5	Form of ownership and legal structure of the organization	CORE	25
GRI 102	102-6	Served markets	CORE	16
GRI 102	102-7	Scale of activity	CORE	16
GRI 102	102-8	Data regarding employees and other persons providing work for the organization	CORE	73
GRI 102	102-9	Description of the supply chain	CORE	42
GRI 102	102-10	Significant changes in the reporting period regarding the size, structure, ownership form or value chain	CORE	25
GRI 102	102-11	Explanation of whether and how the organization applies the precautionary principle	CORE	33
GRI 102	102-12	External, adopted or supported by an economic, environmental organization	CORE	21, 103
GRI 102	102-13	and social declarations, rules and other initiatives	CORE	21
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GRI 102	102-14	Statement by the top management	CORE	2
GRI 102	102-15	Description of key influences, opportunities and risks		33
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GRI 102	102-17	Internal and external mechanisms to obtain advice on behaviour on ethical and legal issues and matters related to the integrity of the organization		31
Corporate governance				
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GRI 102	102-22	Number and gender of members of the highest supervisory/management body and its members		25
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GRI 102	102-41	Employees covered by collective agreements	CORE	89
GRI 102	102-42	Basis for identifying and selecting stakeholders engaged by the organization	CORE	38
GRI 102	102-43	An approach to engaging stakeholders including the frequency of involvement by type and group of stakeholders	CORE	38
GRI 102	102-44	Key topics and problems raised by stakeholders and the response from the organization, including by reporting them	CORE	39
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GRI 102	102-46	The process of defining report content and the boundaries of aspects	CORE	115
GRI 102	102-47	Significant topics identified	CORE	115
GRI 102	102-48	Explanations regarding the effects of any adjustments to information contained in previous reports, giving reasons for their introduction and their impact (e.g. mergers, acquisitions, change in the year / base period, nature of operations, measurement methods)	CORE	n.d.
GRI 102	102-49	Changes in reporting	CORE	114
GRI 102	102-50	Reporting period	CORE	114
GRI 102	102-51	Date of publication of the last report (if published)	CORE	114
GRI 102	102-52	Reporting cycle	CORE	114

Number of GRI Standard	Indicator number	Indicator title	Required at the CORE level	Page
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GRI 102	102-54	Indication whether the report was prepared in accordance with the GRI Standard in the Core or Comprehensive option	CORE	114
GRI 102	102-55	GRI index	CORE	116
GRI 102	102-56	Policy and current practice in the field of external verification of the report	CORE	114
Management approach				
GRI 103	103-1; 103-2; 103-3	Management approach and its elements in the area of Compliance with laws and regulations Evaluation of management approach in a given area	CORE	31
GRI 103	103-1; 103-2; 103-3	Management approach and its elements in the area of Employment Evaluation of management approach in a given area	CORE	72
GRI 103	103-1; 103-2; 103-3	Management approach and its elements in the area of Education and training Evaluation of management approach in a given area	CORE	84
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GRI 103	103-1; 103-2; 103-3	Approach to management and its elements in the area of social Assessment of suppliers Evaluation of management approach in a given area	CORE	48
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THEMATIC INDICATORS				
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Economic results				
GRI 201	201-1	Direct economic value generated and divided (including revenues, operating costs, employee remuneration, subsidies and other investments for the benefit of the community, undivided profits and payments to owners of capital and state institutions)		22
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GRI 202	202-1	The remuneration of employees at the lowest level by gender in relation to the minimum wage on a given market in the main locations of the organization		81
GRI 202	202-2	The percentage of top management gained from the local market in major locations		73
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GRI 203	203-1	Contribution to infrastructure development and provision of services to the public through commercial activities, transfer of goods and pro bono activities. The impact of these activities on society		96
GRI 203	203-2	Identification and description of significant indirect economic impact along with distinguishing the scale and scope of impact		108
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GRI 204	204-1	The share of expenditure on services / products of local suppliers in the main		42



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GRI 205	205-3	Confirmed cases of corruption and actions taken in response to them		31
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GRI 303	303-1	Total water collection by source		53
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Sewage and waste				
GRI 306	306-2	Total weight of waste by type and disposal method		54
GRI 307	307-1	Monetary value of fines and total number of non-monetary sanctions for non-compliance with laws and / or regulations regarding environmental protection		111
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GRI 401	401-1	Newly employed employees and leavings		76
GRI 401	401-2	Additional benefits provided to full-time employees that are not available to temporary or part-time employees		78
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GRI 403	403-1	Percentage of the total number of employees represented in formal committees (which include management and employees) for occupational health and safety, which advise on health and safety programs at work and monitor such programs		83
GRI 403	403-2	The rate of injuries, occupational diseases, lost days and absences from work and the number of work-related fatalities		82
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GRI 416	416-1	Assessment of the impact of relevant categories of products and services on health and safety		47
GRI 416	416-2	Cases of non-compliance with regulations and voluntary codes regarding the impact of products and services on health and safety		47

Number of GRI Standard	Indicator number	Indicator title	Required at the CORE level	Page
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Compliance with socio-economic regulations				
GRI 419	419-1	Non-compliance with legal regulations and socio-economic regulations		47

REQUIREMENTS OF THE ACCOUNTING ACT REGARDING THE PUBLICATION OF NON-FINANCIAL DATA

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





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