

Comfort Report

2023



Connecting the Dots

A summary of our Purpose, Corporate Responsibility, and Sustainability activation in 2023

CROCS inc.  TM

Inclusivity

Read more starting
on pg. 11 →

Crocs, Inc. will foster inclusive workplaces in which individuality is a path to opportunity for our workforce and a source of collective strength.

To be an employer of choice, we need to create spaces for our people to show up authentically, support one another fully, and bring their ideas to the table freely. For any of that to transpire, those spaces also have to be safe. That's why our occupational safety practices are core to our inclusivity strategy. In 2023, our teams led major initiatives at each of our distribution centers to further embed best practices, rigorous evaluations, and crucial discussions to further strengthen our safety management program.

Circularity

Read more starting
on pg. 21 →

Crocs, Inc. will champion circular models of production and consumption through more innovative product design and collaboration.

We're now giving old Crocs shoes a chance at a new life through the launch of our retail takeback program. As part of the pilot, we placed dedicated collection boxes at participating retail locations that, once filled, were taken to our partners at Soles4Souls, who helped sort and determine the shoes' next-best path to reuse. In 2024, we plan to expand this program to include over 150 U.S. retail stores and provide a mail-in option to make it easier to engage in the program from home.

1.52

Total Recordable Incident Rate (TRIR)

in 2023

45

U.S. retail stores

were involved in the pilot retail takeback program in 2023

672,662

metric tons CO₂e

total Crocs, Inc. emissions in 2023

We have a Responsibility to act...

on our Purpose strategy.

\$12.1M

total financial and in-kind donations

in 2023

Climate Stability

Read more starting
on pg. 29 →

Crocs, Inc. will work to mitigate our contribution to climate change and recalibrate our resource use.

In 2023, we took a closer look at our path to 'Net Zero by 2040' goal and completed our most comprehensive assessment to date of the emissions reduction interventions available to us. This included examining ways to accelerate our use of bio-circular materials in our Croslite™ compounds, reduce our reliance on highly emissive transportation modes for our products, and explore renewable energy solutions at our facilities.

Community

Read more starting
on pg. 41 →

Crocs, Inc. will address barriers to unlock opportunities for all communities to be safe, resilient, and thriving.

In evaluating how we can create comfort for communities, we've found that the most authentic way for us to drive positive impact is by using our resources, platform, and capacity for connection to create the space for others to step up with agency and authenticity. In 2023, we continued to work with our nonprofit partners to create pathways for people to unlock their potential, step up to greatness, and create measurable impact.

Relevant footnotes are included throughout the report.

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Read on for more information about Crocs, Inc.'s responsibility to act on Purpose

We are proud to share our 2023 Comfort Report, our third annual disclosure on Crocs, Inc.'s **Purpose**, Corporate Responsibility, and Sustainability activation. Unless stated otherwise, the information provided in this report covers the 2023 calendar year – from January 1, 2023 to December 31, 2023. This report also encompasses the full Crocs, Inc. enterprise, inclusive of both the Crocs™ brand and HEYDUDE™ brand.

For more information about our business performance in 2023, please see our 2023 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (SEC) on February 15, 2024.

For questions, please contact sustainability@crocs.com.

A Letter from Our CEO

The 2023 Comfort Report is our third annual progress update on our Purpose strategy. It also marks our second year as a multi-brand enterprise with four global impact ambitions in support of that Purpose. Overall, 2023 was a year of record business growth, deliberate investments, and important reflections. We’ve deepened our understanding of our industry, market presence, and business model that will further sharpen our focus on where we can create long-term value for our stakeholders, our business, and our communities.

Our teams remain focused on sustainable, profitable growth that enables continued investment in innovation and consistent delivery of products that exceed customer and consumer expectations. **To create a more comfortable world for all,** we must also consider environmental impact and the well-being of the global communities we interact with each step of the way.

Building upon our guiding pillars of Comfort for The Planet, Comfort for Our Communities, and Comfort for All People, this year’s efforts led to promising results that demonstrate how we can continue to align to our Purpose:

- 1

Inclusivity

We refined our enterprise inclusivity strategy to further support our “Come As You Are” ethos and align with our core business objectives.
- 2

Circularity

We piloted a circular model of consumption through our retail takeback program in the U.S.
- 3

Climate Stability

We began to identify emissions reduction opportunities across our value chain on our path toward Net Zero by 2040, and started to see the impact of our materials innovation.
- 4

Community

We clarified our strategy for how we can use our voice and resources to support our nonprofit impact partners’ efforts.

We also recognize that we are in the foundation-building stage of creating positive impact. Our ability to drive progress across our global impact ambitions requires strong oversight, accountability structures, and integrated policies that formalize the connections between our business model and its associated social and environmental risks and opportunities. Importantly, we came into 2024 from a position of strength as a business,¹ which we plan to leverage in order to reveal the tremendous untapped opportunities of our Purpose strategy. I remain confident in both the values and vision we’ve instilled into our culture and the full potential of our brands, products, and people to drive future success and move the needle on our Purpose.

U. Rees

Andrew Rees
Chief Executive Officer, Crocs, Inc.



Our Purpose is to Create a More Comfortable World for All.

This report will explain what Purpose means to Crocs, Inc. as we integrate our strategy throughout our operations.

Our hope is to more closely align our successful business growth with greater positive impact for our stakeholders.

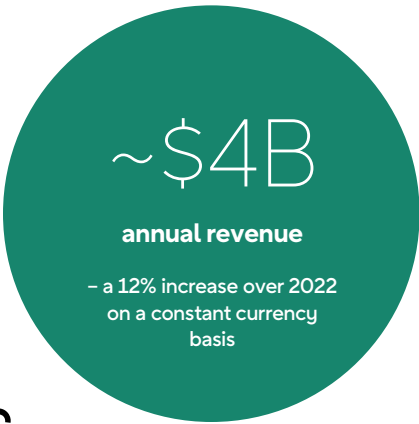


A Year in Review

Crocs, Inc. has become a world leader of innovative, casual footwear for women, men, and children. Our successful formula of modern comfort, simple aesthetic, and easy on-and-off has proven to hold value that translates across the globe. Both the Crocs and HEYDUDE brands are positioned to create positive impact in our operations and supply chain – and eventually in the footwear industry at large – by thoughtfully adding to that formula with progress toward more transparent, socially conscious, and sustainable business practices.



The Crocs brand had the Collection of the Year, according to Footwear News!



A Portfolio of Comfort-First Products

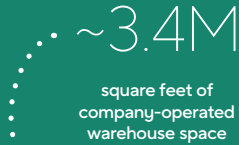
The Crocs clog silhouette is unmistakably iconic and has sparked a movement of innovation and personalization that has led to a broad Crocs, Inc. portfolio for diversified wearing conditions. Our Crocs and HEYDUDE products continue to sit at the nexus of comfort and value as we offer all-season products for people of all ages, while remaining true to our core casual footwear heritage. In 2023, we repeatedly brought our consumers new versatile silhouettes, compelling collaborations, increased personalization, and trend-right colors and graphics. Personalization and self-expression are megatrends that we continue to step into with styles that are both globally reaching and long-lasting.



Our Continued International Reach

After a record-breaking 2023, we are on the offense to drive growth around the globe and plan to make strategic investments to set the business up for continued success. We sell our footwear in more than 80 countries across wholesale and direct-to-consumer channels, including retail and e-commerce channels. In 2023, the Crocs brand had tremendous growth in Australia and China; our outlet retail strategy for HEYDUDE kicked into a new gear – and there is untapped potential still to be unlocked. Our growth is highly strategic, aimed at effectively balancing business success and Purpose. As we expand internationally, we recognize our responsibility to contribute to community, collaboration, and inclusivity on a global scale.

One key factor contributing to our international expansion is the strength of our global supply chain. In 2023, we took steps to expand our manufacturing presence into India, which is an important part of our strategy to better serve the region, diversify manufacturing, and increase the resiliency of our operations moving forward.



*During 2023, we further expanded our U.S. distribution centers in Nevada to increase distribution capacity for the HEYDUDE brand. We also utilized third-party operated distribution centers located in the United States, Japan, China, Australia, Korea, Singapore, India, Brazil, and the United Kingdom.
**As of December 31, 2023, we had 349 and 14 company-operated stores for the Crocs brand and HEYDUDE brand, respectively. HEYDUDE operates primarily in the U.S.
***Third-party suppliers' refers to Tier 1 factories and Tier 2 suppliers that support the Crocs and HEYDUDE brands. Not all factories and suppliers are used by both brands.



Acting on Purpose ●

Our Purpose is to Create a More Comfortable World for All.

This includes: ● **Comfort for The Planet** ● **Comfort for Our Communities** ● **Comfort for All People**

Looking at the Big Picture

As a business, we envision a world where everyone is comfortable in their own shoes. After all, comfort is the crux of our winning strategy as a global leader in the footwear industry. We are proud that our products help people express themselves and live a little more comfortably, and we know we can – and should – do more. We can leverage our brands for good and advocate for change in our communities, along our value chain, and for our employees. How we grow matters – we need to be intentional at every step and stay attuned to what our stakeholders need to thrive. That’s where our Purpose strategy comes into play.

We continue to operate in a world of uncertainty – from geopolitical instability to emerging and ever-evolving global regulations. Our team is watching how these (and other) risks could affect our company and our stakeholders, so we can show up where and when we’re needed the most. That’s why our impact ambitions are strategically aligned with what’s good for our business, the planet, our communities, and our employees. We are future-proofing our efforts where we can, taking steps today to set us up for a more equitable and sustainable tomorrow.

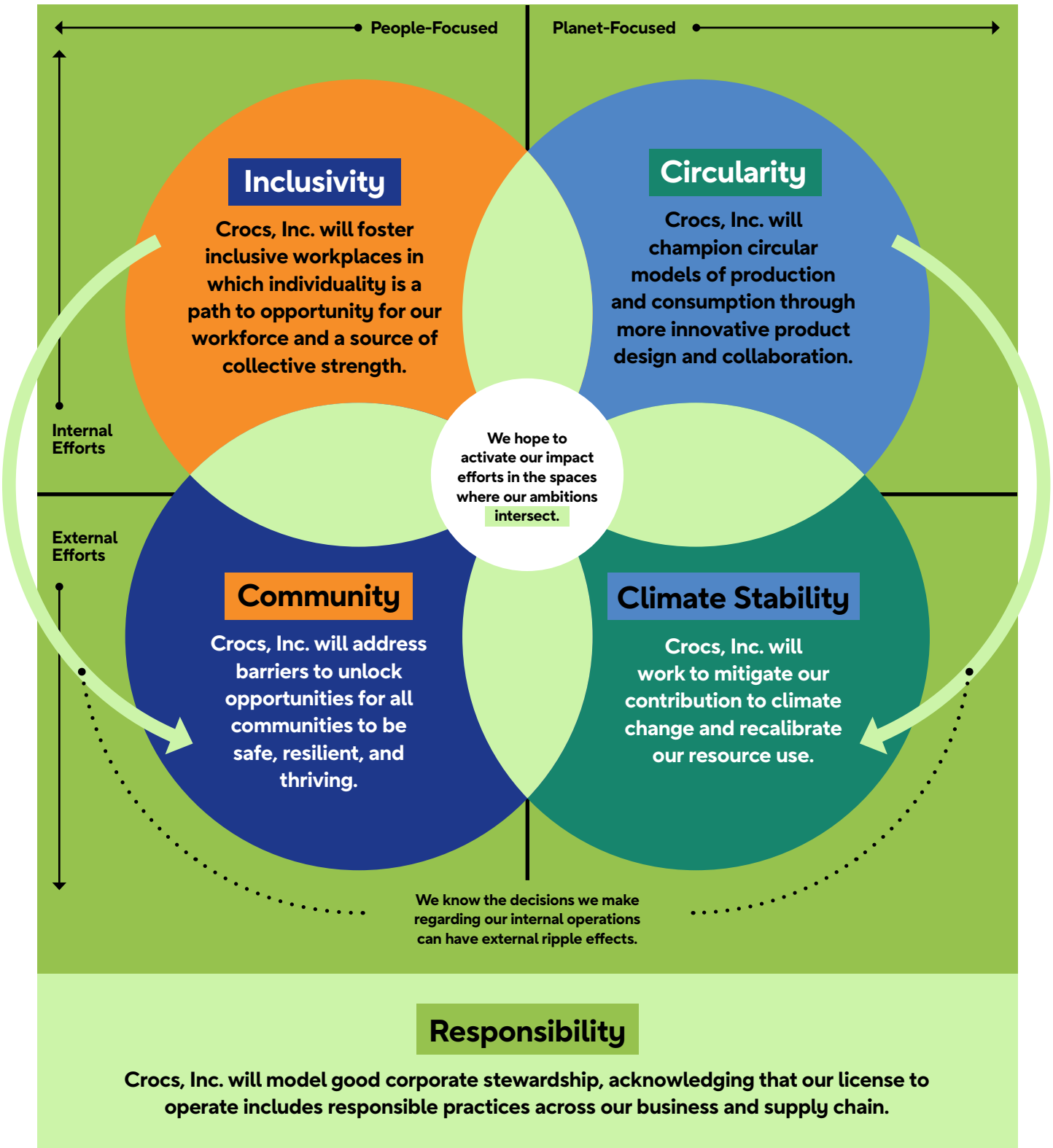
In 2022, we asked ourselves, **“What does a more comfortable world for all really look like?”**

As we have grappled with answering this fundamental question, we continue to refine our strategy, right-size our efforts, and take an action-oriented approach to inform future business decisions.

Over the last year, we’ve reflected on what it means to be part of the world we want to create and how our actions serve our ambitions. To that end, you might notice our Individuality ambition is now labeled Inclusivity; we believe that inclusivity can unlock opportunities for individuality and vice versa. So, while the language may have changed, the sentiment – and our actions to support it – have not. Our four key ambitions, as defined last year, continue to guide our path toward a more equitable, connected, and comfortable future.

How do our impact ambition statements relate to each other?

How we move from strategy to action for our stated ambitions around Inclusivity, Circularity, Climate Stability, and Community – all grounded in our Responsibility – involves complex analysis and rigorous decision making. Our intent is to maximize the positive impact we have on our stakeholders by pursuing initiatives that help drive toward more than one ambition at a time, whenever possible. We created this diagram to connect the dots within our intersectional, far-reaching strategy and help to visualize how we’re creating a more comfortable world for all.



Real-World Influencers ●

As one of the most innovative companies in the footwear industry, we recognize that others may be looking at our playbook for inspiration. We want them to see not only a business that has a clear strategy, strong results, and global relevance, but also a business that is intentionally investing in more responsible business practices that help bring our Purpose to life. While our Purpose strategy is still in its early days – this is only our third year of reporting on our impact efforts – we’re proud of the progress we’ve made and of how we’ve begun to demonstrate the shared value we can bring to our stakeholders, alongside our sustained growth.

A Continuous Pulse Check

We continue to strengthen the systems that we use to measure progress and make strides on Purpose. As we evolve, we will keep listening to our employees, business partners, suppliers, investors, and our community of shoe-lovers, and use their insights to inform where we need to allocate our resources to optimize our impact. With looming question marks around the pace of environmental and social change, we need to keep a constant pulse on the context in which we operate, so that our strategy focuses on the most critical and timely issues, reflects what’s important to our stakeholders, and prioritizes where we need to do the most work to bring our ambitions to fruition.

To that end, last year, we completed a priority topics assessment.

Our 2022 priority topics included:

- | | | |
|---|--|---|
| ● Business Ethics and Compliance | ● Diversity, Equity & Inclusion | ● Human Rights and Fair Wages |
| ● Climate Change Strategy | ● Employee Well-Being | ● Product Circularity |
| ● Data Security and Privacy | ● Environmental Standards in the Supply Chain | ● Responsible Materials Sourcing |
| | | ● Sustainable Packaging |

This year, we made a concerted effort to engage with our consumers to gather insights on their level of understanding around Purpose-related topics and how that understanding might influence the way they use our products. Since we had a big push this year around circularity, one of our core objectives of engagement was to collect insights around waste reduction and waste avoidance topics. Notably, we learned that our consumers are paying most attention to our donation pathways and our efforts to increase the amount of more sustainable materials in our products. Our fans’ perspectives and preferences can inform and influence how we focus our Purpose strategy to best match their needs.

Next year, we’re planning to complete

a **double materiality assessment** to further ground our Purpose strategy and check that our learnings from the past two years are steering action in the most critical and impactful ways.

Double materiality assessments involve engaging with stakeholders to get a broader understanding of how an organization impacts – and is impacted by – a range of social and environmental topics.³



We were named one of TIME100's Most Influential Companies of 2023!



A Note on Sustainability and ESG Frameworks

The international landscape of sustainability frameworks is currently in a critical period of transition. Standards are evolving, merging, and adding beneficial clarity and context. Since each framework has a different intended purpose and audience, they offer yet another glimpse into our various stakeholders’ expectations and needs. While effectively disclosing under appropriate environmental, social, and governance (ESG) frameworks helps stakeholders understand how we are managing impact-related risks and opportunities, it also serves as a gut check for our Purpose strategy and helps us prepare for anticipated regulations around mandatory climate-related and ESG disclosures.

Although Crocs, Inc. is not currently subject to reporting obligations under the European Union Corporate Sustainability Reporting Directive (CSRD)⁴, we have been proactive about assessing our business under the CSRD framework. For even more depth into our sustainability reporting, we’ve included information aligned with Sustainable Accounting Standards Board (SASB) Standards, Task Force on Climate-Related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (SDGs).

ESG indices are available in the appendix and referenced throughout the report where appropriate →



Inclusivity

to opportunity for our workforce and source of collective strength.

64%

of global employees identify as women

We want all employees, regardless of their identity or position in the company, to feel supported.

Flip to pg. 20 to learn more



Crocs, Inc. will foster inclusive workplaces in which individuality is a path...

In this section, we'll talk about:

- Occupational Safety
- Pay and Benefits
- Employee Training and Development
- Diversity, Equity, and Inclusion (DEI) and Belonging

Everything we do at Crocs, Inc. starts with our people. We champion all one-of-a-kinds with our progressive people practices and are working hard to foster an inclusive workplace that reflects our values-aligned efforts to be 'delightfully democratic' and 'confidently comfortable' every single day. We also continue to learn more about what diversity, equity, inclusion, and belonging looks like in practice. In the Crocs, Inc. world, this practice comes to life through inclusivity, personalization, and connection. With this in mind, in 2023, we adjusted the title of our ambition from Individuality to Inclusivity, given that our intended outcome is for every individual to feel a genuine sense of belonging while at work. The Crocs brand has long been differentiated by its 'Come As You Are' (CAYA) ethos, and our efforts are targeted at making that sentiment an everlasting mainstay of the Crocs, Inc. experience.

This year, we expanded our employee benefits to be more inclusive and kicked off the implementation of a new enterprise-wide, global learning management system, which will launch in 2024 and provide more opportunities for employees to engage in their learning and development with an enhanced, user-friendly experience. By driving more consistency in our global approach to onboarding, training and development, this platform will greatly support our goal of developing "fit for the future" talent.

Creating a Safe and Inclusive Workplace

Employee Feedback Loops

Our engagement surveys provide invaluable, enterprise-wide feedback that helps us better understand how engaged our employees are and whether they feel a sense of belonging. In February 2023, we distributed an anonymous, voluntary survey powered by Glint to all employees globally with the goal of collecting perspectives from across the company to help us understand overall employee experiences, as well as any potential challenges we need to act upon.

We received the highest scores for the following statements and we're proud to say that we significantly outperformed our retail industry peers in all three of these areas:

- "I am excited about Crocs, Inc.'s future."
- "Crocs, Inc. delivers a great customer experience."
- "I am able to successfully balance my work and personal life."

Our top opportunities for improvement include:

- "Crocs, Inc. does a good job of communicating with employees."
- "The work that I do at Crocs, Inc. is meaningful to me."
- "I feel a sense of belonging at Crocs, Inc."

While our scores for these sentiment questions remain equal to or above the related scores of our industry peers* and only saw minor decreases year-over-year, we remain highly attentive to these opportunities for improvement. Upon receiving this feedback, we shared the detailed survey results with all of our business leaders who worked closely with their Human Resources Business Partners to review individual comments, discuss and implement relevant action plans for their teams, and check back in using pulse surveys – when appropriate – throughout the year.

* 'Industry peers' refers to those that are identified within Glint's database.



Our results were largely positive, reflecting survey responses from 78% of employees. While our overall engagement score was down one point from 2022, we proudly remain well above the retail industry peer benchmark engagement score of 74*. Because our engagement scores have stayed rather consistent between survey cycles for the past few years, we decided to shift to an annual company-wide engagement survey distributed every Spring rather than continue our previous biannual cycle. We plan to follow up with pulse surveys for specific groups on an as-needed basis.



Our people are the most inspiring and valuable element of Crocs, Inc. To be an employer of choice, we need to create spaces for our people to show up authentically, support one another fully, and bring their ideas to the table freely. For any of that to transpire, those spaces first have to be safe. That's why we see our occupational safety practices as core to our **inclusivity** strategy. We're proud of the policies and practices we have in place to protect and celebrate our people – and, as echoed through our engagement surveys, we still have room to grow. After all, a truly safe and inclusive workplace requires intention, dedicated effort, and a continuous improvement mindset.

The longstanding safety culture in our Ohio DC helped inform safety improvements in the Nevada DC for the HEYDUDE brand.



These rates have improved year-over-year, and continue to remain lower than the industry average of 4.8.³ While accidents can happen even in the safest of spaces, we continue to work toward an incident rate of zero in our company-operated locations.



At our facilities in the Netherlands, employees completed Emergency Response Officer basic training, learning about safety in theory and in practice. In case of an accident, these trainees can provide additional support.

Safety In All We Do

Our safety management program is a blend of small day-to-day moments, widespread programmatic updates, and countless iterations in between – all of which work together to enhance the Crocs, Inc. collective safety mindset and our resulting occupational safety rates. In 2023, our teams led major initiatives at each of our distribution centers (DCs) to further embed best practices, rigorous evaluations, and crucial discussions into each aspect of our safety management program.

Dayton, Ohio: Local Human Resources representatives host regular "HR Unplugged Sessions: Unfiltered Perspectives and Unscripted Conversations" where employees are invited to talk about anything and everything going on in the DC. On a monthly basis, the DC also holds Safety Committee meetings, conducts safety audits, reviews a continuous improvement safety suggestion box, and sends 'Safety Moment' emails to elevate key safety reminders, big and small. In 2023, DC management also completed a voluntary multi-month Customs Trade Partnership Against Terrorism (CTPAT) trade compliance program, as well as '5 Why'/Root Cause training, active shooter training, and certified three safety leads in CPR, first aid, and the use of automated external defibrillators (AED).

Las Vegas, Nevada: We launched a Behavior Based Safety (BBS) Observation program, which reflects a behavioral-science approach to safety that reinforces awareness, ownership, and accountability among employees. There are now eight dedicated team leads for BBS audits and data collection that complete two observations per week, during which they analyze the motivation, action taken, and outcome of each behavior. Those observations are then reviewed daily by their supervisors and weekly by team members, so time-bound actions can be pursued. We've found that this approach helps our teams better identify appropriate modifications, establishes a shared vocabulary on safety and risk management, and enables greater collaboration among employees and managers. Thanks to all of this hard work, the Nevada DC achieved its greatest injury-free streak to date!

Dordrecht, the Netherlands: To further prioritize physical safety, the DC team began piloting new Automated Guided Vehicles – a technology that seeks to eliminate the need for strenuous lifting or repetitive motions, maximizes efficiency while completing tasks, and creates more space and time for employees to contribute their expertise toward alternative projects and brainstorm.

**This metric represents a combined TRIR for our Ohio DC (of 1.86), our Nevada DC (of 1.52), and our Netherlands DC (of 1.19).

Employee Essentials

Our systems and policies must be designed to support the well-being and essential needs of all of our employees before a sense of belonging, inclusivity, and empowerment can exist in the workplace. Moreover, if we are to truly stand by our word and honor the individuality of the people that make up our team, then the benefits we offer should also be personalized. In 2023, we enhanced our lineup of benefits, particularly for employees in the U.S. and Canada, and further expanded them to support employees from traditionally underserved populations.



Supporting Our Distribution Centers

In 2023, we held benefit fairs at our U.S. distribution centers to help educate folks on the benefits specifically offered to them and help employees enroll in select benefit programs on the spot. It's also a great way to solicit their candid feedback, so we can act on it and make improvements when needed. We look forward to continuing these fairs in 2024.

Physical and Mental Health

Check out our 2023 benefit evolutions, which help to support our employees' distinct health and well-being needs (physical, mental, and emotional aspects alike):

- We expanded our medical benefits to include gender-affirming care and coverage – a prime example of our Inclusivity ambition in action. We've added this to the U.S. and Canada benefit plans for 2024 and are in the process of reviewing the benefits we offer elsewhere to see if we might be able to standardize these offerings.
- In May, we extended Parental Leave to six weeks for all eligible U.S. full-time employees, which runs concurrently with eligible state family medical leave and serves as a bridge to offer 100% income replacement. In total, eligible employees may receive up to 12 weeks of leave for bonding after birth, adoption, or foster placement.*
- We expanded our employee assistance program (EAP) beyond the North America region and into our EMEALA** region. This program provides free support and educational resources to employees, as well as up to three appointments with counselors on any issue. We look forward to expanding this program to all global employees in 2024.
- We now offer healthcare benefits to our part-time employees, which include full coverage for preventative care and automatic enrollment in our EAP.
- We continue to offer travel and lodging reimbursement for our U.S. employees who seek safe and affordable reproductive care that's more than 50 miles away from home.
- We offer all U.S. employees access to an evidence-based, clinically proven program called Quit For Life to help folks overcome nicotine addiction.
- We continue to use Virgin Pulse, a global rewards program designed to help employees develop and maintain the healthy habits that work for them.

* The 12-week total of paid leave is dependent on employee eligibility, including their state of residence. Our Parental Leave policy runs concurrently with unpaid leave coverage provided by the Family and Medical Leave Act (FMLA).
** Throughout this report, 'EMEALA' is used to refer to the Europe, Middle East, Africa, and Latin America region.

Wages & Well-Being

We want to foster a high quality of life for our employees, and fair compensation is the first step. We continue to use our global job grading model for pay, reflecting systematically established relative values for jobs and corresponding pay ranges worldwide. In 2023, we sought to align every role into existing pay bands within our grading model and then adjust wages to get all individuals over associated band minimums. As part of that assessment, we recognized an opportunity to more clearly align compensation for our distribution center employees with their production goals. Starting with our Ohio distribution center employees, we evaluated employees' base pay and implemented a new quarterly bonus structure – we plan to undertake a similar evaluation for our distribution centers in Nevada and the Netherlands in 2024.

~\$18.15
average hourly wage
for all hourly U.S. employees

Hourly wages for our employees in the U.S. increased by over 8% year-over-year, on average. In 2023, we also conducted a preliminary living wage assessment, during which we evaluated the hourly pay of our U.S. employees (not including those in Puerto Rico) against the living wages established by two best-in-class, third-party benchmarks: the MIT Living Wage Calculator (MIT)⁶ and Living Wage for US (LW4US).⁷ We are still in the process of evaluating the results for hourly employees across distribution centers, retail locations, and corporate and regional offices in the U.S.

We want to help our employees navigate their own unique financial well-being by providing them with resources to do so. We continue to offer free financial education for our employees in the U.S. so that big decisions, from buying a home to saving for retirement, can feel a little less intimidating.

New Year, New Policies

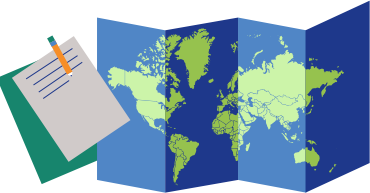
We strive to support the varied needs of our global population, particularly our hourly employees in the U.S. and Canada because this is an employee population that is often excluded from corporate benefits programs in the industry. In 2023, we added policies catered to this specific job classification and continue to enhance several existing policies to be more comprehensive for everyone. **Here are select, meaningful policy updates from 2023:**

- Bereavement policy for U.S. employees working in our distribution centers, expanding paid leave due to the death of a family member or extended family member to full-time employees and part-time employees.
- Attendance policy for U.S. employees working in our distribution centers, detailing procedures around attendance, planned and unplanned absences, and paid and unpaid time off.
- Sick leave policy for all U.S. retail employees, outlining eligible uses for sick leave and providing up to 80 hours of paid sick leave each year per employee.
- Vacation leave policy for full-time U.S. retail employees supporting both brands.
- Updated accessibility policy and plan to meet the needs of our employees and customers with disabilities in Ontario, consistent with the Accessibility for Ontarians with Disabilities Act.
- Updated workplace harassment policy and a workplace violence policy for Canadian employees, consistent with provincial law, that further emphasize our commitment to treating all employees with respect and dignity.
- Health and safety policy for our Canadian employees, consistent with the provincial Occupational Health and Safety Act,⁸ which intends to protect workers from injury and illness in the workplace.



Employee Training and Development ●

Our ability to meaningfully engage and support our employees is coupled with our ability to create training programs that are accessible and inclusive of our diverse, one-of-a-kind workforce. Moreover, our employees deserve personalized opportunities that reflect their individual experiences and help them more fully realize their own potential. In line with this sentiment, we formalized our talent management strategy to both hold ourselves accountable for offering trainings and benefits that effectively contribute to personal development, and strengthen the employee experience across our retail, distribution center, and corporate job classifications. Here’s a glimpse at some of the programs and initiatives we’re working on to diversify opportunities for development.



Enterprise-Wide Strides

In 2023, we started to prepare for the launch of a new enterprise-wide, multilingual Crocs, Inc. Learning system in 2024. The system will provide centralized learning and development resources across our global teams, track feedback and progress for our employees, pull analytics, and help us deliver content that supports our talent management strategy. The insights gained from this system will help us optimize training investments across the organization. We also continued to run Find Your Stride, a program available to all employees at Crocs, Inc., through which experts share insights to help boost confidence and enhance workplace relationships. In 2023, more than 539 participants* joined these values-aligned sessions:

1,198 employees were promoted globally**

- **How to Say Anything to Anyone: Just Say It**
Employees learned how to give and receive clear and specific feedback in the workplace in a way that promotes understanding and action.
- **How to Say Anything to Anyone: Setting Expectations for Powerful Working Relationships**
Participants learned ways to build trust in their business relationships, communicate their needs, and identify what others might need from them.
- **Being an Ally at Work: Going from Me to We**
The CEO and Founder of a woman-owned, international leadership development company led a discussion on cultivating positive workplace relationships.

We continue to use our biannual cycle for promotions and use “Set the Pace,” our enterprise-wide performance management program for employees to take control as the strongest advocates for their careers. Through frequent feedback and goal setting sessions, opportunities for reflection, and progress check-ins with people managers, known as “Pace Checks,” employees are empowered to own their performance conversations and personal development.

Training the Trainer

The Crocs brand is a business member and supporter of Open to All[®] – a coalition of businesses pledging to stand against discrimination in the workplace. Through this partnership, our Internal Learning and Development and Internal Communications teams gained access to an online forum of resources and learning sessions that can help inform the creation of inclusive engagement and development opportunities for others.



HEYDUDE is Great Place To Work-Certified!

This certification is based on perspectives derived from the Great Place To Work Trust Index[®] Survey and Trust Model, which evaluate workplace culture from employees themselves.

Fostering Connections for New Hires

All of our new U.S. corporate and distribution center hires are invited to complete an Insights Discovery assessment, a psychometric tool used to help folks better understand themselves and cultivate positive relationships in the workplace. In this two-hour workshop, participants learn more about their own and others’ communication preferences, which in turn helps foster better connections between colleagues. We hope to expand this as a potential global offering and include some of our retail employees in 2024.



Educating on Inclusion for Crocs Retail Employees

CHARM is a holistic service model that brings to life the personalization and purpose of the Crocs brand with our fans and customers. Retail store leaders undergo CHARM training, equipping them with the knowledge needed to educate their teams on how to create an inclusive environment in stores and foster the highest quality of customer engagement.

CHARM stands for:

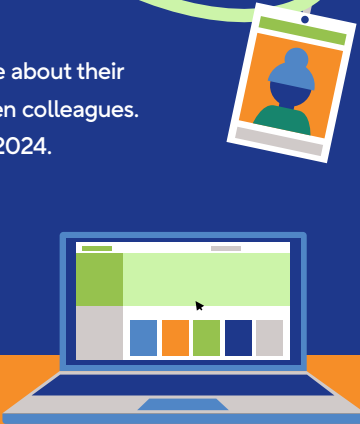
- C Creating a Confidently Comfortable Environment
- H Hear & Help
- A Advocate for Inclusion
- R Reveal & Recommend
- M Master the Multitask



Developing Leaders for Distribution Center Employees

Optimus Prime is our leadership development program for folks working in our Ohio distribution center. Leaders who participated in the program learned how to best observe, measure, and stay accountable using the OPTIMUS values, which include:

- O Open to Change
- P Passion for Others
- T Team Leadership
- I Impact & Influence
- M Managerial Courage
- U Unwavering Support
- S Solution Oriented



Supporting Skills for Global Employees

Our E-Library is an online, self-directed learning platform with thousands of quick reads, e-books, and short audio files intended to support employees’ personal and professional development. The platform is available to all global employees and, in 2023, employees downloaded over 7,000 e-books and audio learnings. We also continue to provide LinkedIn Learning to all Directors and above along with other corporate employees who have specific training requirements that may be supported through the platform.



*This figure represents total participants across three sessions in aggregate, but is not meant to represent the number of unique employees that participated.

**This figure is now inclusive of retail, distribution center, and corporate job classifications, but excludes employee transitions to/from full-time equivalent (FTE). Using a consistent methodology, promotions in 2022 were 1,133 (vs. the 555 originally reported in last year’s report).

Celebrating One-of-a-Kinds

Our global teams are the true embodiment of how inclusivity, personalization, and connection are intrinsic to our Purpose strategy. Their actions are simultaneously inclusive of all, yet specific to their regional cultures and priorities. Through their efforts, we hope our products, platform, and workplaces set an example for how the broader footwear industry can create spaces that welcome all and encourage our global community to show up comfortably and unapologetically as their full selves.

United, From One Region to Another

Here are a few (of many!) examples of our global teams' engagement efforts from 2023:

In our Asia Pacific region,

- Crocs Korea organized a Sports Day involving hiking and cycling to deepen the team bond.
- Crocs Vietnam and Crocs Japan held Lunch & Learns with engaging quizzes focused on our social compliance program and on financial planning, the latter of which help support employees as they prepare for their futures and offer teachings on various financial topics.
- Crocs Singapore invited a vendor to conduct health screenings and educated employees on how to read their personalized reports.
- Crocs China celebrated the Lantern Festival by making lanterns together in the Shanghai office.

In the Netherlands,

- The Health and Well-Being Team enjoyed a bouldering event in Hoofddorp.
- The Social Team held barista mornings to connect with coworkers after each quarter close.
- The DC Engagement Team held a Friends and Family BBQ and celebrated the tradition of Sinterklaas.

In North America,

CAYA is the rallying cry for our “fans-first” retail team. To celebrate their achievements, North American retail stores compete in an employee recognition program in which employees can win “kudos” points for exhibiting CHARM service behaviors via recognition from store managers and peers. The overall top retail stores in each band for the 2023 summer and 2023 holiday season redeemed their points for gifts and budget for team outings.

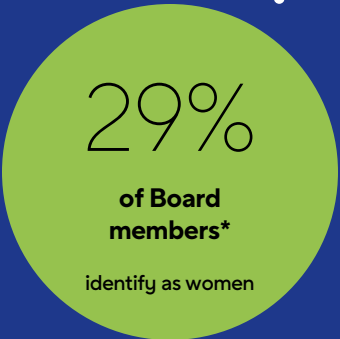


In Service of CAYA

Since the formation of our global CAYA Councils in 2021, these employee-led groups – that facilitate sharing and feedback through an inclusivity lens – continue to be a space for employees to offer recommendations, share resources, and help implement inclusivity efforts. We are now evolving the scope of these councils to further cultivate connectivity for our employees. This year, we formalized spaces for dialogue, improved access to training, resources, and engagement opportunities, and diversified the pathways of involvement, honoring both the individuality of our people and the inclusivity of our culture. Beyond CAYA Councils, our teams foster moments of connectedness and engagement through Crocs United, an approach to engagement that’s both from and for employees. Crocs United covers everything from culturally-relevant celebrations, to social meet ups and health-focused adventures, to team building and professional development in a way that meaningfully resonates for each team specifically.

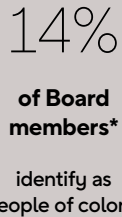
On International Women’s Day, our global teams took time to recognize the unique contributions of women in society and at work.

- Singapore and Japan teams gifted coworkers plants that symbolize growth, hope, and resilience.
- The Korea team held a private fundraising effort to support the needs of single mothers.
- In India, spices and desserts were shared to reflect on the team’s diversity and uniqueness.
- In Vietnam, community women were gifted Crocs to tackle each day with confidence and comfort.
- The Shenzhen team organized a handbag workshop to facilitate connection, creativity, and storytelling.
- The Shanghai team participated in a fitness class as a way to connect and inspire empowerment.
- The Australia teams wore purple during a street-cleaning volunteer effort to show support for women’s rights.
- In retail stores in North America, employees decorated with relevant Jibbitz™ charms to visually represent the occasion and enthusiasm for the message it conveys.



We have a strong gender balance across job classifications at Crocs, Inc. that has held consistent over the past few years. We want all employees, regardless of their gender identity or position in the company, to feel supported so that we can inspire and empower future generations.

Representation amongst our employees held relatively flat year-over-year, with 70% of our U.S. corporate employees identifying as White in 2023.



* Crocs, Inc. added two new Board members on January 1, 2024 – this figure reflects Board representation as of December 31, 2023.
** People of color includes those employees who self identified as one of the following race or ethnicities: American Indian/Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or other Pacific Island, or two or more races. All demographic data excludes individuals that chose not to disclose gender or race.



Crocs, Inc. will champion circular models of production and consumption through...

Circularity

more innovative product design and collaboration.

This was the average amount of bio-circular content within our Croslite™ compounds over the course of 2023. We take a mass balance approach, which means the amount of bio-circular content fluctuates on a monthly basis over the course of the year.

Flip to pg. 23 for more information on this topic, including the difference between "bio-based" and "bio-circular" →

17.3%
of Croslite™ compounds is
bio-circular content
on a mass balance
basis



In this section, we'll talk about:

- Raw Materials
- Chemical Management
- Packaging Innovation
- End-of-life Solutions

For us to live up to our Circularity ambition, we have to begin breaking through some of the fundamental barriers that prevent a circular shoe system. In a circular model, products and materials are kept in use at their highest and best value through processes like maintenance, reuse, refurbishment, remanufacturing, recycling, and composting.¹⁰ For these circular systems to thrive, we have to start by optimizing the design of both our products and packaging, as well as evaluating all raw material inputs for potential unforeseen complications.

To be truly circular, the raw materials we use should be safe from harmful chemicals that could disrupt the reuse process and prevent a high-quality circular shoe system. We've set ourselves up for success with a conservative restricted chemicals policy on the front end and a practical way to extend the life of our shoes on the back end, yet there are many other critical levers of circularity that we still have the opportunity to explore.

Luckily, innovation has always been a core strength at Crocs, Inc. and we continue to tap into this innovative spirit in the way we design our shoes, source materials, and optimize end-of-life solutions. We've demonstrated our willingness to be imaginative, think critically, and chase collaborative new ideas. In 2023, we augmented our sourcing of bio-circular materials, continued to strengthen our chemical management strategy, created consumer channels for circularity that help reduce the number of shoes ending up in landfills, and forged critical industry partnerships that are working to scope, develop, and scale circular solutions.

Sourcing to Scale

Over our more than twenty-year history, we have prioritized innovation and efficiency in our product design, which has made it possible for us to adjust quickly when we see opportunities for change and advancement. In the past few years, sourcing less emissions-intensive materials, like bio-circular alternatives, has emerged as a critical strategic opportunity to progress toward our Circularity and Climate ambitions. This can not only help to reduce our reliance on fossil fuels by using byproducts from other industries, but also reduce the need for virgin raw material and enhance resilience in our sourcing strategy. This year, we began to see the impacts of scaling up our sourcing of bio-circular content within the Crocs brand.

Bio-Circular Innovation

We continue to source bio-circular feedstock from ISCC (International Sustainability and Carbon Certification) PLUS¹¹ certified factories as we work to increase the share of bio-circular materials in our compounds across our manufacturing processes. In 2023, we worked to diversify the sourcing of bio-circular resin for the Crocs brand and have established multiple sourcing partnerships, with more currently underway. As part of the ISCC PLUS certification process, suppliers and factories must keep track of the movement and volume of bio-circular content through a Sustainability Declaration (SD), which is ultimately sent to and approved by Crocs, Inc. These SDs serve as documentation for the bio-circular material that has been forwarded by our suppliers, and therefore purchased by the Crocs brand. They also help us (and ISCC) track the flow of bio-circular materials along the supply chain and validate the characteristics of the certified materials going into production. Overall, these efforts help us achieve greater traceability in our material supply chain and enhance the credibility of our data.

That's why we use "bio-circular" in this report.

Bio-Based & Bio-Circular

Plant-based sources are often considered "bio-based".

Because we use repurposed plant-based waste and residues from other industries, the materials we source are considered "bio-circular".¹¹



Crocs, Inc. works closely with our ISCC PLUS certified factories and resin suppliers to help manage their certifications, communicate our data needs, and check that our bio-circular materials come from approved feedstocks. Looking ahead, we also plan to standardize the information we collect from suppliers to include more sustainability-related material attributes, including, for example, the amount of recycled content incorporated in our materials on a compound basis.

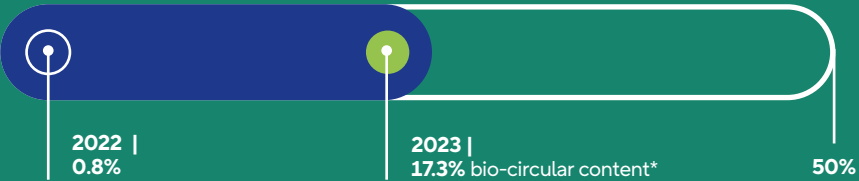
100%

of the bio-based material we use

is certified as bio-circular by ISCC PLUS via a mass balance approach

Goal

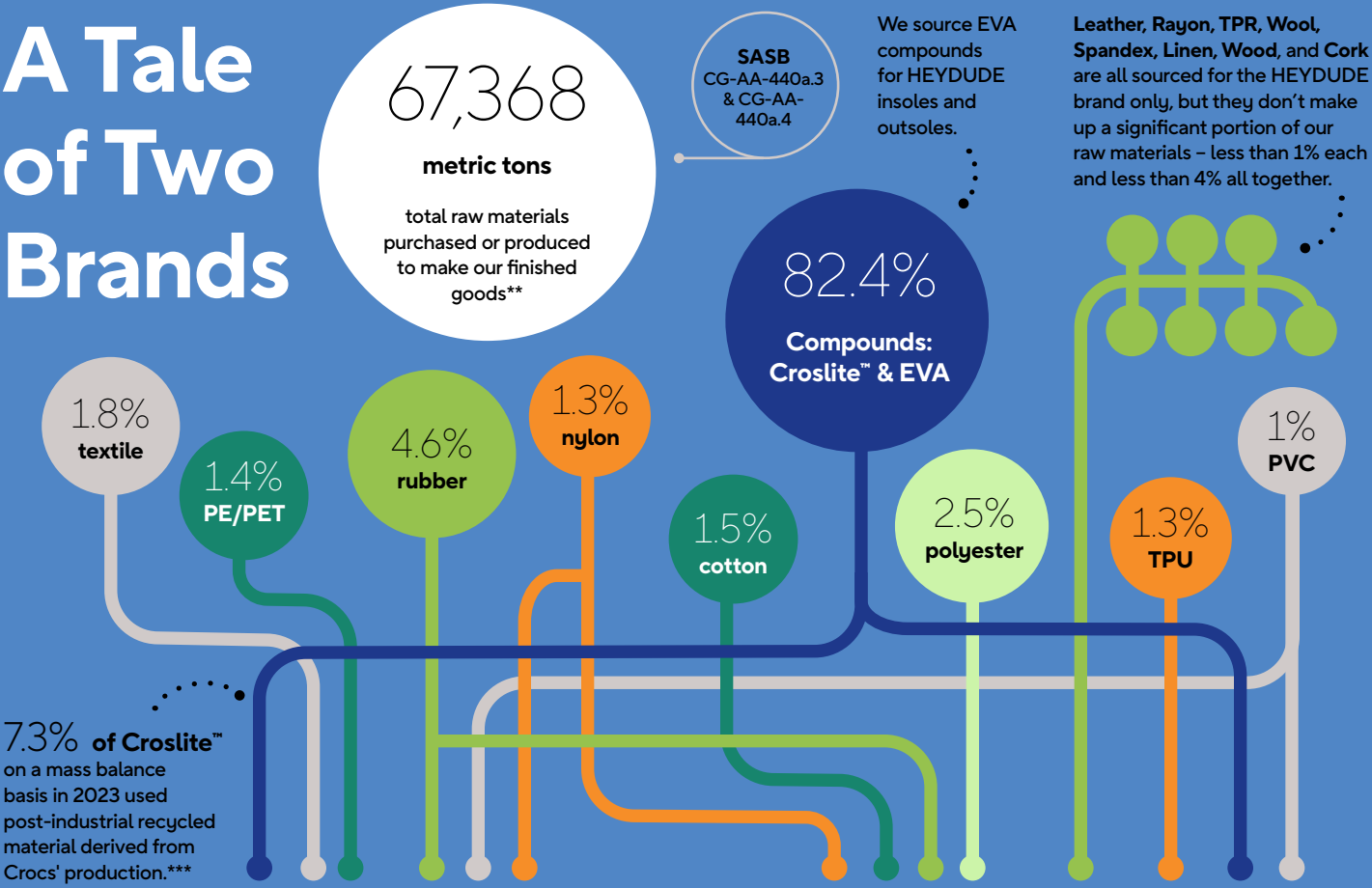
Achieve 50% bio-circular content within our Croslite™ compounds on a mass balance basis by 2030.



We use a mass balance approach to calculate the full-year bio-circular content within our Croslite™ compounds that are in production. Due to this approach, which involves gradually incorporating bio-circular content into our production, the amount of bio-circular content fluctuates over the year. Since August 2023, we have exceeded a monthly average of 20% bio-circular content within our Croslite™ compounds, achieving the internal milestone set out in 2022.

*This figure represents the average amount of bio-circular content within our Croslite™ compounds over the course of the full calendar year on a mass balance basis. By comparison, in 2022, we reported a monthly average of ~2.2% bio-circular content in December 2022 yet the equivalent annual average for 2022 was 0.8%. We intend to report annual averages moving forward as we progress toward our 2030 goal, which now states bio-circular content, aligned with the ISCC PLUS certification.

A Tale of Two Brands



Crocs

Crocs are made through an injection molding process that allows for efficiency, precision, and the ability to use multiple types of polymers, including EVA, that get turned into our Croslite™ compounds. This approach allows our suppliers to continue **increasing** the share of certified bio-circular inputs into the Croslite™ production process without any disruptions to our regular manufacturing process. We are excited that our Crocs shoe designs uniquely position us to explore more circular manufacturing opportunities.

Crocs is still a 100% **vegan brand** without animal-derived materials in our products

Our mass balance approach to production means ISCC certified and non-certified inputs are mixed together to create compounds.



HEYDUDE

HEYDUDE has a more complex design and assortment of material inputs and, while it only accounts for a small percentage of our materials footprint, it presents an untapped opportunity to innovate. We plan to further explore alternative materials, while also acknowledging and honoring the degree of change management that's required to incorporate sustainability-related attributes into HEYDUDE's materials sourcing.

only 5.6% of raw materials sourced to make HEYDUDE shoes are animal-derived – less than 1% of Crocs, Inc.'s total raw materials

**Each of the listed materials accounts for at least 1% of the total weight of raw materials we purchased or produced during 2023. For example, PU and Metal are sourced for both the Crocs brand and HEYDUDE brand. A full list of materials is available in the appendix.
***We currently only incorporate post-industrial content from our own production, which mitigates concerns of restricted substances that might result from unknown sources.

Safer Inputs and Smarter Packaging

Safety-First Chemical Management Strategy

Our chemical management strategy continues to be informed by industry standards around restricted substances (RS) and our membership with Apparel and Footwear International RSL Management (AFIRM).¹² As part of our advanced test program, we conduct random testing of high-risk materials to proactively mitigate RS concerns, reduce risk, enhance product safety, and provide supply chain transparency to the best of our ability. In January 2023, we shared an updated Restricted Substances Policy, which now covers both brands. Since its initial publication in 2010, we’ve reviewed our comprehensive policy annually to align with the latest regulations and industry standards, as well as the restricted substances list (RSL) housed within it.

We’re as thorough as we can be to help our suppliers take a proactive stance in limiting or avoiding listed chemicals, as required, and pair our RS policies with enterprise-wide training for our suppliers. Our chemical management strategy is more comprehensive than ever before now that HEYDUDE has effectively implemented the same RS control system as the Crocs brand and conducted RS training for its suppliers. From quarterly testing of finished shoes to education on prevention and root cause analysis of RS issues, we focus training efforts on helping our suppliers understand how to manage the chemicals involved in our industrial manufacturing. Upon the integration of HEYDUDE suppliers into our RS program, we also enhanced random testing for suppliers to further reduce RS risks.

AFIRM is committed to enabling continuous advancement of chemical management best practices.

The raw materials used in our finished goods make up just one piece of the circularity puzzle – packaging materials are also part of the picture. This year, on the packaging front, we assessed our customer-facing packaging and made exciting strides forward with our polybags. Moreover, all materials should be considered safe in their raw form and throughout production to best contribute to circularity. That’s why we’re actively expanding our efforts to keep harmful materials out of our operations by maintaining a steady chemicals management strategy.



Training helps improve the overall quality and safety of our products. Over 600 supplier representatives attended, in aggregate, and – given that our suppliers have relationships beyond Crocs, Inc. – our hope is that the more suppliers that complete our RS training, the more we can help create an industry with best-in-class management of chemicals and substances.

SASB
CG-AA-250a.1
& CG-AA-250a.2

Due to their harsh impact on the environment, there are worldwide regulations that ban or limit the use of a group of chemicals known as PFAS that are used to make coatings and products that resist heat, oil, stains, grease, and water. We have incorporated safeguards around PFAS use in our product testing and RS program and test applicable Crocs and HEYDUDE products for PFAS using a third-party lab. Crocs, Inc. does not intentionally add PFAS to any products or packaging, and continues to perform the testing and other steps described herein in an effort to detect and prevent any unintentional introduction in the supply chain.

* Approximately 27% of all purchased packaging by weight is miscellaneous items, such as stickers, tags, strings, shoe inserts, and tissue.
**Customer-facing packaging amounts were collected from Crocs Tier 2 suppliers and HEYDUDE Tier 1 factories and are based on purchases made by Crocs and HEYDUDE at the factory level. They are not based on the amount of packaging shipped to customers. Any additional packaging sourced for packing and re-packing at distribution centers or retail locations is not included. Figures are calculated by weight (in kg) and exclude packaging used for shipping and distribution.
****This comparative metric was calculated using the Higg Materials Sustainability Index (Higg MSI at worldly.io) V3.7 developed by Cascale, a cradle-to-gate material assessment tool that calculates environmental impacts of materials. The calculation was completed again in 2024 by Crocs, Inc. and is not verified by a third-party.
***** The Crocs and HEYDUDE brands use a variety of polybags, depending on the type of product. By the end of 2023, the 100% PIR content transition was only made for the self-adhesive polybag used by the Crocs brand to protect select Jibbitz™ charms.



The Full Package

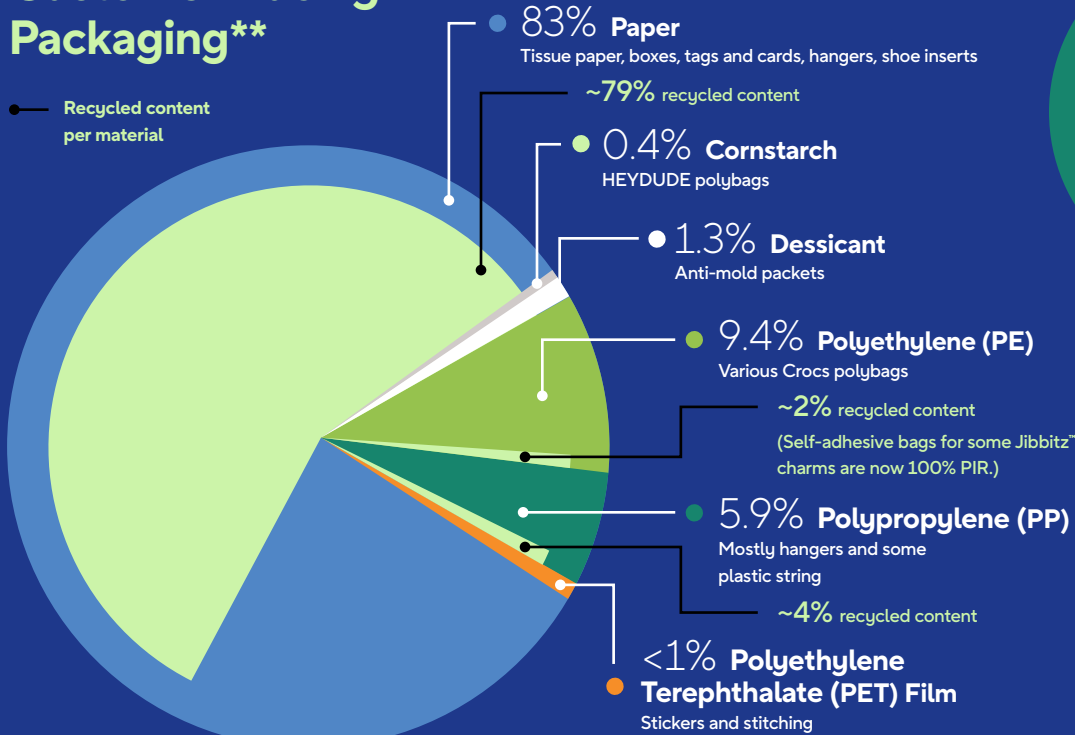
As a footwear company, we see the inherent value of packaging to help ship and deliver our products safe and sound. Our main consumer-facing packaging types by weight* – shoeboxes, bags, and hangers – each have a specific use case to protect products in transit and accommodate our customers’ and consumers’ needs, and we continue to seek the most appropriate and lowest-impact options available, through deep collaboration with our suppliers.

In 2023, we reviewed our enterprise packaging on a global scale to better understand where, when, and why certain packaging is used and to identify potential alternatives – for which we are still building out an improvement roadmap and continue to develop enterprise-wide sustainable packaging guidelines. By assessing the impacts of our packaging and evaluating packaging innovation opportunities, we hope to be more prepared to effectively prioritize our resources and take actions that are most impactful, from amping up the use of recycled content in our packaging to reducing or eliminating the need for packaging on certain products altogether.

As recycling infrastructure and packaging regulations evolve, we’ll continue to keep an eye out for ways to support insightful consumer decision-making. In 2023, we added informative How2Recycle® labeling on select Crocs-branded packaging and these products will make it into consumers’ hands in 2024.

Jump ahead to the Climate Stability section to learn more about the GHG emissions associated with our packaging →

A Look at Our Customer-Facing Packaging**



Crocs
19,725 metric tons

HEYDUDE
5,990 metric tons

*** These weights were estimated using data collected for our enterprise-level GHG inventory and are based on primary, secondary, and extrapolated data. Packaging data reflects the quantity purchased in the calendar year. HEYDUDE packaging totals are notably less in 2023 compared to the previous year because HEYDUDE had inventory from 2022. As a result of more accurate primary data in 2023 that was also used to assess 2022 inventories, the previously-stated Crocs packaging total of ~7,013 metric tons for 2022 has been recalculated to 15,460 metric tons.

Making Strides in Circularity

Our responsibility as a footwear company extends beyond the sale of our products. Since establishing our Circularity ambition in 2022, we piloted circular pathways for product reuse and repurpose within the Crocs brand, and began identifying end-of-life solutions that give consumers more options for their well-loved-and-no-longer-needed shoes.

“This pilot program aims to address both environmental and social challenges faced by the fashion industry when it comes to product waste. Together with our fans, we can unlock innovation and partnerships to effectively reduce waste, reuse our materials, keep shoes out of landfills, and help people in need.”

Deanna Bratter,
VP, Global Head of Sustainability,
Crocs, Inc.



Giving Old Crocs New Life

We're able to give old Crocs shoes a chance at a new life with the October 2023 launch of our retail takeback program – an important step in our circularity journey. As part of the pilot, we placed dedicated collection boxes at participating retail locations that, once filled, were taken to our partners at **Soles4Souls**, who helped sort and determine the shoes' next-best path to reuse. Gently used Crocs footwear that can still be worn at their highest value will do just that by being donated through the Soles4Souls 4Opportunity program as a way to help create opportunities for entrepreneurship for people in low-income countries. The Crocs community can expect to see expanded collection opportunities at over 150 U.S. retail stores in 2024, as well as a mail-in option to make it easier to engage in the program from home.

Want even more good news? Crocs shoes can be dropped off in any condition; well-loved Crocs that have reached the end of their wearable lifecycle will be sent to our partners at ReCircled where every effort will be made to process, sort, and deconstruct them into post-consumer recycled material streams that have the highest potential for reuse.

Read more about our impact partnerships and our approach to shoe donations in the Community section of this report →

Crocs, Inc. Joins The Footwear Collective

In 2023, we joined The Footwear Collective (TFC) as founding members, alongside seven other brands in footwear and materials innovation. Led by climate advocacy nonprofit EarthDNA, TFC brings together industry players to collaborate on scaling and accelerating the footwear industry's transition toward a circular economy. The collective – which will strategically focus on three pillars: circular materials, infrastructure, and consumer behavior – is working to deploy collaborative catalytic projects among the member companies to achieve circularity in a collective model. We hope to harness this collective knowledge as a way to tackle system-wide challenges, design for change, and bring greater innovation to both of our brands.

* Certain products, such as pre-production samples and production units containing small cosmetic defects, may not be sellable to consumers.

Circularity Starts with Design



Linear Model



Circular Pathways



45

U.S. retail stores

were involved in the pilot takeback program

The pilot was active across 10 states in 2023, including Colorado, Georgia, Illinois, Michigan, Massachusetts, Minnesota, Ohio, Pennsylvania, Virginia, and Wisconsin.

Crocs, Inc. will work to mitigate our contribution to climate change...

and recalibrate our resource use.

Climate Stability

In this section, we'll talk about:

- Emissions by Scope
- Pathways to Net Zero
- Carbon Footprints by Style
- Natural Resource Use

The comfort of our communities, all people, and the planet continues to be threatened by climate change. With the fashion industry accounting for 3-10% of global greenhouse gas (GHG) emissions,¹³ it is more critical than ever that footwear and apparel companies, like Crocs, Inc., proactively invest in mitigation efforts. That is why we continue to establish data-driven strategies to mitigate GHG emissions and drive toward our reduction goals. For complex value chains, achieving ambitious targets is no easy feat, but we are taking on the challenge.

In 2023, we took concrete steps to advance our strategy and prioritize pathways that consider our resource use and identify the best available emissions reduction opportunities. Guided by our 'Net Zero by 2040' goal, we completed our most comprehensive assessment to date based on the emissions reduction interventions available to us. This included examining ways to reduce our reliance on highly emissive transportation modes for our products, exploring renewable energy solutions at our facilities, and accelerating our use of bio-circular content in our compounds, as discussed in our Circularity section. As a result of these actions, we are seeing reductions resulting from our alternative materials initiatives, which we will continue to scale to match our rate of growth as a company.

Flip to pg. 37 for the results of our third-party verified LCA. →

↓ 6.1%

reduction in emissions per pair of Crocs Classic Clogs

from bio-circular content in our Croslite™ compounds

672,662

metric tons CO₂e

total Crocs, Inc. emissions

Flip to pg. 32 for more information on our 2023 GHG inventory →

Our Main Sources of Emissions ●

Where are we today?

Realizing our plans will enable us to operationalize advancements across our value chain in ways that account for global regulations, financing, infrastructure, and environmental and social contexts. That’s why we devoted time and resources to collecting input from our global teams and external industry experts through nearly a dozen cross-functional workshops. This work helped us gather critical insight into our largest sources of emissions, identify opportunities within our direct operations – such as materials innovations, logistical efficiencies, and renewable energy opportunities – and anticipate potential challenges, dependencies, and resource needs. In 2023, we continued to prioritize bio-circular initiatives to drive emissions reductions, while operationalizing other interventions in pursuit of our Net Zero goal.

Emissions By Scope*

Our 2023 GHG inventory is the most comprehensive look at our emissions profile to date, reflecting both data improvements and year-over-year insights. As we’ve learned more about our business impacts, we’ve improved our primary data and updated our methodology, resulting in an enterprise footprint that helps us identify climate risks and opportunities and continues to ground our Net Zero strategy.

Scope 1

3,189 tCO₂e

emissions

(direct emissions from energy use at facilities operated by Crocs and HEYDUDE)

Scope 2**

12,616 tCO₂e

emissions

(indirect emissions from utility-purchased electricity and heating)

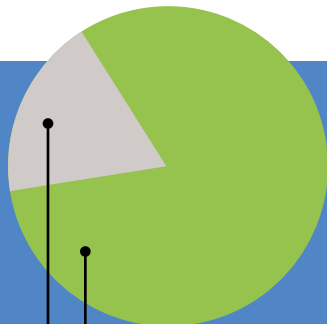
Scope 3

655,558 tCO₂e

emissions

(indirect emissions from our peripheral activities and value chain related to both Crocs and HEYDUDE)

Scope 3 emissions represent nearly 98% of total GHG emissions. The two biggest categories include Purchased Goods & Services and Upstream Transportation & Distribution.



81% of emissions are tied to the Crocs brand (540,836 tCO₂e)

19% of emissions are tied to the HEYDUDE brand (130,526 tCO₂e)

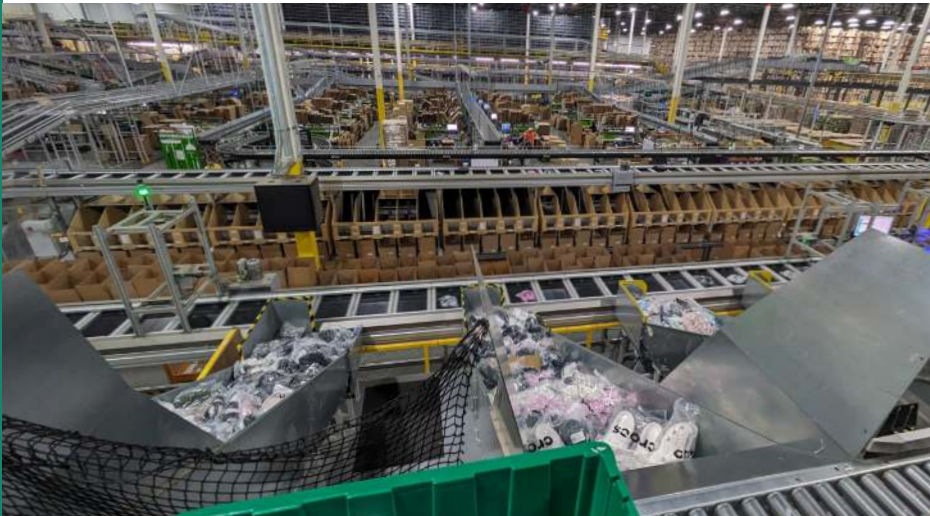
While the Crocs brand accounts for the majority of our enterprise emissions, we are looking for innovation opportunities that can be implemented across both brands, including reductions focused on raw materials and Tier 1 manufacturing emissions, as well as Scope 2 emissions resulting from electricity use.

↓ 16%

decrease in total absolute emissions

from 2022, despite an increase from our 2021 baseline

This year-over-year decrease is largely attributable to innovation in materials, availability of better primary data, business improvements, and the stabilization of our transportation and distribution logistics.



Find information on our climate-related risks and opportunities in our TCFD disclosure and more detail on our emissions by category in the appendix →

Check the Responsibility section to learn about our 2023 CDP Climate Change Score →

While our emissions decreased compared to last year, overall absolute emissions have increased by 16.95% compared to our 2021 baseline primarily as a result of business growth and improvements in the caliber of our GHG accounting methodology. We’re confident in our current slate of potential emissions reduction opportunities, and we will continue to seek out interventions that effectively account for our future growth projections. The improvements we’ve made this year in collecting even more accurate and transparent data will support our continued analysis of emissions reduction opportunities.

* A third-party assurance contract has been signed for our 2023 GHG Inventory that will be included in our CDP Climate Change Questionnaire in 2024.

** Unless otherwise specified, Scope 2 reported emissions throughout the document correspond to the market-based approach, as defined by the GHG Protocol. By comparison, Scope 3 emissions are reported on a location-based approach, except Purchased Goods and Services to better account for changes in clean energy acquired by Tier 1 factories.

*** Following the completion of our third-party certified Life Cycle Assessment (LCA) of our Classic Clog, we now have more accurate emissions factors for calculating the emissions associated with many of our raw material inputs for the Crocs brand. Our 2021 baseline was recalculated with these updated emissions factors, resulting in a change to the previously-stated value of 538,037 metric tons CO₂e. In line with the GHG Protocol, Crocs, Inc. plans to maintain a 5% significance threshold for restating GHG emissions data.

Goal

Achieve Net Zero by 2040.



Science Based Targets initiative's (SBTi) standards helped inform how we are thinking about our reduction pathways and interim milestones. In 2024, Crocs, Inc. signed a commitment letter indicating our intent to set a near-term science-based emissions reduction target through the SBTi.

Read about our path to Net Zero on the next page →

****When reviewing Scope 1, 2, and 3 emissions against total emissions, please note reported emissions are rounded to the nearest whole number and ~1,299 tCO₂e are classified as "Out of Scope" emissions in 2023, as defined in the GHG Protocol. As a result, totals may not match exactly.

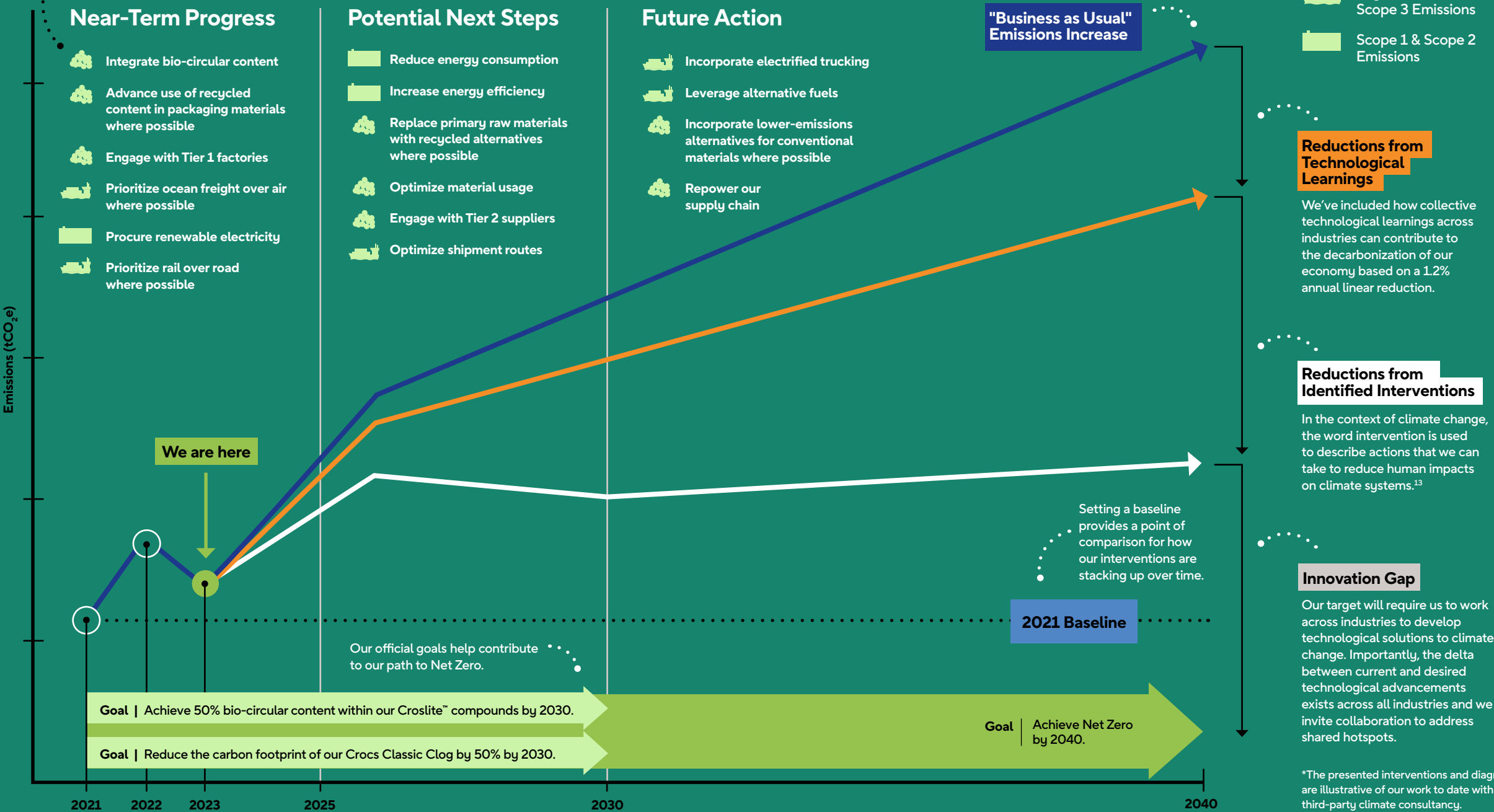
Our Path to Net Zero

By increasing the amount of bio-circular content in our Croslite™ compounds, we saw a 3% reduction in absolute emissions in our 2023 total inventory compared to the total emissions from a "business as usual" scenario.

Since stating our enterprise 'Net Zero by 2040' goal last year, we've been diligently evaluating our climate-related risks and opportunities and strategizing our path forward. Equipped with a renewed GHG inventory, we have developed a slate of interventions to help us drive decarbonization and transformation. This roadmap is a dynamic and fluid resource that we'll continually revisit as new potential interventions are unlocked through innovation over time. While we are publishing a conservative pathway, we've also

developed realistic and ambitious versions that provide additional insights to enable better internal decision-making and inform our strategy. Importantly, we will continue to evaluate our emissions reduction strategy annually to align our business practices and resources with our 'Net Zero by 2040' goal, accounting for the business growth we've experienced over the last few years and expect to see continue in the future.

Available Interventions*



Where are we going?

Our conservative, data-backed pipeline of available interventions helped us identify a potential path for more than a 50% reduction in emissions by 2040, as well as a 30% reduction by 2030, from our "business as usual" emissions projection, before accounting for an industry-wide innovation gap. So far, we have identified three main types of reduction interventions, including demand reductions, efficiency improvements, and shifts to less emissions intensive activities, to address our key emissions reduction hotspot areas. For all potential initiatives, we've considered the projected impact and rate of feasibility, though we are still working on financing and resource allocation. Our key hotspot areas include:

Raw Materials & Manufacturing Scope 3 Emissions

We are prioritizing product and packaging material alternatives, engaging with suppliers, and optimizing material usage.

Logistics-related Scope 3 Emissions

We are evaluating opportunities to reduce the emissions intensity of business activities, including addressing modes of transportation based on carbon efficiency, optimizing shipments, and more.

Scope 1 & Scope 2 Emissions

We are assessing options to procure renewable electricity and increasing energy efficiency.

Additional areas to further reduce emissions include:

- Business travel & employee commuting Scope 3 emissions
- End-of-Life Scope 3 emissions

*The presented interventions and diagram are illustrative of our work to date with a third-party climate consultancy.

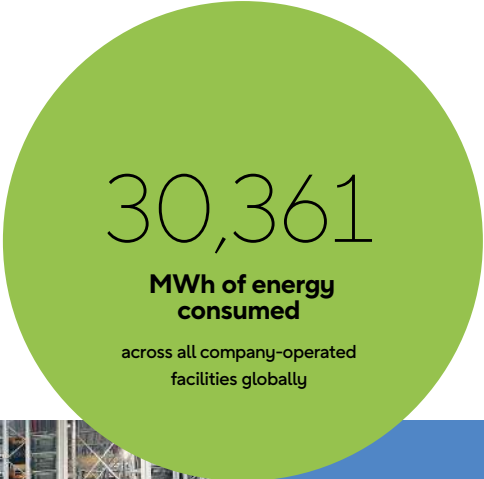
Powering our Operations and Moving our Products

Some of the intervention opportunities most within our influence include shifting to less emissions-intensive forms of transport, optimizing routes for transportation and distribution, and procuring renewable energy for our offices, retail stores, and distribution centers.

Analyzing the Impact of Our Physical Spaces

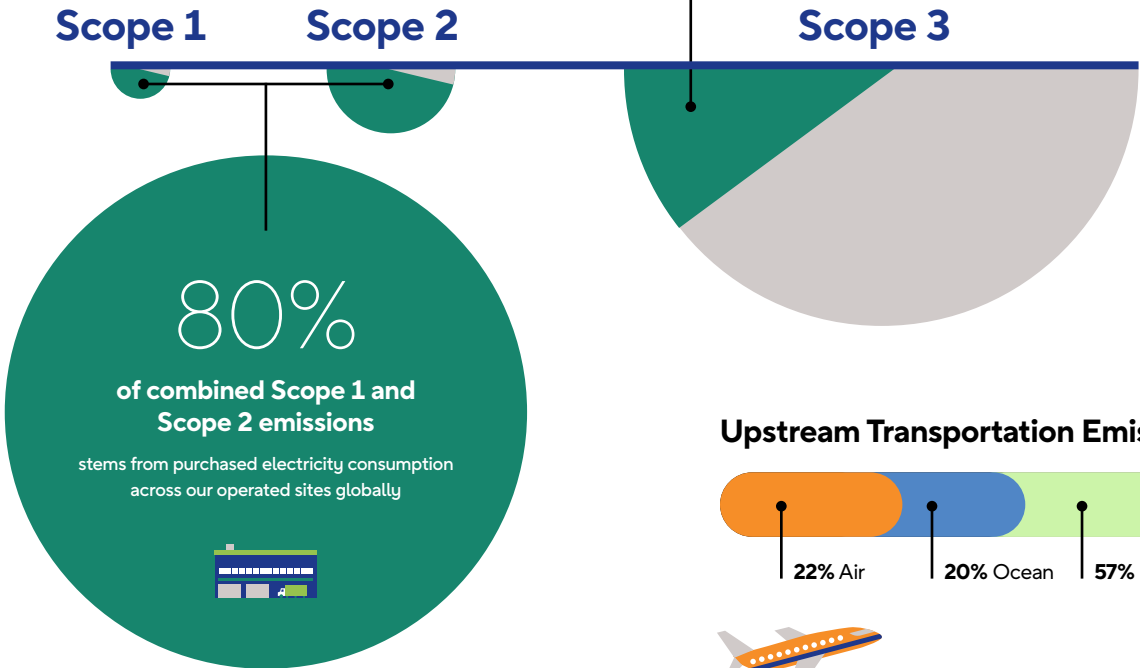
While Scope 1 and Scope 2 emissions don't represent a significant portion of total 2023 emissions – roughly 2% – we still see them as important opportunities for reduction because these day-to-day operations are directly within our control and influence. Since electricity consumed on-site is the most significant driver of Scope 1 and Scope 2 emissions for both brands, we're looking into renewable energy opportunities as a key pathway supporting our Net Zero goal.

As our business continues to grow, we'll keep looking for more ways to be efficient with our energy use.



Energy required to directly power operations, including fuel consumption, is the most significant driver of combined Scope 1 and Scope 2 emissions, and represents 2.4% of total emissions. Collectively, Scope 1 and Scope 2 increased roughly 3% over last year and nearly 30% over our 2021 baseline* – it's worth noting that this increase only corresponds to 0.53% of total emissions, though it is still important because it is where we have operational control. These increases predominantly reflect our business growth, including the opening of new retail stores. In 2023, we began negotiating contracts for the installation of solar panels at our distribution center in Nevada. In the coming years, we hope to enable additional sourcing of renewables across our offices, retail stores, and distribution centers.

* In addition to business growth, the increase over the 2021 baseline reflects more comprehensive data related to our HEYDUDE brand than was available pro forma in 2021.
** This figure represents both upstream and downstream transportation and distribution emissions, which each represent 17% and 14% of Scope 3 emissions, respectively. "Upstream" includes emissions from the transportation and distribution of products purchased, between our Tier 1 factories and our own operations (in vehicles and facilities not operated by us). "Downstream" includes emissions from the transportation and distribution of products sold, between our operation and the end consumer (in vehicles and facilities not operated by us).
*** Rail emissions accounted for 100 tCO₂e in 2023, although, given current data limitations, it's possible that reported ocean freight emissions may account for some rail emissions that our third-party logistics provider has not yet differentiated. We intend to work closely with our logistics team to advance transportation data availability.
**** While downstream transportation and distribution saw a large decrease compared to 2022, this is mainly because most 2022 data used to calculate emissions was extrapolated under the assumption that road was the most common type of transportation. This is not necessarily due to specific decarbonization interventions, but rather due to 2022 being an atypical year for transport activities, including the use of air freight. Improved primary data in 2023 has led to changes in emissions accounting that were used to improve 2022 emissions, as well.
***** Distance traveled is calculated in our GHG inventory as total weight-distance.
***** For comparison, air freight represented 7.4% of the total weight-distance in 2022 (compared to ~1% this year).

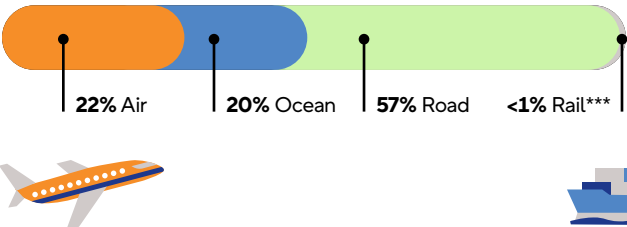


Although we saw a decrease from last year in the proportion of Scope 3 emissions coming from upstream and downstream transportation**** and distribution, this reduction is mainly the result of a return to business as usual after fluctuations in these emissions in 2022 – particularly in air transport.

Optimizing Our Transportation & Distribution Logistics

In 2023, we piloted new forms of transportation across our global value chain, such as fast boat shipping paired with inland ground transport or rail where possible, aimed at getting shoes to our distribution centers as efficiently as we can while also reducing emissions. We're taking a nuanced approach to reducing our upstream and downstream transportation and distribution emissions by considering what interventions make sense in each operating region. As infrastructure evolves, we'll continue to explore options like intermodal rail transportation, as well as sustainable fuel opportunities and electrification.

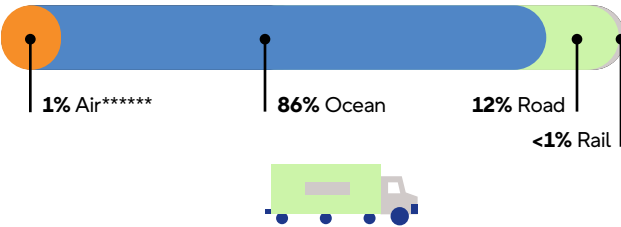
Upstream Transportation Emissions



Air Freight

Air travel still makes up a significant slice of our emissions pie compared to distance traveled, but we are leaning into less carbon-intensive modes of transportation where possible. The reduction of air emissions in 2023 is largely due to a return to business as usual after an abnormally high reliance on air transport in 2022 due to lingering disruptions from COVID paired with high business growth.

Distance Traveled*****



Ocean Freight

We always want to optimize the journey that our products take from our suppliers' hands to our customers' doors. In 2023, we began to research and consider how we can adjust our ocean freight shipping routes to reduce travel times, costs, and associated emissions.

Road Transportation

While infrastructure is currently lacking globally, we are starting to evaluate where we might be able to incorporate potential opportunities, such as more sustainable fuels or electrified trucking, into our transportation mix on a regional basis.

Addressing Transportation Industry Gaps

Naturally, innovation gaps in infrastructure and technology can preclude us – and other industry players – from taking immediate action on some of our transportation projects. As we implement more readily available interventions, we continue to track the development of technologies like sustainable aviation fuel, electric vehicles, and use of hydrotreated vegetable oil as options for more sustainable transportation and distribution. We'll continue to evaluate these potential opportunities for inclusion in our roadmap as they become technologically feasible and scalable.



Innovating and Optimizing Our Material Footprint

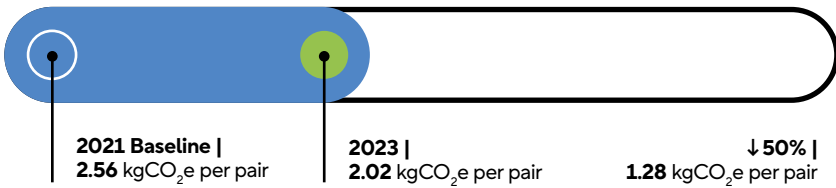
Our value chain, and more specifically Scope 3 Category 1: Purchased Goods & Services (PG&S)*, is the largest contributor to our emissions. In 2023, we continued to take steps to reduce these emissions through the increase of our bio-circular content in our Croslite™ compounds, and we are excited to see the impact that those steps are having on our goals. We also continued to explore other ways to reduce our emissions through product design and innovation, both in the Crocs and HEYDUDE brands.

Carbon Footprints by Style



To address the carbon footprint of our shoes, we are considering how to optimize the full life cycle of the products we sell. Starting with our most popular styles, we continue to measure the carbon footprint of the Classic Clog, the HEYDUDE Wally, and the HEYDUDE Wendy to understand how they fit into our overall emissions profile. In keeping with best practices to update **life-cycle assessments** (LCA) every 2-3 years, we engaged an environmental consultancy to conduct an LCA with primary data from fiscal year 2023 and compare the carbon impact of increasing bio-circular content in our Croslite™ compounds, which was validated and certified by SGS.

Goal
Reduce the carbon footprint of our Crocs Classic Clog by 50% by 2030.***



In 2023, we updated our LCA methodology****, emissions factors, and primary data, leading to a more accurate representation of the emissions from the Classic Clog. The difference in emissions from 2021 to 2023 can be attributed to our bio-circular initiatives, as well as a deeper understanding of our business practices that led to more specific primary data. Moving forward we intend to keep scaling our **bio-circular initiatives** to match our growth.

HEYDUDE Carbon Footprints*****

Wally
5.82 kgCO₂e

Wendy
4.94 kgCO₂e

We are in the process of improving our methodology and primary data collection to help evaluate the most effective interventions for our HEYDUDE products, which we expect to include material innovations, weight optimization, and more. That said, given its scale, our main focus in 2023 was on materials for the Crocs brand, specifically Croslite™.

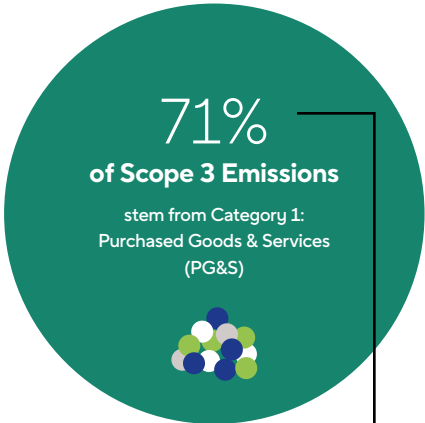
*This category includes emissions from the extraction, production, and transportation of goods and services purchased or acquired by us in the reporting year.
**This includes upstream and downstream global packaging products (raw materials & assembling).

Raw materials, Tier 1 manufacturing, and packaging from both brands represent 85% of PG&S emissions, so that's where we are directing our current efforts.

Scope 1

Scope 2

Scope 3

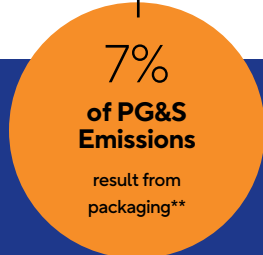


22% of PG&S Emissions result from our Croslite™ compounds specifically

Our Croslite™ compounds, which represent nearly 80% of all raw materials purchased and produced, now includes 17.3% bio-circular content on a mass balance basis. We are seeing the impact that advancement of our bio-circular efforts can have as a key driver of reductions.

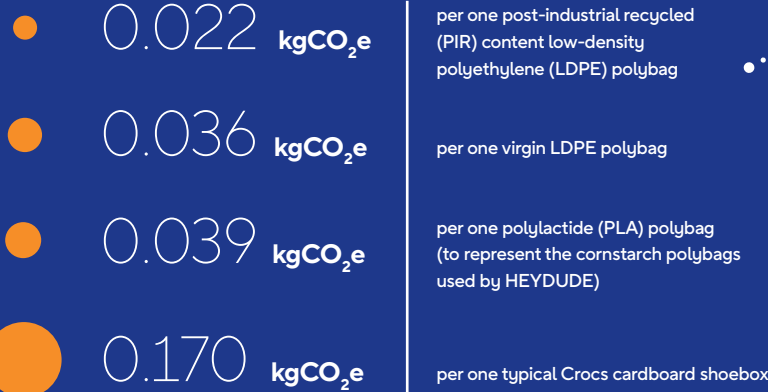
24% of PG&S Emissions result from OTHER raw materials purchased for Crocs and HEYDUDE shoes and accessories like Jibbitz™ charms

While we saw a decrease in emissions associated with HEYDUDE raw materials this year, it was the result of improved primary data and not material improvements. We are identifying which alternative materials will have the greatest impact on emissions.



Packaging Interventions

In an effort to holistically address emissions in our value chain, we're also considering how packaging contributes to our carbon footprint. Leveraging data improvements made in 2023 and the learnings from the preliminary packaging assessment we discussed in the Circularity section, we are currently focused on not only using higher amounts of recycled content whenever possible, but also on being as efficient with what packaging we're using – and why – along our value chain.



Read more about this packaging assessment in the Circularity section of this report →

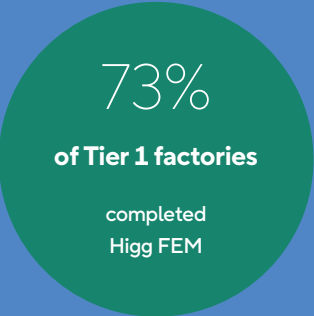
To further validate the potential benefit of our transition to post-industrial recycled (PIR) content, particularly as a way to reduce our shoes' carbon footprints, we internally conducted a comparative Higg Materials Sustainability Index (MSI) assessment of our various packaging options, including virgin LDPE polybags, 100% PIR LDPE polybags, and cornstarch polybags – which are currently used exclusively by the HEYDUDE brand. Like for like, the 100% PIR LDPE polybags is the least emissions intensive packaging option.

*** This goal is calculated on a per pair basis for the Crocs Classic Clog. Carbon footprints for additional Crocs brand styles can be found in our 2021 Comfort Report.
**** Our first LCA, based on methodological guidance from the Higg Product Module, used the most conservative material emissions factors at the time. The 2023 LCA used a mass balanced formulation derived from total 2023 raw material volumes, which includes 17.3% bio-circular content and 7.3% post-industrial recycled material in our Croslite™ compounds. The actual percentage of bio-circular content and post-industrial recycled material may vary from pair to pair of Classic Clog.
***** The footprints of the HEYDUDE Wendy and Wally styles were calculated at the beginning of 2023 using the Higg Product Module 1.0 at worldly.io. These calculations were conducted internally and represent a cradle-to-grave impact. Footwear carbon footprints are calculated using industry recognized sample sizes across our product classifications.

Emissions and Environmental Impacts of Making Our Products

Effective collaboration with our Tier 1 factories – our direct partners in the manufacturing and packaging of our products – is a big, and critical, undertaking. First and foremost, our focus has been on partnering with our suppliers to assess the use of natural resources, which sets us up well to protect the ecosystems in which our manufacturing occurs. We also look to partner with our Tier 2 suppliers where possible to gain a more comprehensive understanding of the environmental impact of our products’ value chain.

Assessing Our Supply Chain’s Impact on Natural Resources



Our suppliers’ use of these tools continues to grow year-over-year. The more suppliers that complete Higg FEM with self-reported data, the better we can understand the environmental impacts of our manufacturing footprint and identify potential opportunities for improvement.



Read more about our suppliers’ use of verified Higg FEM (vFEM) in the Responsibility section →

* In this category, electricity emissions were reported with market-based values to make the impact of renewable energy use by suppliers visible.

Natural resource management across our value chain is a critical component of our ambition to create ‘Comfort for the Planet’. It’s imperative to think through how to best support our suppliers in their efforts to actively manage natural resources when manufacturing our products. We set high standards for environmental compliance that we expect our Tier 1 (and Tier 2) suppliers to meet, and we continue to support them by providing guidance and training that encourages more efficient resource use.

We are a member of Cascale, previously the Sustainable Apparel Coalition (SAC), and leverage their commonly-used tool, the Higg Index, for internally measuring and assessing environmental and social impacts within our supply chain. In the past year, we expanded our application of the Higg Facility Tools – a set of standardized assessments used to measure environmental performance year-over-year – to include Tier 1 factories and Tier 2 suppliers across both Crocs and HEYDUDE brands, gaining deeper insight into how wastewater discharge and waste generation are managed by our suppliers.



Scope 1

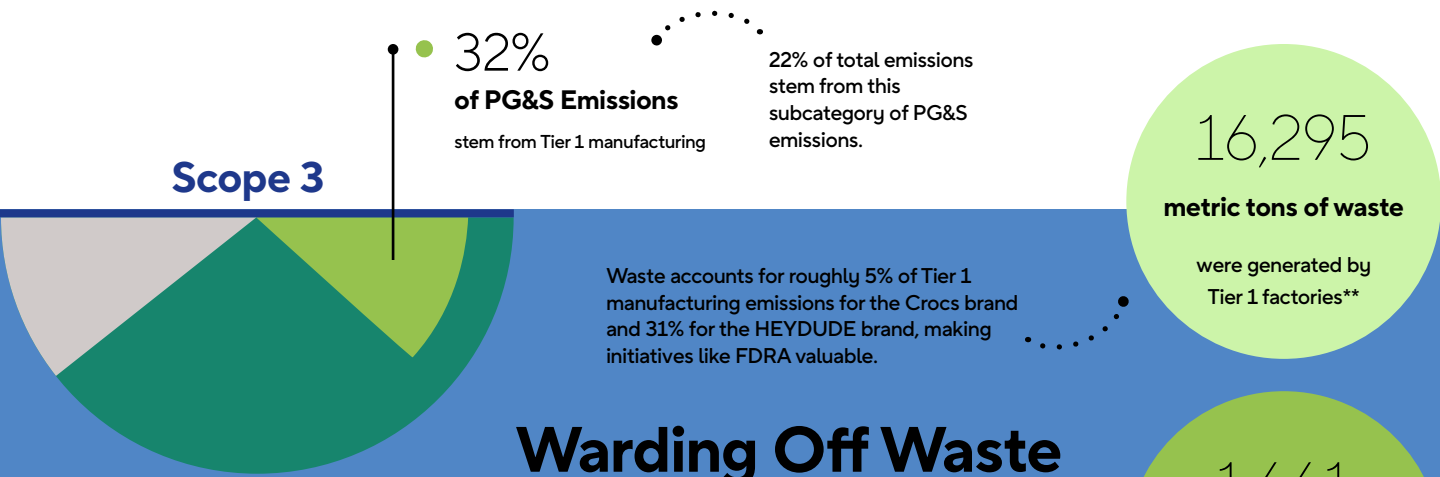
Scope 2

Scope 3

Read more about supply chain management in the Community section →

Emissions from Tier 1 Manufacturing

In this subcategory, we know that the consumption of electricity* is one key driver of emissions. By using insights learned from suppliers’ Higg Facility Environmental Module (FEM) assessments, we hope to understand more about our suppliers’ operations and potentially identify ways to reduce their emissions through energy efficiency initiatives, for example.



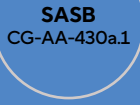
Warding Off Waste

In 2022, we piloted a Footwear Factory Zero-Waste Program with the Footwear Distributors and Retailers of North America (FDRA)*** at three factories that support the Crocs brand. We’re proud to announce that, in 2023, all three factories ‘graduated,’ received their certificates, and are now better equipped to identify, sort, and recycle waste. Given the success of this program, we’re considering scaling this initiative to our other factories.



Managing Wastewater

Last year, we began using the Zero Discharge of Hazardous Chemicals (ZDHC)**** guidelines as a global standard in our supply chain for wastewater discharge practices. These guidelines help us go above and beyond regulatory requirements for both responsible wastewater and chemical management. In 2023, we invited all of our Tier 1 partners to participate in trainings offered by ZDHC and required our suppliers to submit wastewater testing reports. 80% of Crocs Tier 1 factories finished the training, along with 97% of HEYDUDE Tier 1 factories. We know that we can’t manage what we can’t measure, so having a full picture of our supply chain’s discharge is crucial to successful wastewater management practices.



While wastewater surveys help us to assess compliance with wastewater discharge permits, they also help us to track the amount of wastewater our suppliers are discharging year over year and see how effective their current initiatives are.



This increased from 2 suppliers in 2022 – a testament to our efforts to enhance testing and reporting in our supply chain.



** Data related to waste, wastewater, and other information related to the use of natural resources was self-reported by suppliers and factories and has not been third-party verified.
*** FDRA is the footwear industry’s largest business and trade association, representing 95% of total U.S. footwear sales.
**** ZDHC, the Zero Discharge of Hazardous Chemicals guidelines, is a set of guidelines aiming to set a single industry-wide, globally unified expectation for sampling, testing, and reporting industrial wastewater.
***** This data reflects the percentage of Tier 1 factories and Tier 2 suppliers surveyed in compliance with wastewater discharge permits, which does not include every supplier we work with. We do not currently seek third-party verification of this data. See the Key Metrics in the appendix for more detailed Tier 1 and Tier 2 supplier wastewater data.

Crocs, Inc. will address barriers to unlock opportunities for all communities to be...



\$12.1M

total financial and in-kind donations

This includes ~\$11.32M worth of shoes and other non-shoe donations, and ~\$794K in funds.

Flip to pg. 43 for more information on our giving strategy and 2023 nonprofit partnerships →

safe, resilient, and thriving.

Community

In this section, we'll talk about:

- Community Impact
- Responsible Marketing
- Supply Chain Standards



We believe that partnerships based on transparency, collaboration, and mutual respect are critical to our long-term success and, in turn, our ability to create shared value for our communities. As we evolve our Purpose strategy, we will continue to take into account the multitude of local, regional, social, and environmental realities that exist for our communities today, create policies that serve to protect our stakeholders, and help people throughout our global value chain unlock their potential.

In 2023, we further reflected on how we show up for our communities, including our nonprofit partners, consumers, and suppliers. For our nonprofit partners, we clarified our desired outcomes, found even more authentic ways to step up, and strengthened our decision-making processes. For our consumers, we implemented new guidelines to support how we communicate with our fans, show up in the world, and reflect our appreciation for global cultures and communities. And, for those along our supply chain, we formally published an Environmental Policy and a Human Rights Policy, and created accountability structures to promote environmental remediation, labor rights, and more.

Step Up to Greatness



These are the three pathways that ground our action framework and bring our strategy to life.

This year, we sought to better understand what 'community impact' really means to our global value chain and where the greatest opportunities are for Crocs, Inc. to step into action. Led by our new Director of Social Impact, we began to evaluate the unique role we can play to create "Comfort for Our Communities," and clarified our desired outcomes given where we operate, who we serve,

and what our employees care about. We found that the most authentic and relevant way for us to drive positive impact is by using our **resources, platform, and capacity for connection** to create the space for others to step up with agency and authenticity. In 2023, we began working with our nonprofit partners to create pathways for people to unlock their potential, step up to greatness, and create measurable impact in their communities. We are proud of the steps we were able to take in 2023 and look forward to unveiling more details of our strategy in 2024.

To ground our community impact work within our larger Purpose strategy, we're building out our governing policies and structures – starting with a donations policy and criteria for future organizational giving. This policy honors both our past giving efforts and our future intent, formalizing how we can strategically apply financial contributions and in-kind donations to create more opportunities across our global communities.

\$12.1M

total financial and in-kind donations

(including ~\$794K in funds and ~\$11.32M worth of shoes and other non-shoe donations*)

Supporting Our Nonprofit Partners

We continue to support our nonprofit partners, while also exploring new opportunities to fund pathways for people to unlock their potential. In 2023, we:

- amplified LGBTQ+ voices by sponsoring **GLAAD's** inaugural Black Queer Creative Summit – a weekend of mentorship, networking, and opportunity-building workshops for emerging and historically underrepresented creatives.
- provided funds to **Special Olympics International** to support their Unified Leadership approach, a program that enables people with intellectual disabilities to achieve their leadership potential and educates others on preparing their communities and workplaces to be more inclusive.¹⁶
- provided financial support to the **Two Ten Footwear Foundation** and the Women in Footwear Industry (WIFI) community – a forum enabling women to connect, learn, and elevate themselves. Crocs and HEYDUDE employees participated in Two Ten events throughout the year.
- supported entrepreneurship opportunities in low-income countries by working with **Soles4Souls's** 4Opportunity program to find solutions for our sales samples at the end of sales cycles and help keep excess, yet wearable, shoes in circulation. We also partner with Soles4Souls in other ways, including through relief efforts and the Crocs retail **takeback program**.

~236,500

pairs of shoes

donated through Soles4Souls**

Return to the Circularity section for more information on Soles4Souls →

* Monetary values of in-kind shoe donations were calculated by applying a weighted average Manufacturer's Suggested Retail Price (MSRP) for Crocs and HEYDUDE shoes, respectively. Unworn shoes in perfect condition were valued at 100% average MSRP, shoes with minor cosmetic defects were valued at 60% average MSRP, and shoes with larger cosmetic defects (but still wearable) were valued at inventory standard.

Building New Impact Partnerships

We sought out nonprofit partners that can help create scalable opportunities for our communities.

In 2023, we began impactful engagements with...

- **RIVET** – a nonprofit that amplifies global social change and innovation projects led by young people. This year, we funded ten RIVET changemaker projects focused on uplifting women and girls, sustainable fashion, circularity, inclusive spaces, and more.
- **The Misa Hylton Fashion Academy's All-Star Mentorship Program** – a program that seeks to address systemic environmental and wellness challenges for Black and Latinx inner city youth by providing mentees with tools, resources,

and support to navigate their future careers and education in fashion. This year, we helped fund the program, which will be used to enhance the curriculum and expand its reach.

In 2023, we donated 30,000 products, including shoes, socks, and Jibbitz™ charms, through a Crocs brand campaign called Free Pair for Healthcare, continuing our efforts to support our healthcare heroes.***

We also support teachers, students, first responders, healthcare workers, and veterans who serve our communities with discounts on over 161,480 product orders.



Supporting Relief Efforts

We know there are urgent times when we need to support our communities after disaster strikes. In 2023, we supported:

- **Soles4Souls's 4Relief program** and **UNICEF** after the devastating earthquakes hit Türkiye and Syria in 2023. We donated funds in support of UNICEF's humanitarian efforts in the region, as well as over 131,000 additional pairs of shoes to people in need through Soles4Souls.
- **the Hawai'i Community Foundation's Maui Strong fund** by providing funds to support the immediate and long-term recovery of the people and places affected by the Lahaina wildfires. The Crocs brand, which has a strong ongoing presence in Maui, donated 3,878 pairs of Crocs shoes to the **Maui Family YMCA** to bring comfort to children and families. While all of our local employees were safe and accounted for in the wake of the devastation, we did unfortunately lose our Crocs store in the Outlet of Maui, located in Lahaina, when the entire center burned down.

~\$6.7M

in financial and in-kind donations

were for reactive relief efforts

~\$1.1M

was donated

to Feeding America® by retail consumers

Extending Our Impact through Our Value Chain

Our brand collaborations, wholesale partners, and consumers help us scale our impact. For example, in 2023, we:

- donated Crocs shoes to the **Boys & Girls Club of Las Vegas** with Shoe Palace and, in celebration of Croctober, we also donated Crocs shoes to **Boys & Girls Clubs** in **Tampa, Atlanta** and **Jacksonville** with our partners at Academy.
- donated Crocs shoes to **Ronald McDonald Houses** globally as part of the launch for our McDonald's collaboration shoe.
- leveraged the power of our consumers in the U.S. to:
a) donate meals to people experiencing hunger throughout the U.S. via our retail partnership with **Feeding America®**, and
b) fundraise for those affected by the earthquakes in Türkiye and Syria through the **United Nations High Commissioner for Refugees (UNHCR)** via contributions made while shopping on Crocs.com.



**This figure includes shoes donated through all Soles4Souls donation programs (including relief), but excludes shoes collected through the takeback program.

***This included 10,000 shoes, 10,000 pairs of socks and 10,000 Jibbitz™ charms.

Representation Matters

We live for our fans, a beautifully diverse tapestry of one-of-a-kinds from every corner of the world. We are using our voice, platform, and position to demonstrate commitment to the key issues aligned with our business and Purpose strategy, while acknowledging that social sensitivities are ever-changing. We're also paying close attention to where, when, and how we use language and imagery in our product and marketing campaigns, to make sure our platform is consistently inclusive. The only stance we won't amplify is one that actively excludes and works against the development of an inclusive culture.

Back to Basics

As a unified, multi-brand enterprise, we took time in 2023 to step back and reflect, build up our systems, and develop guidelines to create alignment between Crocs and HEYDUDE when it comes to marketing. Going back to the basics will undoubtedly streamline our decision-making processes and position us well to continue to show up authentically for our stakeholders. Our toolkit now includes a set of foundational guidelines for inclusive marketing, which serve as a framework for our employees to use when acting as ambassadors of our enterprise and brands.

We also added a set of responsible marketing principles to further build inclusivity into our marketing and communications strategies, 365 days a year. This guidance helps clarify how Crocs, Inc. engages with nonprofit organizations, campaigns, and influencer partnerships. We look to partner with unapologetic fans of our brands who can demonstrate inclusivity in action by creating content, products, and spaces that welcome everyone – regardless of race, national origin, gender identity, sexual orientation, disability status, or other protected classification.



Inclusivity in Action

Our global teams and our diverse fans wearing Crocs and HEYDUDE shoes inspire us to continuously make our communities more inclusive. We celebrate the individual approaches that each region, brand, and team take to inspire connectivity and foster inclusion in their communities.

Here are a few ways we put inclusivity into action in our marketing this year:



For the third year, our EMEALA region partnered with agency and community Muslim Sisterhood on the 'Share the Joy' campaign, acknowledging the beauty and cultural nuances of our global communities. The campaign launched a custom capsule collection, reflecting Crocs' CAYA ethos by bringing to life the themes of reflection, diversity, and celebration with loved ones.



Crocs, Inc. once again supported the United Nations Foundation's #EqualEverywhere campaign, which works to improve the rights and opportunities for girls and women. Acknowledging that women account for nearly two-thirds of our global workforce, we encouraged our online community to take a #GenderEquality pledge to stand up for gender equality.¹⁷



With support from a third-party partner, we held a multi-step cultural appreciation workshop to better understand the cultural origins of design, map our existing design process, and brainstorm new systems that proactively resist cultural appropriation. We first kicked-off this initiative within our HEYDUDE brand, then followed it up with an educational session for design and marketing teams across both brands, and developed a set of tools to support culturally competent decision-making. We're excited to continue conversations around cultural appreciation and bring these tools, along with a refreshed caliber of integrity, into our design process.

Our products draw inspiration from different philosophies, cultures, and motifs from fans all over the world. We see it as our responsibility to appropriately represent and honor the sources of our inspiration through a holistic end-to-end process from product design and merchandising to marketing and public relations.



This year, we further advanced standards across our supply chain by strengthening our internal cross-functional efforts, and external factory and supplier relationships. We kicked off a collaborative, enterprise Supply Chain Sustainability Program (SCS) to build internal resiliency and approach our initiatives through an inclusive lens, where stakeholders across functions are invited to the table. The SCS working group began devising a three-year plan with internal milestones for each year aimed at maximizing impact and activating our vision for supply chain sustainability. This includes doing our part in the communities in which we operate to promote access to both essential needs and opportunities for members of our communities to be their best selves.

Setting Supply Chain Standards ●



See more about auditing and compliance in our Responsibility section →

Strengthening Oversight Mechanisms

Our SCS program provides oversight on all initiatives that can be tied back to our manufacturing supply chain, enabling an interdisciplinary approach that touches all our ambitions. Ultimately, our enhanced governance structure allows us to centralize our work for more effective collaboration, align workstreams within our big picture strategy, and create more transparency in all aspects of our business. The SCS program focuses on:

You'll see these icons show up both here and in our Responsibility section, as our work to set high standards in our supply chain is only effective if it's upheld by our governance systems.



Responsibility and Standards

that cover our supply chain processes, policies, and due diligence.



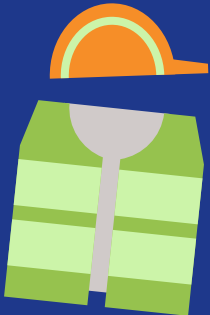
Environmental Sustainability

initiatives to reduce the environmental impact of our supply chain, protect natural resources, and take remediation measures, if necessary, with our supplier partners.



Transparency and Traceability

to map relationships between suppliers, trace key commodities, and track the chain of product custody end to end, from source to consumer.



Social and Labor Rights

as a means to manage and strengthen supplier relationships and keep those who make our shoes safe.



Policy Expansion

The SCS program created two enterprise-wide, consumer-facing policies in 2023 that, in addition to our Factory and Supplier Code of Conduct, help create standards that support the social and environmental well-being of our communities. Our Tier 1 factories, Tier 2 suppliers, and third-party partners sign statements of compliance and agree to regular audits. We also translate select supplier-related policies into local languages to promote clarity and cultural alignment.



Our **Environmental Policy** guides our operations in a manner that seeks to reduce our impact on the environment, mitigate pollution, and protect natural resources. We actively work to comply with applicable environmental protection laws and regulations, maintain an environmental audit program, and engage with stakeholders in our value chain to implement environmental initiatives. As we grow our programs and initiatives, our policy demonstrates our accountability to communicating and documenting our progress, opportunities, and areas of risk.



The **Global Human Rights Policy*** details our commitments to uphold human rights and prohibit modern slavery and child labor in our value chain. Informed by international standards, our policy is designed to safeguard the rights of all employees and individuals within our supply chain, including safe labor conditions, fair compensation, and to work of their own free will. We know that vulnerable communities often fall victim to forced labor and modern slavery, and this policy positions us to take action to keep our communities safe.



Taskforce Assembled

In 2023, we expanded the work of our enterprise-wide Forced Labor Taskforce to encompass global manufacturing supply chain regulations, formalizing this initiative as part of our Supply Chain Regulations Due Diligence Group. This team monitors and reports out on developments on supply chain regulations, including traceability, plastic taxes, product safety and compliance, any trade-related regulations, and human rights and modern slavery, especially as it relates to sourcing of our raw materials that present higher risk, including cotton.



Spheres of Influence

As part of our efforts to bring greater transparency to our supply chain, we intend to activate our cross-functional working group to continue our supply mapping efforts in 2024 with the goal of bringing even more clarity and traceability to our value chain. We know that the apparel and footwear industries experience a systemic lack of transparency,¹⁸ and that's why we are continuing to seek clarity in all aspects of our value chain.

* Local and international standards informing our policy include, but are not limited to, the UK Modern Slavery Act, California Transparency in Supply Chain Act, and the United Nations standards for Decent Work and Economic Growth.

We continue to strengthen our compliance processes and are pleased with the progress we've made toward this critical goal, especially for Tier 2 suppliers, which increased from ~46% completion in 2022. Additionally, in 2023, 71% of all suppliers were audited by a third-party.

Flip to pg. 52 to learn more →

100%
of Tier 1 factories
and
98%
of Tier 2 suppliers
have completed social
compliance audits

Crocs, Inc. will model good corporate stewardship, acknowledging that our license to operate...

Responsibility

includes responsible practices across our business and supply chain.

In this section,
we'll talk about:

- Factory and Supplier Compliance
- ESG Disclosures
- Policies and Ethics
- Oversight and Delegation of Responsibility
- Risk Management

In order to determine whether the standards we've established for our operations and our supply chain are upheld and continuously improved, we've implemented feedback loops that allow us to assess our impact and continue to prioritize our efforts. These feedback loops take the form of auditing and compliance processes, ratings of our ESG disclosures from various agencies, and engagement sessions with employees at all levels of the organization. The learnings we uncover, our strong foundation of policies, and our oversight mechanisms continue to anchor our strategy.

This year, we enhanced our auditing and compliance processes, which helped us make significant progress toward our goal of having 100% of Tier 1 factories and Tier 2 suppliers across both brands complete social compliance audits. We also grew our ESG reporting program, issued more public disclosures, and continued to offer sustainability engagement opportunities to our employees through our 'Let's Talk Sustainability' sessions. Our Enterprise Risk Management (ERM) framework continues to serve us well, helping us to proactively address risks from cybersecurity to extreme weather events.

Systematizing Continuous Improvement

Our oversight structures help us work hand-in-hand with our suppliers to develop and implement audit and compliance mechanisms, giving us insight into the aspects of our supply chain that we don't directly control. As part of our SCS program (discussed in the Community section), this work helps bring our supply chain standards to fruition and advance efforts around transparency and traceability, environmental sustainability, and social and labor rights.

Tackling Industry-Wide Supplier Performance Management Through Collaboration

We continuously seek to collaborate with industry peers to find ways to collectively uplift sustainability, transparency, and responsibility in the footwear industry. In 2023, we expanded our use of the Worldly sustainability data and insights platform and Higg Index tools to include the Facility Social & Labor Module (FSLM), helping us gain further insight into wages, working

vFSLM and vFEM are verified by a third-party to confirm the assessment questions were understood and answered correctly.

conditions, and employee treatment at supplier facilities. Tier 1 factories and Tier 2 suppliers of both brands also completed third-party **verified** self-assessments for the FSLM (vFSLM) and the Facility Environmental Module (FEM) (vFEM), allowing us to assess social and environmental performance in our supply chain and work closely with our partners to meet our goals.

Read more about our use of Higg tools in the Climate Stability section →



Auditing Our Supply Chain for Compliance

Overall, there are three types of audits that may apply to our factories and suppliers: a social compliance audit, a self-assessment using the Higg FEM and FSLM (with third-party verification on the Worldly platform), and a mock trade audit, which is conducted by our internal Trade Compliance team to assess preparedness for trade regulations. Our team, along with third-party assessors, conduct social compliance audits for active suppliers, which evaluate human rights conditions (such as forced labor, child labor, harassment, abuse, and discrimination) in line with our Factory and Supplier Code of Conduct. We prioritize social compliance among our Tier 1 factories and Tier 2 suppliers – which account for the bulk of our purchased goods and services – and work together to promote resiliency, safety, and transparency within our operations.



Strengthening Our Systems

Our Factory and Supplier Code of Conduct* and Approved Vendor List (AVL) guide our internal and external supplier audits. We use our AVL as guidance for assessing our Tier 1 factories and Tier 2 suppliers in alignment with our policies, quality requirements, and delivery expectations. Should a violation of our policies be identified, suppliers must submit a Corrective Action Plan (CAP), including a timeline for remediation. We continue to use our tried-and-true codification of risk. In 2023, less than 5% of the 493 total audits were categorized with a “Red” rating, with only three issues of priority non-conformance. **This year, we strengthened our processes by:**

- Refining our social audit checklist to align with new customer standards, be user-friendly for both facilities and auditors, and reflect updated risk priorities.
- Using an AI tool to gather social compliance information by geography and factory to inform our auditing practices.

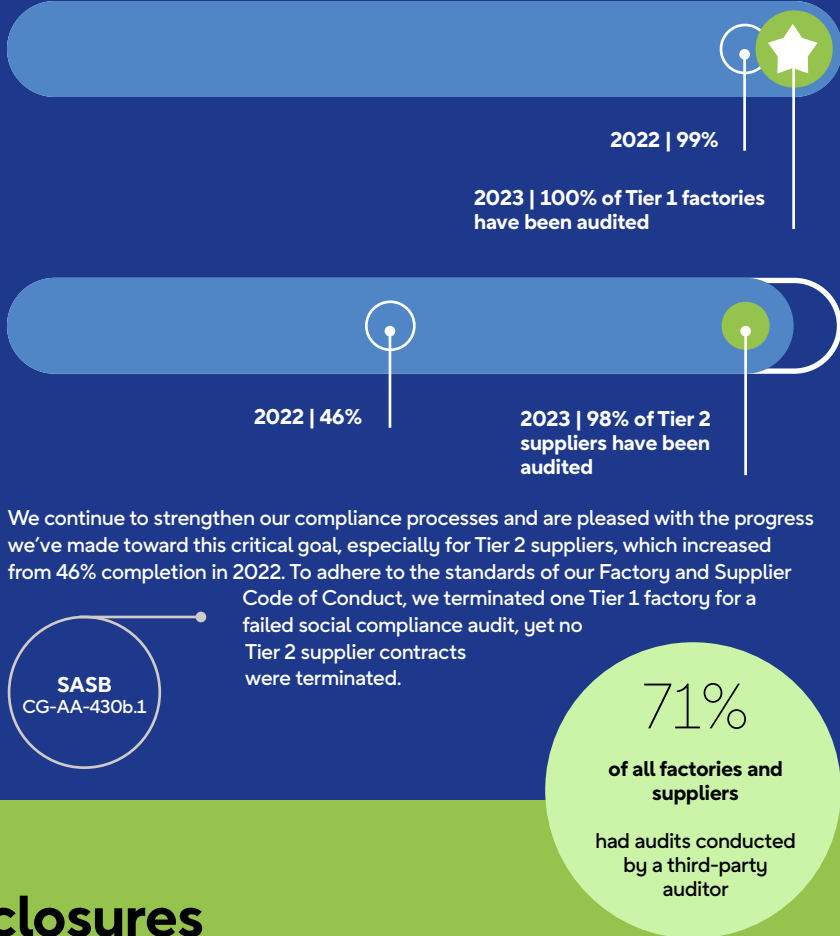
SASB
CG-AA-430b.2

Our new third-party factory in India completed its first social compliance audit in December, achieving an overall performance score of 98.6%.



Goal

Strive to have all factories and suppliers across both brands complete social compliance audits – with 100% of Tier 1 by the end of 2023 and 100% of Tier 2 by 2024.



Expanding Our Disclosures

This year, we expanded our ESG reporting to strengthen our overall program and further build trust and credibility with stakeholders. We recognize that the regulatory landscape is ever evolving, and in 2023, we assembled an internal, cross-functional Regulatory ESG Reporting & Governance team focused on leveling up our reporting, data management, and audit and controls in preparation for regulations such as the EU's Corporate Sustainability Reporting Directive (CSRD). We are proud of the progress we've made and the strong systems we've created to support continuous learning in our reporting and disclosure processes.



We submitted our first full-length Climate Change Questionnaire to CDP, receiving a score of B, which indicates that our environmental management practices are up to par.



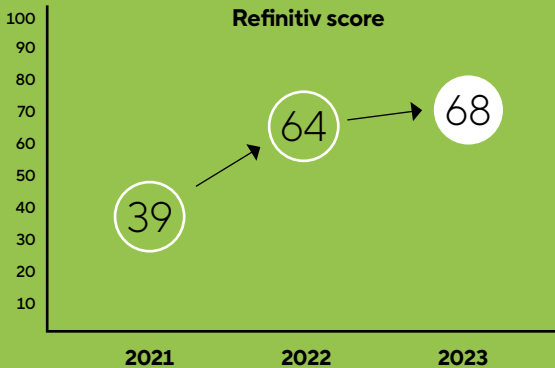
We improved our MSCI score from an A to an AA through enhanced voluntary disclosures, like our annual Comfort Report. This score increase shows that MSCI ranks us as a leader in the industry in managing our exposure to ESG risk.



Our Refinitiv score increased by four points to 68, which is particularly meaningful when compared to our 2021 score of 39. This means we're delivering strong risk-adjusted performance relative to our peers.**



We've been included for the first time in JUST Capital's ranking system for "America's Most Just Companies," receiving a ranking of 683 out of 937 companies surveyed.



** Refinitiv updates scores weekly, so this score reflects a point in time, November 2023.

* The Factory and Supplier Code of Conduct was created in line with the Fair Labor Association's Workplace Code of Conduct and Compliance Benchmarks, and holds our business partners to both national and international laws and regulations.

Managing Ourselves and Our Risks

Ethics and Oversight

Our Purpose strategy is built on a strong foundation of ethics, codified by our Worldwide Code of Ethics (the “Code”). The multilingual Code is designed to serve all employees, who are trained on the Code during onboarding and on an annual cadence, cultivating a shared understanding of integrity.

Our corporate sustainability team, led by our VP, Global Head of Sustainability, who reports directly to our CEO, drives our strategic ambitions and facilitates cross-functional collaboration. The team owns the communication of our Purpose strategy and provides opportunities for employees to participate in the strategic process.

The Board ESG Steering Committee, renamed the Corporate Responsibility & Sustainability (CRS) Committee in 2024, oversees our sustainability and social impact policies, practices, and disclosures, and supports the authorization of key projects that create lasting outcomes, including our Net Zero goal and strategy. To promote a consistent pulse of Purpose across the organization, the Committee provides quarterly updates to the broader Board of Directors.

3

of 7 members of the Board of Directors

serve on the Board CRS Steering Committee

5%

of executive incentive compensation

remains tied to CRS performance, consistent with 2022



Risk Management

For more information, check out our Annual Report on Form 10-K.

We regularly review our Enterprise Risk Management (ERM) framework to account for our social and environmental-related risks and opportunities. Our risk-based cybersecurity program and incident response plan — designed to facilitate a timely response to cybersecurity incidents — is aligned to national standards and supports the 2023 SEC ruling requiring greater disclosure around risk management. Our Chief Information Officer and Chief Information Security Officer lead these efforts with support from third-party partners.

Resiliency also means being prepared for emergencies. Extreme weather conditions and other uncontrollable events can impact our operations, vendors, suppliers, and customers. Being proactive about big picture efforts like climate stability, as well as everyday efforts to train emergency response employees, keeps us nimble and steadfast.

Policies

We regularly review our suite of policies and practices to protect our businesses and our employees. Where needed, we create new policies intended to enhance the workplace, reflect changes in operations, provide additional guidance on issues referenced in our employee handbooks, and stay up to date with international, national, and state compliance laws, as applicable. Here are policy updates made in 2023 to protect company data and personal information:

- Global BYOD “Bring Your Own Device” Policy **UPDATED**
- Global Social Media Policy **UPDATED**
- Global Confidentiality Policy **NEW**
- Corporate North America Employee and Non-Employee Data Privacy Policy **NEW**
- Corporate North America Applicant Privacy Notice and Policy **NEW**

Read more about employee policies in the Inclusivity sections →

Read more about external-facing policies in the Community section →



Ways to Engage

Informational and educational sessions are a regular component of our internal communications efforts and help bring awareness to our strategic objectives, answer employee questions, and hear cross-functional perspectives. These sessions take many forms, fostering collaborative conversations and creating alignment on cross-functional priorities.

• ‘Let’s Talk Purpose’ sessions are informal opportunities to create a dialogue among global employees on topics that range from our brand origin story to our Net Zero goal to conversations with our nonprofit partners. In 2023, we hosted 6 engagement sessions for employees, including, for example, a session focused on Purpose and Partnership in Action with the CEO of Soles4Souls to share details around the launch of our circular takeback program and how our cross-industry partnership is helping us reach our ambitions.

• Crocs, Inc. Purpose Newsletters share quarterly updates related to our strategic impact ambitions across the enterprise. While other brand- and region-specific newsletters remain active, this enterprise newsletter centralizes and standardizes updates, and shares upcoming events related to Purpose.

If an employee suspects or experiences behavior that is not in compliance with our Code of Ethics, they can anonymously report their concerns to their supervisor or through our Ethics Hotline.

By Phone in the U.S. or Puerto Rico (toll-free): +1 800-852-3912

Local phone numbers for our international locations are available at www.speakupcrocs.com.





Key Metrics

As part of our efforts to continuously improve our levels of disclosure and make our reporting accessible to all of our stakeholders, we seek to offer year-over-year comparability on key data sets, starting with information about our workforce, raw material quantities purchased or produced, greenhouse gas (GHG) emissions, and wastewater discharged by Tier 1 factories and Tier 2 suppliers. We hope to expand this slate of metric disclosures in future years.

People

(as of December 31, 2023)

	2022	2023*
TOTAL GLOBAL EMPLOYEES	6,457	7,028

By Region

	2022	2023
Americas (2022) / North America (2023)	5,157	5,579
U.S. Only	4,989	5,406
Asia Pacific	712	797
Europe (2022) / EMEALA** (2023)	588	652

Methodology & Commentary

As a result of redefining the geographic boundaries of the regions we operate, the regional breakdown for employees has changed, as reflected by updated nomenclature: the Americas region changed to North America, and the Europe region changed to EMEALA**.

We have a strong gender balance across job classifications at Crocs, Inc. that has held consistent over the past few years. We want all employees regardless of their gender identity or position in the company to feel supported. Representation amongst our employees held relatively flat year-over-year, with 70% of our U.S. corporate employees identifying as White in 2023.

By Management Level

		2022	2023
Global	People Managers***	926	1,031
	Non-People Managers	5,531	5,997
U.S. Only	People Managers***	571	651
	Non-People Managers	4,418	4,755

By Job Classification

	2022	2023
Retail Locations	3,394	3,654
Distribution Centers	1,301	1,339
Corporate/Regional Offices	1,762	2,035

* Our 2023 10-K submission within Item 1. Business Disclosure rounds number of employees to 7,030, consistent with these reported figures.
** EMEALA is used to refer to the Europe, Middle East, Africa, and Latin America region.
*** People managers are defined as those who manage at least one direct report. This is a broader group than what the company considers its leadership team, which refers to Directors and above. We hope to expand our reporting to reflect demographic data for this leadership group in addition to the people manager group.

Materials



Material Type	Amount Purchased (metric tons)	% of Total	Associated Certification	Amount Certified (metric tons)
Compounds: Croslite™ (including bio-circular content) & EVA*	55,501.8	82.4%	ISCC PLUS Certification via mass balance approach for bio-circular material	8,797.0
Rubber	3,082.0	4.6%	–	–
Polyester	1706.2	2.5%	–	–
Textile**	1,227.2	1.8%	–	–
Cotton	996.3	1.5%	–	–
PE/PET	922.0	1.4%	–	–
TPU	896.1	1.3%	–	–
Nylon	867.1	1.3%	–	–
PVC	683.3	1.0%	–	–
PU Sole	507.2	0.8%	–	–
Leather	421.3	0.6%	–	–
PU Synthetic	214.9	0.3%	–	–
Metal	159.2	0.2%	–	–
Rayon	51.3	0.08%	–	–
TPR	39.1	0.06%	–	–
Wool	37.4	0.06%	–	–
Spandex	32.8	0.05%	–	–
Linen	23.2	0.03%	–	–
Wood	0.61	0.00%	–	–
Cork	0.04	0.00%	–	–

Methodology & Commentary

Materials data was compiled by aggregating information provided by suppliers and broker partners with extrapolated data when primary data sources were unavailable. For the Crocs brand, materials used to produce footwear and Jibbitz™ charms are included, while sock materials are currently excluded due to data limitations. For the HEYDUDE brand, only materials used for finished footwear were included.

At this time, the enterprise has not yet identified additional material-specific risks and opportunities beyond our Croslite™ compounds, which is the most prevalent material used in the company's products. As part of our Supply Chain Sustainability (SCS) Program, the enterprise is working to identify materials-specific risks for other materials in 2024.

Please note that raw materials that account for less than 0.01% may not be included in the above list.

* This includes Croslite™ produced and EVA purchased by both the Crocs and the HEYDUDE brands. Crocs, Inc. currently only measures bio-circular content within its Croslite™ compounds for its official goal, therefore, this total figure cannot be used as the denominator for the 17.3% bio-circular content reported as a full-year average on a mass balance basis as of 2023. The bio-circular content in Croslite™ compounds is certified as ISCC PLUS under The International Sustainability & Carbon Certification (ISCC).
** Textile, purchased by the Crocs brand, includes the following materials: cotton, jute, denim, polyester, nylon fabric, woven label, webbing, laces, and elastic.

Greenhouse Gas (GHG) Emissions



Scope	2021* (tCO ₂ e)	2022** (tCO ₂ e)	2023 (tCO ₂ e)
TOTAL***	575,189	803,885	672,662
Scope 1****	2,444	4,252	3,189
Scope 2 (market-based)*****	9,822	11,134	12,616
Scope 2 (location-based)*****			11,600
Scope 3	561,791	783,480	655,559
Purchased Goods & Services*****	–	532,816	464,806
Upstream Transportation & Distribution*****	–	161,780	111,720
Downstream Transportation & Distribution*****	–	36,502	9,399
End-of-Life Treatment	–	31,253	44,048
Business Travel	–	5,605	9,027
Employee Commuting	–	5,850	5,719
Fuel & Energy Activities	–	1,765	3,931
Use of Sold Products	–	1,340	1,344
Capital Goods	–	2,763	2,631
Waste	–	2,945	1,619
Upstream Leased Assets	–	835	1,292
Franchises	–	26	24

2023 Total Emissions by Brand

Crocs (tCO ₂ e)	HEYDUDE (tCO ₂ e)
540,836	130,526

Methodology & Commentary

The Crocs, Inc. enterprise GHG Inventory follows an operational control consolidation approach for emissions accounting and estimation aligned with the GHG Protocol, the internationally-recognized standard for corporate emissions accounting. An assortment of primary, supplier-specific data, secondary data, average-activity data, and spend-based data was used in the calculation of our 2023 GHG Inventory. Appropriate extrapolations and assumptions were made to fill data gaps when primary activity data was unavailable. A third-party assurance contract has been signed for our 2023 GHG Inventory that will be included in our CDP Climate Change Questionnaire in 2024.

In 2023, following the completion of our third-party certified LCA of our Crocs Classic Clog, we now have more accurate emissions factors for calculating the emissions associated with many of our raw material inputs for the Crocs brand. In addition to more accurate emissions factors, thanks to an increase in data quality and granularity for Crocs shoes and Jibbitz™ charms raw materials for 2023, the calculation methodology was adjusted, and resulting emissions for 2021 and 2022 have been updated.

For the HEYDUDE brand, 58% of raw materials used were accounted for in 2022, and the remaining emissions from materials were extrapolated. For 2023, more complete raw materials data was provided for HEYDUDE, resulting in more accurate emissions calculations.

Our 2021 baseline has been recalculated with these updated emissions factors and methodology, resulting in a change to the previously-stated value of 538,037 metric tons CO₂e, allowing for a comparable 2021 base year for Crocs, Inc.’s Net Zero by 2040 target. In line with the GHG Protocol, Crocs, Inc. plans to maintain a 5% significance threshold for restating GHG emissions data.

* In order to extrapolate HEYDUDE 2021 emissions, we used total HEYDUDE emissions and total 2022 revenue and compared it against pro forma HEYDUDE 2021 revenue. We considered the difference in revenue from one year to the other to estimate 2021 emissions as a whole. Since revenue is a normalization factor that does not represent any particular details for any of the scopes, it was not initially possible to extrapolate Scope-level data for 2021 for the Crocs, Inc. enterprise. 2021 Scope-level data was added for the first time this year.

** In 2023, we updated our 2022 GHG Inventory after receiving more granular data, leading us to improve our primary sources and increase the accuracy of our calculations.

*** When reviewing Scope 1, 2, and 3 emissions against total emissions, please note reported emissions are rounded to the nearest whole number and ~1,299 tCO₂e are classified as “Out of scope” emissions in 2023, as defined in the GHG Protocol. As a result, totals may not exactly match.

**** Scope 1 emissions include stationary and mobile combustion, and fugitive emissions (from refrigerant leakage), amounting to 3,189 tCO₂e.

***** Unless otherwise specified, Scope 2 reported emissions throughout the document correspond to the market-based approach, as defined by the GHG Protocol. By comparison, Scope 3 emissions are reported using a location-based approach, except Purchased Goods and Services to better account for changes in clean energy acquired by Tier 1 factories.

***** This category includes emissions from the extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year. Marketing and professional services, which are estimated by cost, remain a significant subcategory of Purchased Goods & Services emissions. This category includes expenses from: agency media, advertising, production, promotional (various), digital media, endorsements, photography, among others. Because all Branding/Marketing calculations are based on spend data, we do not believe they are accurately representative of emissions tied to branding and marketing efforts. We are proud of our investments in marketing and branding, and see them as key components of our overarching strategy. We hope that over time, best practice for how to account for this category improves and we can in turn have better visibility to these impacts.

***** “Upstream” includes emissions from the transportation and distribution of products purchased, between a company’s Tier 1 factories and its own operations (in vehicles and facilities not operated by the reporting company).

***** “Downstream” includes emissions from the transportation and distribution of products sold, between the company’s operation and the end consumer (in vehicles and facilities not operated by the reporting company). While downstream transportation and distribution saw a large decrease compared to 2022, this is mainly because most 2022 data used to calculate emissions was extrapolated under the assumption that road was the most common type of transportation. This is not necessarily due to specific decarbonization interventions, but rather due to 2022 being an atypical year for transport activities. Improved primary data in 2023 has led to changes in emissions accounting that were used to improve 2022 emissions, as well.

Wastewater



	Type of Discharge	Tier 1 Factories (m³)	Tier 2 Suppliers (m³)	Combined Totals (m³)
Crocs	Industrial Wastewater Discharged (reported generation of industrial wastewater and discharge to industrial zone WWTP or municipal pipe network)*	458,954	136,428	595,382
	Wastewater Treated On-Site** (reported wastewater treated on site and then discharged to industrial zone WWTP or municipal pipe network)*	428,636	27,242	455,878
HEYDUDE	Industrial Wastewater Discharged*** (reported generation of industrial wastewater and discharge to industrial zone WWTP or municipal pipe network)	188,949	1,365,435	1,554,384
	Wastewater Treated On-Site** (reported wastewater treated on site and then discharged to industrial zone WWTP or municipal pipe network)	186,555	506,154	692,709

Methodology & Commentary

Wastewater discharge permits or contractual agreements are not applicable to all types of wastewater, such as domestic wastewater.

The difference between discharge permits and contractual agreements is that discharge permits constrain the amount of wastewater and contaminants that can be discharged, while contractual agreements are closer to a charge voucher. For factories that only produce domestic wastewater****, there is no such discharge permit available. If the domestic wastewater is discharged into the municipal pipe network, the sewage items included in the water bill (for example, in China, domestic wastewater can be calculated as 90% of water usage) can also be regarded as equivalent to the discharge permit. It is through this lens that our team is able to track whether our suppliers are in compliance with wastewater discharge permits and/or contractual agreements.

Furthermore, if domestic wastewater is discharged to the municipal sewage pipeline system, it can also be assumed that a supplier has a permit equivalent to that amount. When a supplier provides us with an invoice or bill from their municipal wastewater treatment plant, this is also our best indication that domestic wastewater is being treated properly.

Please note that industrial wastewater and wastewater treated on-site from suppliers shared across both Crocs and HEYDUDE brands is included in brand specific totals. As a result, when calculating combined enterprise-wide wastewater discharged, wastewater from shared suppliers must be subtracted to avoid double counting. The figure for industrial wastewater discharged by Tier 1 factories (519,159 m³) reflected on pg. 40 accurately captures this methodology and reflects wastewater discharged by shared suppliers.

* In 2023, HEYDUDE consolidated its Tier 2 supplier list and, as such, the survey was sent to all 83 Tier 2 suppliers. For the Crocs brand, the Tier 2 wastewater survey was sent to the top 38 "core" suppliers. In 2023, a combined 117 of Tier 2 suppliers (accounting for suppliers shared across both brands) responded to the distributed wastewater survey, representing ~44% of all suppliers, and all of those that responded reported compliance with wastewater discharge permits and agreements.

** 8 of 27 Tier 1 factories and 5 of 38 surveyed Tier 2 suppliers supporting the Crocs brand reported having on-site treatment facilities. 3 of 25 Tier 1 factories and 19 of the 83 surveyed Tier 2 suppliers supporting the HEYDUDE brand reporting having on-site treatment facilities. When accounting for suppliers shared across both brands, a total of 10 Tier 1 factories and 22 Tier 2 suppliers supporting the enterprise reported on-site treatment facilities. These figures for the amount of wastewater treated on-site reflect the above supplier reports.

*** As it relates to HEYDUDE Tier 1 industrial wastewater discharge and wastewater treated on-site, two new suppliers were surveyed in 2023 that account for 98% of wastewater, which contributed to an increase when compared to 2022.

**** Domestic wastewater could include organic particles (hairs, food, feces, vomit, and plant material), and soluble organic material (urea, drugs, and pharmaceuticals), etc. and therefore untreated wastewater could contain biological, chemical, and physical pollutants. Contaminants in industrial wastewater vary process by process, but mainly are suspended solid, organic compound, nutritional pollutants, and acid-base pollutants, etc.



ESG Frameworks

Effectively disclosing under appropriate environmental, social, and governance (ESG) frameworks helps stakeholders understand how we are managing impact-related risks and opportunities, serves as a gut check for our Purpose strategy, and helps us prepare for anticipated regulations around mandatory climate-related and ESG disclosures.

Although Crocs, Inc. is not yet subject to reporting obligations under the European Union Corporate Sustainability Reporting Directive (CSRD)⁴, we have been proactive about assessing our business's preparedness under the CSRD framework.



SASB Reference Table

The Sustainability Accounting Standards Board (SASB) is an independent, nonprofit standards-setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. This table references the issues which SASB has identified as financially and/or operationally material for Apparel, Accessories, and Footwear Industry Standard - VERSION 2023-12.

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Management of Chemicals in Products						
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	Crocs, Inc. is dedicated to the management of chemical safety risks in our supply chain and the reduction of chemical substances in our products. Our mitigation strategy includes working with our suppliers to track progress and completion of corrective action plans, and engaging in capacity building efforts. This extends to analyzing the root causes of any chemical safety risks, engaging workers in remediation processes, reviewing prior OSHA citations, holding supplier trainings, and conducting internal and external audits. Crocs, Inc. uses a Restricted Substance (RS) Policy, updated in 2023 to cover both brands, to manage and maintain compliance with restricted substance regulations for products in all markets. Restricted substances have been identified by their toxicity levels and the potential hazard they pose to both human and environmental health. The enterprise's Restricted Substances List (RSL) is updated annually in consultation with third parties to ensure it accurately reflects our voluntary requirements on top of the most stringent global legislation, making our regulations among the strictest in any given market. As such, we remain in accordance with the U.S. Consumer Product Safety Improvement Act (CPSIA), which ensures we are both following regulatory requirements and protecting consumers from hazardous substances. Crocs, Inc. monitors evolving regulatory requirements and continues to be a member of Apparel and Footwear International RSL Management (AFIRM) to ensure policies meet workplace safety practices, air emissions and solid/hazardous waste thresholds, and water discharge regulations. To ensure compliance throughout our supply chain, we, along with the support of third-party labs: - conduct RSL training online and in-person with suppliers. In 2023, four training sessions were held for Tier 1 factories and Tier 2 suppliers of both brands based in Asia, during which over 600 supplier representatives attended, in aggregate; - run test programs, which are conducted by approved third parties, including SGS, CTI, BACL, and Eurofins; - conduct regular and random audits – input materials are tested annually, while finished shoes are randomly tested on a quarterly basis; and - have both Tier 1 factories and Tier 2 suppliers sign a Statement of Compliance. HEYDUDE has now implemented the same RS Control System as the Crocs brand, strengthening our enterprise management of chemical safety. Both brands are now engaging in the following: - employing advanced test programs prior to the selection of incoming materials by suppliers; - encouraging suppliers to identify high-risk substances and perform tests by themselves prior to our involvement, which is called our Best Test Program; and - ensuring that Tier 2 suppliers comply with a Restricted Substances Performance Classification system, which can further influence the frequency of audits and testing, and even whether suppliers can remain on the company’s approved vendor list (AVL). We continue to work toward our ultimate goal of drastically reducing or eliminating listed chemicals and substances in our final products.	Circularity, pg. 25 Responsibility, pg. 51-52 The RS policy, inclusive of the RSL, is publicly available at: https://investors.crocs.com/governance/governance-documents/default.aspx

This is Crocs, Inc.'s third year reporting against the SASB framework, and it's second year in which disclosure is inclusive of both the Crocs and HEYDUDE brands. While we cannot yet report on all accounting and activity metrics in this framework in full accordance with SASB guidance, we have strengthened our disclosure where possible this year, and remain committed to continuous improvement as we move forward. Whenever possible, we have indicated where our gaps are in the “Data/Response” column for context and transparency.

SASB Reference Table

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Management of Chemicals in Products	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	Crocs, Inc. employs a hazard-based approach to chemicals management. Substances of very high concern (SVHC) are part of the Crocs Inc.'s mandatory RSL testing for all our products. If a product contains a SVHC, we work closely with our partners to take quick action to eliminate any SVHCs from our products. Additionally, due to their harsh impact on the environment, we have incorporated safeguards around per- and polyfluoroalkyl substances (PFAS) use in our product testing and RS program, and test applicable Crocs and HEYDUDE products for PFAS using a third-party lab. Crocs, Inc. does not intentionally add PFAS to any products or packaging, and continues to perform the testing and other steps described herein in an effort to detect and prevent any unintentional introduction in the supply chain. For more information on Crocs' stance around restricted substances, please refer to our RS Policy. Guided by the RS Policy, the enterprise manages chemicals at various stages of product life cycles, including: - controlling the application of chemicals during the design process; - verifying and testing incoming materials submitted by Tier 2 suppliers during the sourcing process; and, - regularly testing compounds, components, and finished products throughout the manufacturing process. Based on our regular and random tests and audits, facilities within our supply chain are classified as Premium Green, Green, Yellow, and Red. These classification levels are determined by the risk level of a substance, scale of the order placed with the supplier, and more. Out of 182 finished products tested, 48 product types contained restricted substances (18 styles from the Crocs brand and 30 styles from HEYDUDE), of which BPA, Chlorinated Phenols Content, Organotin compounds, and VOC were the most commonly found restricted substances in these product types. Overall, only 3.8% of tested finished shoes were found to be non-compliant with our RS policy and therefore subject to remediation. In 2023, 8 supplier contracts supporting the HEYDUDE brand were discontinued as a result of failure to adhere to the enterprise's RS requirements and 6 warning notices were sent by email. When issues of non-compliance arise, suppliers are required to create and execute a corrective action plan (CAP) for every material that fails in any test and must report to Crocs, Inc. on the root cause of failure. The timeline for completing a corrective action plan depends on the complexity of the issue, but typically the requested turnaround is approximately one month from request. If a product fails to meet requirements, production must be stopped, the Crocs, Inc. team must be immediately informed, and an immediate stop shipment order must be placed to terminate any products shipping from the appropriate facilities. When necessary, members of the Crocs, Inc. team will witness this process to ensure the whole product is destroyed appropriately. Subsequently, a Recovery Test Program, including five delivery batch tests, is required regardless of the criticality of the substance in question. Should there be a failure in any of the five batch tests, related products cannot be shipped until a Recovery Test Program is completed with clean results. We have a comprehensive process for updating the RSL on an annual basis, however, we do not yet have an enterprise-wide plan for fully eliminating all chemicals as they arise. The full extent of our current restricted substances audit program, however, is active for both brands, Crocs and HEYDUDE, and for both Tier 1 factories and Tier 2 suppliers. Currently, green chemistry principles are not yet used as part of the enterprise's framework or guidelines for chemical management. However, in product design and development, some work is already being conducted within the Crocs brand supply chain to fit within the scope of green chemistry principles. For example, the use of water-based cement to reduce VOCs in some product lines is being explored. While green chemistry is not a directive by our chemicals management plan, we recognize that many initiatives across our business and Purpose strategy, like our scaled use of bio-based materials in our product formulations, will have impacts on our chemical management plan moving forward.	Circularity, pg. 25 The RS policy, inclusive of the RSL, is publicly available at: https://investors.crocs.com/governance/governance-documents/default.aspx

SASB Reference Table

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Environmental Impacts in the Supply Chain						
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	(1) 100% of the 51 Tier 1 suppliers that responded to the distributed wastewater survey reported compliance with wastewater discharge permits and agreements. <i>Note that the 51 surveyed Tier 1 factories represent suppliers used by one or both brands in 2023.</i> (2) In 2023, HEYDUDE consolidated its Tier 2 supplier list and, as such, the survey was sent to all 83 Tier 2 suppliers. For the Crocs brand, the Tier 2 wastewater survey was sent to the top 38 "core" suppliers. In 2023, a combined 117 of Tier 2 suppliers responded to the distributed wastewater survey, representing ~44% of all suppliers, and all of those that responded reported compliance with wastewater discharge permits and agreements. <i>Note that the 117 surveyed Tier 2 suppliers represent suppliers used by one or both brands in 2023.</i> As stated in our Environmental Policy, suppliers must comply with all applicable environmental protection laws and regulations, including those related to the disposal of various materials and wastes, such as hazardous materials, air emissions, waste, and wastewater discharges. Based on each facility's region, Crocs, Inc. requires suppliers to comply with whichever standards are more strict, national or local. We aim to use our wastewater surveys to help us understand, evaluate and ensure wastewater compliance in our supply chain, as well as collect data for reporting purposes. Under usual circumstances, most industrial wastewater quality is routinely tested once or twice per year either by an external third party or by a facility's local environmental bureau. Some facilities have their own labs to monitor wastewater quality regularly and others have installed online monitoring equipment to monitor discharge for pH, flow rate, pollutants, and more. The conventional parameters typically covered by standards include, but are not limited to: pH, COD, BOD, NH3-N, TSS, TP, TN, and color. Wastewater discharge compliance is a critical area of continuous monitoring and improvement, especially as we learn more about how manufacturing processes differ across our portfolio. As wastewater discharge quality regulations vary greatly from country to country and region to region, and because not all substances and pollutants used in textile manufacturing are regulated by law, this year we continued to use the Zero Discharge Hazardous Chemicals (ZDHC) guidelines as a global standard in our supply chain. In 2023, we invited 100% of our Tier 1 factories to participate in the trainings offered by the ZDHC. 97% of HEYDUDE Tier 1 factories enrolled and completed the training, and 100% of Crocs Tier 1 factories enrolled, and 80% finished the training. Additionally, in 2023, ten Tier 1 factories conducted wastewater testing in alignment with ZDHC in 2023. This increased by eight suppliers from 2022, and is a testament to our momentum for implementing more responsible testing and reporting of industrial wastewater in our supply chain. For more information on wastewater discharge, please see the accompanying table on pg. 63-64.	Climate Stability, pg. 39-40
Environmental Impacts in the Supply Chain	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	(1) 72.55% of Tier 1 supplier facilities have completed Higg FEM. (2) 18.25% of Tier 2 supplier facilities have completed Higg FEM. We seek to leverage our position and influence for good, collaborating with industry peers and finding ways to collectively uplift sustainability, transparency, and responsibility in the footwear industry. This year, we expanded our use of the Higg Index to include the Facility Social & Labor Module (FSLM), helping us gain further insight into wages, working hours, health and safety, and employee treatment at our supplier facilities. Tier 1 factories and Tier 2 suppliers of both brands completed verified self-assessments for the FSLM and the Facility Environmental Module (FEM). These tools allow us to assess social and environmental performance in our supply chain and work closely with our partners to meet our ambitions.	Climate Stability, pg. 39-40 Responsibility, pg. 51-52

SASB Reference Table

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Labor Conditions in the Supply Chain						
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	(1) 100% of Tier 1 factories across both brands completed social compliance audits consistent with the Crocs, Inc. Factory & Supplier Code of Conduct in 2023. (2) 97.72% of Tier 2 suppliers across both brands completed social compliance audits consistent with the Crocs, Inc. Factory & Supplier Code of Conduct in 2023. (3) Of the 493 total audits conducted across Tier 1 factories and Tier 2 suppliers, ~67% were conducted by a third-party partner. 71% of all suppliers were audited by a third-party auditor and 100% of all Tier 1 suppliers across both brands were audited by a third-party partner. These figures differ because some suppliers, based on their assigned color code, receive more than one audit over the course of the year. Crocs, Inc. continues to review and amend its Factory & Supplier (F&S) Code of Conduct each year to ensure up-to-date alignment with international labor laws, human rights advancements, and applicability to all of our suppliers' facilities worldwide, inclusive of both the Crocs and HEYDUDE brands. To measure compliance throughout our supply chain, we conduct both scheduled and unannounced social compliance audits, both by Crocs, Inc. personnel and external third-party partners. We maintain an internal audit survey aligned with our F&S Code of Conduct and accept third-party audits conducted in alignment with customers' requirements and/or other international industry standards including, for example, Business Social Compliance Initiative, Supplier Ethical Data Exchange, Worldwide Responsible Apparel Production, and Fair Labor Association. We also regularly support wholesale customer audits to their own standards at our facilities, as needed. An audit consists of interviews with management and workers, a comprehensive documents review, including payroll and time records, and a factory tour. As part of worker interviews, auditors seek to ensure a fair representation of employees, including from various stages of the facility's production, from diverse genders, ethnicities, and ages, and from more at-risk populations (i.e. pregnant workers, those appearing old or young, etc.). No upper management or supervisors are present during the interviews, and all discussions are held within a space considered comfortable for employees. Auditors review personal files for each interviewee, including hours and wage records, production output records, warehouse records, and more, and cross-check them against protections in the workers schedules for discrepancies to ensure the factory meets legal minimums for wages, overtime, working hours and consecutive work days. Audit results influence the frequency of scheduled audits, and each supplier facility is assigned one of four color codes that reflect our findings and dictate how often a facility will have scheduled audits. A facility's color code will be adjusted if a future audit demonstrates that non-conformances have been fully remediated. • Red: quarterly audit required • Yellow: semi-annual audit required (every six months) • Green: annual audit conducted • Blue: annual audit conducted As an enterprise, we strive to ensure our products are sourced, produced, and delivered to customers and consumers in a manner that upholds the highest standards of human rights. This year, we enhanced our systems and strengthened our processes. As a result of audit findings from 2022, we refined our social audit checklist to be more streamlined, aligned with customer standards, and user-friendly for both facilities and auditors. In updating the checklist we looked to external benchmarks to understand their health and safety audit requirements, and ensure that our own audit checklist meets industry standards. We also introduced a new AI tool this year to gather information on social compliance by geography and factory, including the monitoring of human trafficking and slavery, to inform our labor auditing practices with facilities, suppliers, and third-party partners. Finally, in 2023, we consolidated our expected and required standards for compliance into a global, public-facing Human Rights policy. Read more about our Human Rights Policy on pages 47-48 of the Comfort Report.	Community, pg. 47-48 Responsibility, pg. 51-52 Our Factory & Supplier Code of Conduct is publicly available at: https://s22.q4cdn.com/133460125/files/doc_downloads/governance/Factory-and-Supplier-Code-of-Conduct-September-2022.pdf

SASB Reference Table

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Labor Conditions in the Supply Chain	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	In 2023, there were only three issues of priority non-conformance in our supply chain, out of 3,615 total non-conformance issues identified, resulting in a priority non-conformance rate of 0.08%. Less than 5% of 493 total audits were categorized with a "Red" rating. The associated corrective action rate for audits was 95%. We continue to use Corrective Action Plans (CAPs) as a model for holding suppliers accountable, and providing structured support to remedy issues of priority non-conformance. Crocs, Inc. values its relationships with suppliers and believes in a mindset of continuous improvement. Consistent with our approach to environmental compliance, all priority-level issues of non-conformance related to labor and safety must be addressed immediately. We require suppliers to develop a CAP for any issues detected, which includes the supplier management's commitment to open and transparent communication during the remediation process. To that end, Crocs, Inc. conducts frequent checks to verify that resolutions are being implemented in a timely manner. If they are not, Crocs, Inc. may request a re-audit if deemed necessary. In the case that minimum conformance is not met, issues are escalated to management. Additionally, if any issue of priority non-conformance is found, the grade of the facility is directly classified as 'Red'. Remediation measures which apply to Tier 1 factories, suppliers and beyond, may include: more frequent audits to follow up on a CAP (including Tier 1 factories following up with Tier 2 suppliers), required trainings, reduction of orders, rejection of the production of licensed products, and potential exclusion from the enterprise AVL. Our stance on non-conformance is clear: if any supplier facility has a critical issue or violation and does not take remediation action in a timely manner, fails to continue to improve according to the corrective action plan created, or has a 'Red' rating that fails to improve, then Crocs, Inc. will take appropriate action aligned with the severity of the violation. In 2023, we terminated one HEYDUDE supplier contract as a result of non-compliance with our Factory & Supplier Code of Conduct, as well as for other business issues.	Community, pg. 47-48 Responsibility, pg. 51-52
Labor Conditions in the Supply Chain	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	We group supply chain risks into the following categories: health and safety, working hours, wages and benefits, labor, environmental impacts, and employment. In our 2023 audits, we found that the most prevalent issues across Tier 1 factories and Tier 2 suppliers included health and safety, working hours, and wages and benefits. The three critical issues of priority non-conformance were child labor, ethics, and failure to meet customers' direct audits, which resulted in the loss of their license. As a result of these findings, we terminated one Tier 1 factory for its failed social compliance audit. No Tier 2 supplier contracts were terminated in 2023. Moreover, while these risks are not unique to Crocs, Inc., we hope to play an active role in improving labor conditions of workers in supply chains across the apparel and footwear industry.	Responsibility, pg. 51-52 For additional information related to risks within our supply chain, such as cotton, see pg. 15 in our Annual Report on Form 10-K.

SASB Reference Table

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Raw Materials Sourcing						
Raw Materials Sourcing	CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	none	(1) At this time, materials most purchased by the enterprise to produce our products, include the following: Croslite™ (including bio-circular) and EVA, rubber, polyester, textile, cotton, PE/PET, TPU, Nylon, and PVC. (2) We seek to collect weights of materials sourced from each supplier factory in an attempt to gain a more precise understanding for the true environmental and social risk factors associated with the materials we source. When it comes to Croslite™ (including bio-circular) and EVA, we have transparent data and clear insight into risk factors related to these materials. Our materials sourcing team is still in the process of gaining a comprehensive picture of the risk factors associated with other priority raw materials we use across all brands and regions. In 2023, we did make significant progress, receiving full-year data from HEYDUDE suppliers that was not available as primary data in 2022. The greatest social and environmental risk factors associated with raw materials sourcing include the effects of climate change, such as natural disasters or other adverse weather and climate conditions. Climate change could harm or disrupt our operations or that of our vendors, other suppliers, or consumers, and could damage our supply chain manufacturing or distribution centers, retail stores, and lead to energy shortages. Significant risks also include the potential of forced labor, which we seek to prevent by monitoring for and mitigating the use of tactics that might delay employment being granted at the supplier level. Historically marginalized communities are more prone to the risks of forced labor, and children are one of the most at-risk groups. (3) Potential business risks and opportunities posed to Crocs, Inc. that are associated with raw materials sourcing throughout the supply chain include: • Current or future governmental policies that may increase the risk of inflation, which could further increase the costs of raw materials and components for our business; • Shortages of raw materials and disruption to the global supply chain which can negatively impact costs and inventory availability and may continue to have a negative impact on future results and profitability; • Suppliers no longer being able to produce the resins that we use in our shoes would result in significant interruptions to our production schedules; • Market conditions related to supply and demand for our raw materials and any resulting shortages in supply, as well as impacts of any global shipping or logistics delays; • Foreign exchange rate volatility that can disrupt the business of the third-party manufacturers that produce our products by making their purchases of raw materials more expensive and more difficult to finance; • Climate change impacts (e.g., changing temperatures and/or water stress) on natural fiber crop production that may affect the price and availability of raw materials; • Legislation on greenhouse gases (GHG) affecting the price of petroleum which may affect the price of petroleum-derived raw materials; • Tightening environmental regulations for suppliers that could affect the cost or availability of raw materials they supply; • Lack of full traceability to the source of the raw materials, which may hinder the ability to identify compliance incidents that could lead to negative effects on brand reputation; and, The risk of our third-party manufacturers not following applicable environmental regulations. • Additionally, if the suppliers we rely on for elastomer resins were to cease production of these materials, we may not be able to obtain suitable substitute materials in time to avoid interruption of our production schedules. [continued on the next page]	Circularity, pg. 23-24 Responsibility, pg. 51-52 The details of our company’s risk factors are more thoroughly outlined in our Annual Report on Form 10-K.

SASB Reference Table

Table 1
Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
[continued from the previous page]					(4) Crocs, Inc. manages the social and environmental risks associated with the sourcing of Croslite™ compounds and other raw materials by ensuring that our third-party manufacturers adhere to labor, environmental and other applicable laws through strong contractual representations and warranties in our manufacturing agreements, signing a yearly statement of compliance associated with our Factory & Supplier Code of Conduct, and regular internal and third-party audits. We have also diversified our partnerships to acquire this material in an effort to become more resilient to risks and disruptions. Transitioning to bio-circular content in our Croslite™ compounds contributes to how we manage the potential and actual risks posed by our sourcing of materials derived from fossil fuels. We have conducted comparative life cycle assessments to assess the potential impact of this transition to our company's greenhouse gas emissions footprint. Bio-circular material transforms bio-waste and byproducts from other industries into a material that has the same properties as our existing material, positioning us to integrate bio-circular material into footwear containing Croslite™ and EVA compounds. We continue to invest in research and development to refine our materials, enhance the properties of our products, and mitigate environmental and social risk factors.	
Raw Materials Sourcing	CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	Quantitative	Metric Tons (t)	For a comprehensive list of materials, please see the accompanying table on pages 59-60.	Circularity, pg. 23-24

SASB Reference Table

Table 2
Activity Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
Suppliers						
Activity / Suppliers	CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	(1) Tier 1 Suppliers: 51 (2) Tier 2 Suppliers: 263 Total Suppliers: 314 Crocs, Inc. maintains an enterprise Approved Vendor List (AVL), which we use as guidance for assessing our Tier 1 factories and Tier 2 suppliers in alignment with our policies, quality requirements, and delivery expectations. The AVL includes Tier 1 factories and Tier 2 suppliers that meet the company's standards for quality, delivery, cost and compliance. Facilities included in the AVL reflect shoe, apparel, and component factories, as well as raw materials suppliers, other component suppliers, and vendors that perform certain services related to product manufacturing. A vendor must be on the AVL in order to do business directly with Crocs, Inc., though our Tier 1 factories may maintain additional sourcing relationships that are not reflected in our company's AVL. At this time, the enterprise does not have full transparency beyond Tier 2. In 2023, we formally launched our Supply Chain Sustainability program, which includes a priority workstream for transparency and traceability. We plan to continue increasing visibility into both Crocs and HEYDUDE supply chains. Crocs, Inc. currently has 314 Tier 1 and Tier 2 factories and suppliers on its enterprise AVL – with 1 shared Tier 1 factory and 12 shared Tier 2 suppliers across our portfolio. Our AVL is updated periodically and any suppliers that are inactive – defined as not having done business with the enterprise for two years – are removed from the AVL.	Introduction, pg. 6 Responsibility, pg. 51-52

TCFD Guidance on Climate-Related Risk Management & Integration

As part of our 'Net Zero by 2040' goal and the integration of financial and non-financial risks, we continue to more closely apply the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We recognize the ongoing importance of providing a clear portrayal of our climate-related financial information and continue to expand our disclosures as our emissions reduction plan evolves. The following disclosures are based on the latest updated recommendations published in 2017. It should be noted that TCFD has disbanded, and the recommendations are currently managed by the IFRS. Companies continue to use the TCFD recommendations as an entry point to the ISSB standards, which fully incorporate the TCFD recommendations.

This is Crocs, Inc.'s third year reporting against the TCFD framework, but the second year in which disclosure is inclusive of both the Crocs and HEYDUDE brands. This TCFD disclosure is aligned with Crocs, Inc.'s 2023 CDP Climate Change Questionnaire response.

Metric	Disclosure	Related Reference(s)
Governance		
a) Describe the board’s oversight of climate-related risks and opportunities.	The oversight mechanisms in place by the board, to manage and address climate-related risks and opportunities, include: • A Corporate Responsibility and Sustainability (CRS) Steering Committee comprised of the CEO and three independent members that carry out responsibilities delegated by the Board regarding the review and oversight of the company’s goals, policies, procedures and disclosures related to environmental, social, and governance matters. The CRS committee also assists the Board in its oversight of Purpose matters material to the company, its employees, its communities, and the planet and quarterly progress updates are provided to the board by the CRS Steering Committee. • An Environmental Policy, new in 2023, which guides operations in a manner that reduces impact on the environment.	2023 Comfort Report – Responsibility, pg. 51-52 2023 Annual Report on Form 10-K, pg. 3-5 2023 Schedule 14A, pg. 19-20 2023 CDP C1.1a and C1.1b
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	To manage climate-related risks and opportunities, Crocs, Inc. has instituted a reporting structure led by the CEO who retains ultimate responsibility for the company's sustainability strategy. The following additional measures have been established: • In 2022, Crocs, Inc. created its first VP, Global Head of Sustainability role, leading CRS efforts across the enterprise and directly reporting to our CEO. This reporting structure continued in 2023. • As part of executive compensation, CRS progress is weighted at 5% of total performance for our long-term equity incentive plan. The CRS progress performance target requires progress toward: (1) bio-circular resin production readiness, which is related to the transition to bio-circular content in our Croslite™ compounds, (2) our environmental sustainability efforts, which include our Circularity and Climate Stability ambitions, (3) our Community and Inclusivity efforts, which collectively account for social impact and human rights across our value chain, and (4) certain governance best practices. • The company maintains an Enterprise Risk Management (ERM) program with direct oversight by the Board of Directors through semi-annual updates on enterprise risks and related mitigations, as well as a cross-functional, collaborative enterprise Supply Chain Sustainability Program that provides updates to the CRS committee.	2023 Annual Report on Form 10-K, pg. 3-5 2023 Comfort Report – Responsibility, pg. 51-52 2023 CDP C1.2 and C1.3a

TCFD Guidance

Metric	Disclosure	Related Reference(s)
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Through assessments conducted by the ERM program, climate risks and opportunities related to potential business disruptions, changing laws and regulations, and ESG reporting are identified. The following includes risks identified over the short, medium, and long term: • Current and emerging regulations including, but not limited to, waste disposal, environmental permits and the use of renewable energy. • Changes in the regulatory environment such as trade regulations, economic and political sanctions, regulations concerning product compliance, and climate protection regulations. • Responsibilities associated with technological improvements or innovations needed to support the transition of our Croslite™ compounds to be less carbon-intensive. • Third-party manufacturers not following external applicable environmental and labor regulations, and internal policies and procedures. • The effects of climate change, natural disasters such as earthquakes, hurricanes, tsunamis, or other adverse weather and climate conditions, and public health issues like the COVID-19 pandemic, whether occurring in the U.S. or abroad. • The consequences and effects of damage to our supply chain, such as availability of raw materials, increased manufacturing costs and disruptions to productivity of our third-party manufacturers, manufacturing or distribution centers, or retail stores.	2023 Comfort Report – SASB Materials Sourcing Table, pg. 59-60 2023 Annual Report on Form 10-K, pg. 11-17, 22-23 2023 Comfort Report - Responsibility, pg. 53-54 2023 Comfort Report - Community, pg. 47-48 2023 Comfort Report - Climate Stability, pg. 29-40 2023 CDP C2.1b and C2.2a

TCFD Guidance

Metric	Disclosure	Related Reference(s)
Strategy		
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	The following are climate-related risks and their subsequent impact, which are incorporated into business strategy and financial planning: • Climate-related physical risks have the potential to impact our supply chain. Our key sourcing countries, like Vietnam, China, Indonesia, and India, are vulnerable to both acute and chronic physical risks, such as flooding, heatwaves, and severe weather events. Our strategy to mitigate this risk is to have a diversified set of factories in different locations across the globe. • Climate-related technology risks have the potential to impact our business. If we are unable to identify ways to use less emissions intensive materials and reduce the carbon footprints of our products, then we may see reduced demand for our shoes. In 2023, we increased the amount of bio-circular content in our Croslite™ compounds to 17.3% on a mass balance, annual average basis and we have a goal to achieve 50% bio-circular content in our Croslite™ compounds by 2030. This raw material diversification reduces our reliance on fossil fuels, increases resilience across the supply chain, and addresses investor and customer expectations. • Current and emerging climate-related regulations have the potential to impact our business. These include the U.S. Securities Exchange Commission's (SEC) Climate Rule, California (CA) SB 253, CA SB 261, CA AB 1305, and the European Union (EU) Corporate Sustainability Reporting Directive (CSRD), among others. Complying with these regulations will take additional time, resources, and financial investment. Failure to respond to emerging regulations could result in reputational risks or financial risks. Our strategy to prepare for these regulations is to conduct preparedness assessments internally and assess and address the results as deemed appropriate. • Climate-related reputational risks have the potential to impact our business. Failure to meet our 'Net Zero by 2040' goal and other publicly stated goals could result in changing customer or investor perception of our brands. Similarly, if we are not able to keep pace with our competitors and their climate-related initiatives, this could impact the performance of our brands. In 2023, we developed a detailed roadmap to determine emissions reduction opportunities to meet our Net Zero goal, as highlighted in our 2023 Comfort Report. • Climate-related legal risks have the potential to impact our business. Failure to substantiate our climate-related claims in our advertising, voluntary reporting, or public filings could result in litigation or U.S. Federal Trade Commission (FTC) enforcement actions claiming false or misleading advertising. Our strategy to mitigate this risk is to publish accurate, clearly understandable, and easy to find data to support our climate and sustainability-related claims and leverage third-party assurance, verification or certification where applicable.	2023 Comfort Report - Circularity, pg. 21-28 2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report - Community, pg. 47-48 2023 Comfort Report - Responsibility pg. 49-54 2023 Annual Report on Form 10-K, pg. 22-23 2023 CDP C2.2a and C2.3a

TCFD Guidance

Metric	Disclosure	Related Reference(s)
Strategy		
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	While our business growth remains a top priority, it also poses as a hurdle for our climate ambitions. As our business context continues to change and as the severity of the climate crisis progresses, we will continue to evaluate pathways and the feasibility of our carbon reduction journey. Our timeline is aligned with opportunities to scale interventions and deliver on our climate ambitions, while continuing to support our growth projections. In 2023, we conducted our third enterprise-wide Greenhouse Gas (GHG) Emission Inventory (including retroactively conducting a GHG inventory for HEYDUDE in 2021 to create a clear picture of enterprise emissions across the last three years), and evaluated pathways to reach our 'Net Zero by 2040' goal, while taking into consideration different climate-related scenarios and leveraging third party assurance, verification, or certification where applicable. We continue to adhere to international and local laws, and update our supply chain emergency preparedness plans to remain resilient in the face of climate risks. To gain further insight into natural resource management and labor conditions within our supply chain, we expanded our use of the Higg suite of tools to include the Higg Facility Social and Labor Module (FSLM) self-assessment. In 2023, we began to seek verification of both self-assessments for the Higg FEM (vFEM) and FSLM (vFSLM), to ensure suppliers understood the questions asked and reported correctly. For more information on how we use the Higg tools see page 39 and 51 of the 2023 Comfort Report.	2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report - Community, pg. 47-48 2023 Comfort Report - Responsibility, pg. 49-54 2023 CDP C3.1

TCFD Guidance

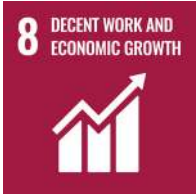
Metric	Disclosure	Related Reference(s)
Risk Management		
a) Describe the organization’s processes for identifying and assessing climate-related risks.	Our ERM program is a key input in our overall Purpose strategy, with risks identified through an annual Enterprise Risk Assessment facilitated by Internal Audit with oversight from the Executive Vice President, Chief Legal & Risk Officer. We also use the following processes to bolster our identification and assessment of climate-related risks: • Identify priority topics through an assessment of material issues (a priority topics assessment was completed in 2022 and we intend to complete a double materiality assessment in 2024.). • Conduct an annual GHG Emissions Inventory to understand our hotspots and evaluate our emissions reduction strategy annually. • Continually assess emerging global regulations related to climate-related risks and opportunities, as well as climate-related disclosures. • Build alignment with globally recognized ESG frameworks, including SASB, TCFD, and the United Nations Sustainable Development Goals.	2023 Comfort Report – Acting on Purpose, pg. 7-8 2023 Comfort Report – Real-World Influencers, pg. 9-10 2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report - Responsibility, pg. 53-54 2023 CDP C2.1b and C2.2
b) Describe the organization’s processes for managing climate-related risks.	In order to manage our climate-related risks we take the following actions: • Utilize an Environmental Policy for clear expectations of our operations and supply chain. • Develop and update policies on a regular basis. • Measure our energy consumption for our facilities, including offices, retail stores, and distribution centers. • Work with our Tier 1 factories and Tier 2 suppliers to measure and manage waste and wastewater. • Develop our Supply Chain Sustainability Program, which includes a dedicated transparency and traceability initiative. • Conduct both internal and third-party supply chain social compliance audits, supported by additional assessments using Higg tools.	Crocs, Inc. Governance Documents available publicly at: https://investors.crocs.com/governance/governance-documents/default.aspx 2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report - Community, pg. 47-48 2023 Comfort Report – Responsibility, pg. 49-54 2023 Annual Report on Form 10-K, pg. 11-17, 22-23
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	The company maintains an ERM program with direct oversight by the Board of Directors. As part of this program management assesses enterprise-level risks, including climate-related risks, in terms of impact and likelihood of occurrence. The company identifies qualitative and quantitative factors to assess the potential impact of risk occurrence across our financial, operational, regulatory, strategic and reputational objectives. The company considers the likelihood of risk occurrence from low to high. If a risk is designated “enterprise” level, an executive leadership team member is assigned ownership and is responsible for developing mitigations to reduce the impact and likelihood to an acceptable level. The status and subsequent mitigations of enterprise risks are communicated to the Board on a semi-annual basis. Internal Audit facilitates the ERM process by performing an annual Enterprise Risk Assessment where enterprise risks previously identified are refreshed and new enterprise risks may be identified.	2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report – Responsibility, pg. 53-54 2023 Schedule 14A, pg. 18-20 2023 CDP C2.1b

TCFD Guidance

Metric	Disclosure	Related Reference(s)
Metrics & Targets		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Crocs, Inc. tracks metrics related to climate risks and opportunities including, but not limited to: • Scope 1 & 2, including energy consumption at enterprise-wide facilities • Scope 3 Categories, including Purchased Goods and Services, Upstream and Downstream Transportation and Distribution, End-of-Life Treatment of Sold Products, Business Travel, Employee Commuting, Fuel & Energy Activities, Use of Sold Products, Capital Goods, Waste, Upstream Leased Assets, and Franchises • Carbon footprints for top product styles • ISCC PLUS Certification of material content • Bio-circular content within Croslite™ compounds	2023 Comfort Report - Circularity, pg. 21-28 2023 Comfort Report - Climate Stability, pg. 29-40 2023 CDP C4.1a, C4.2c, C4.5a
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	The results of our GHG Inventory including Scope 1, 2, and 3 can be found on pages 29-40. *Please note that the 2021 and 2022 values included in this report for our GHG Inventory are different than those disclosed in our first CDP Climate Change Questionnaire completed in 2023. This year, we redid our 2021 and 2022 GHG Inventories after completing our third-party certified LCA for the Classic Clog and receiving more granular data to support the completion of our 2023 GHG Inventory that led us to improve our primary sources and increase the accuracy of our calculations. The new 2021 and 2022 values will be included in our CDP Climate Change Questionnaire in 2024.	2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report - Key Metrics, pg. 61-62 2023 CDP C6 and C7
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	The following are goals by which we manage our climate-related risks and opportunities. These goals are supported by a number of targets, which are under continuous management and review. • Achieve Net Zero by 2040. • Achieve 50% bio-circular content within our Croslite™ compounds through a mass balance approach by 2030. • Reduce the carbon footprint of our Crocs Classic Clog by 50% by 2030. • Strive to have all factories and suppliers across both brands complete social compliance audits – with 100% of Tier 1 by the end of 2023 and 100% of Tier 2 by 2024.	2023 Comfort Report - Circularity, pg. 21-28 2023 Comfort Report - Climate Stability, pg. 29-40 2023 Comfort Report - Responsibility, pg. 49-54

United Nations Sustainable Development Goals (SDGs)

The U.N. SDGs, adopted as part of the 2030 Agenda for Sustainable Development in 2015, are a call for collaboration between countries toward a more sustainable and equitable world. While the goals and underlying targets listed below are designed for governments, and not for corporations like Crocs, Inc., we believe our ambitions, practices, and policies have the opportunity to align with and support their intentions.

Icon	Sustainable Development Goal	SDG Target	Related Reference(s)
	5 Gender Equality Achieve gender equality and empower all women and girls	5.1	Worldwide Code of Ethics, pg. 5-6 Human Rights Policy, pg. 2 Factory & Supplier Code of Conduct , pg. 5 2023 Comfort Report - Community, pg. 43-44
		5.2	Human Rights Policy, pg. 2 Factory & Supplier Code of Conduct, pg. 5 2023 Comfort Report - Community, pg. 45-46
		5.5	2023 Comfort Report - Inclusivity, pg. 17-20 2023 Comfort Report - Community, pg. 43-44
		5.6	2023 Comfort Report - Inclusivity, pg. 15-16
	8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5	2023 Comfort Report - Inclusivity, pg. 15-16
		8.7	Human Rights Policy, pg. 2 Factory & Supplier Code of Conduct, pg. 4-5 2023 Comfort Report - Community, pg. 43-44
		8.8	Worldwide Code of Ethics, pg. 6-7 Human Rights Policy, pg. 3 Factory & Supplier Code of Conduct, pg. 6 2023 Comfort Report - Inclusivity, pg. 13-14

United Nations Sustainable Development Goals (SDGs)

Icon	Sustainable Development Goal	SDG Target	Related Reference(s)
	10 Reduced Inequalities Reduce inequality within and among countries	10.2	2023 Comfort Report - Inclusivity, pg. 17-20 2023 Comfort Report - Community, pg. 43-44
		10.3	Worldwide Code of Ethics, pg. 5-6 Human Rights Policy, pg. 2 Factory & Supplier Code of Conduct, pg. 5 2023 Comfort Report - Community, pg. 41-48
		10.4	2023 Comfort Report - Inclusivity, pg. 15-16
	12 Responsible Consumption and Production Ensure sustainable consumption and production patterns	12.4	2023 Comfort Report - Circularity, pg. 23-26 2023 Comfort Report - Climate Stability, pg. 37-38
		12.5	2023 Comfort Report - Circularity, pg. 23-28
		12.6	2023 Comfort Report - Full Report
		12.7	2023 Comfort Report - Circularity, pg. 23-26
	13 Climate Action Take urgent action to combat climate change and its impacts	13.2	2023 CDP Climate Change Questionnaire 2023 Comfort Report - Climate Stability, pg. 31-32 2023 TCFD Index
	17 Partnerships for the Goals Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.17	2023 Comfort Report - Inclusivity, pg. 17-18 2023 Comfort Report - Circularity, pg. 27-28 2023 Comfort Report - Community, pg. 41-48



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Cautionary Note Regarding Forward-Looking Statements

This report includes estimates, projections, and statements relating to our plans, commitments, objectives, and expectations that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements regarding our expectations relating to ESG strategy, targets and goals, including net zero commitments, other company strategies, our value chain, our products, and other environmental and social matters. These statements involve known and unknown risks, uncertainties, assumptions, and other factors, which may cause our actual results, performance, or achievements to be materially different from any future results, performances, or achievements expressed or implied by the forward-looking statements. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and from those anticipated, estimated, or projected. Please see the factors described in our most recent Annual Report on Form 10-K under the heading "Risk Factors" and our subsequent filings with the Securities and Exchange Commission. Readers are encouraged to review that section and all other disclosures appearing in our filings with the Securities and Exchange Commission. All information in this document speaks as of June 27, 2024. We do not undertake any obligation to update publicly any forward-looking statements, whether as a result of the receipt of new information, future events, or otherwise, except as required by applicable law.





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