

# 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 recommendations published in 2017. It should be noted that TCFD has disbanded, and the recommendations are currently managed by the IFRS. This is Crocs, Inc.'s fifth year reporting against the TCFD framework, and the fourth year in which disclosure is inclusive of both the Crocs and HEYDUDE brands. This TCFD disclosure is aligned with Crocs, Inc.'s 2025 CDP Climate Change Questionnaire response.

Metric	Disclosure	Related Reference(s)
<b>Governance</b>		
a) Describe the board's oversight of climate-related risks and opportunities.	<p>The Governance and Corporate Responsibility (GCR) Committee of the Board of Directors (Board) oversees the Company's significant strategies, programs, and practices relating to corporate responsibility, including climate-related issues and impacts. Principal responsibilities of the GCR committee include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Oversee the Company's significant strategies, investments, and commitments related to corporate responsibility and the sustainable and responsible growth of the Company;</li> <li>• Monitor progress against corporate responsibility goals material to the Company including any corporate responsibility related compensation targets (in coordination with the Compensation Committee of the Board);</li> <li>• Oversee and evaluate risks, opportunities and key performance indicators of the corporate responsibility program;</li> <li>• Monitor voluntary and mandatory disclosures and requirements related to corporate sustainability reporting frameworks, ratings, and rankings.</li> </ul> <p>The GCR Committee meets on a quarterly basis, and climate-related issues and impacts are periodically (at least annually) addressed.</p>	<p>2025 Annual Report on Form 10-K, pg. 4</p> <p>2025 Schedule 14A, pg. 4</p> <p>2025 CDP 4.1</p>

# TCFD Guidance

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<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>The Company’s Chief Sustainability and Compliance Officer (CS&amp;CO) leads the corporate sustainability team and is responsible for development, oversight, and tracking of our Corporate Responsibility and Sustainability (CRS) strategy, which includes both environmental and social topics. The environmental sustainability topics covered by this position are inclusive of climate change, water, forests, plastics, biodiversity, and circularity, among others. The CS&amp;CO is responsible for sustainability-related strategy, oversight, target-setting (including science-based targets), policies, and progress tracking.</p> <p>The CS&amp;CO provides reports to the GCR Committee of the Board of Directors on a quarterly basis. The CS&amp;CO also meets monthly to discuss sustainability-related topics and progress with the CEO, who is also a Board member.</p> <p>The CS&amp;CO and Corporate Sustainability Team communicate the Company’s CRS strategy and provide opportunities for employees to participate in the strategic process. Members of the Corporate Sustainability Team are responsible for leading working groups focused on cross-functional collaboration of CRS-related topics across both brands and the organization at large, such as supply chain sustainability, environmental, social and governance (ESG)-related regulations and mandatory reporting, and regional sustainability initiatives and engagement.</p> <p>In 2025, for named executive officers, 5% of the short term incentive plan (STIP) was weighted on objectives associated with corporate responsibility and sustainability progress. CRS progress performance targets required progress toward: (1) bio-resin production readiness, which is related to the transition to bio-circular material in our Croslite™ compound, (2) our environmental sustainability efforts, which include our Circularity and Climate Stability ambitions, and (3) our Community and Inclusivity efforts, which collectively account for social impact and human rights across our value chain. These strategic initiative performance targets were established by the Compensation Committee of the Board.</p>	<p>2025 Annual Report on Form 10-K, pg. 4</p> <p>2025 CDP 4.3 and 4.5</p>

# TCFD Guidance

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<b>Strategy</b>		
<p>a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.</p>	<p>Crocs, Inc. defines the following time horizons for climate-related risks, in line with our Enterprise Risk Management (ERM) program:</p> <ul style="list-style-type: none"> <li>• Short-term: 0 - 5 years</li> <li>• Medium-term: 5 - 10 years</li> <li>• Long-term: 10+ years</li> </ul> <p>The following climate-related risks have been identified as relevant to Crocs, Inc., in no particular order:</p> <ul style="list-style-type: none"> <li>• Acute and chronic physical risks in our supply chain, such as flooding, heat waves, or severe weather events in key sourcing countries, could result in disruptions in production in the short-term. Our current strategy to mitigate this risk is to diversify factory locations across the globe.</li> <li>• Policy and legal risk due to current and emerging climate-related regulations in the U.S. and abroad could result in increased costs in the short- and medium-term. Our current strategy to mitigate this risk is to conduct preparedness assessments internally, maintain high quality voluntary reporting, and complete the assurance process for our GHG inventory.</li> <li>• Reputational risk due to increased scrutiny around climate-related strategy and goals could negatively impact our business in the short-, medium-, and long-term. Our current strategy to mitigate this risk is to align with global best practices, such as the Science Based Targets initiative (SBTi), and to continue to take action on our emission reduction strategy and targets.</li> </ul> <p>The following climate-related opportunities have been identified as relevant to Crocs, Inc., in no particular order:</p> <ul style="list-style-type: none"> <li>• Shifting consumer preferences towards lower emission products could positively impact revenues in the short- and medium-term. We have a goal to prioritize opportunities that further support our 50% reduction goal for the Crocs Classic Clog. The most recent Crocs Classic Clog product carbon footprint, validated and certified by SGS, showed a 25% decrease in emissions per pair of Classic Clog compared to a 2021 baseline.</li> <li>• Increased use of renewable energy could have the potential to lower energy costs and emissions associated with Crocs, Inc. direct operations. In 2025, the Las Vegas distribution center's on-site solar array became operational, generating 1,102 MWh for the facility.</li> </ul>	<p>2025 Annual Report on Form 10-K, pg. 25-26</p> <p>2025 Comfort Report - Raw Materials   Carbon Footprints by Style, pg. 16-17</p> <p>2025 Comfort Report - Emissions by Scope   Net Zero Pathways and Progress, pg. 20-21</p> <p>2025 CDP 3.1 and 3.6</p> <p><a href="#">Crocs Classic Clog Product Carbon Footprint</a></p>

# TCFD Guidance

Metric	Disclosure	Related Reference(s)
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>The following climate-related risks and opportunities, listed in no particular order, have informed our strategy and financial planning in the following business areas:</p> <ul style="list-style-type: none"> <li>• Products and services: The climate-related opportunity of decreasing the carbon footprint of the Crocs Classic Clog has impacted the Company's product strategy; it has informed the design, manufacturing, logistics and distribution, and marketing processes.</li> <li>• Upstream/downstream value chain: Crocs, Inc. recognizes that climate-related physical risks could impact facilities in key sourcing countries like Vietnam, China, Indonesia, and India. These risks could affect the Company's supplier base and lead to a reduction in production capacity. These risks have informed and confirmed our strategy to have a diversified set of factories in different locations across the globe. The climate-related opportunity of decreasing the carbon footprint of the Crocs Classic Clog has impacted our upstream value chain strategy.</li> <li>• Investment in R&amp;D: The climate-related opportunity of decreasing the carbon footprint of the Crocs Classic Clog has impacted our investment in R&amp;D strategy. Through investment in R&amp;D, we determined that the addition of bio-circular materials in Classic Clogs would not impact the comfort or durability of those shoes. Crocs, Inc. expects to continue to invest in R&amp;D to determine the feasibility of using bio-circular, recycled, or other materials with sustainability attributes in its products.</li> </ul>	<p>2025 Comfort Report - Raw Materials   Carbon Footprints by Style, pg. 16-17</p> <p>2025 Comfort Report - Emissions by Scope   Net Zero Pathways and Progress, pg. 20-21</p> <p>2025 Annual Report on Form 10-K, pg. 17-19, 25-26</p> <p>2025 CDP 3.1, 3.6, and 5.3</p> <p><a href="#">Crocs Classic Clog Product Carbon Footprint</a></p>
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Crocs, Inc. presently does not utilize climate-related scenario modeling in its planning and decision-making.</p>	

# TCFD Guidance

Metric	Disclosure	Related Reference(s)
<b>Risk Management</b>		
a) Describe the organization’s processes for identifying and assessing climate-related risks.	<p>As part of the Company’s ERM program, Crocs, Inc. identifies risks and opportunities to the business over the short-, medium-, and long-term, including environmental risks and opportunities. An enterprise risk assessment is conducted annually, facilitated by the Enterprise Risk team with oversight from our General Counsel. Using a top-down approach, risks and opportunities are identified through meetings with each member of the Executive Leadership Team and their direct staff, as well as through third-party benchmarking and analysis of industry data sources. Risks are evaluated for potential impact from financial, operational, regulatory, strategic, and reputational perspectives. The risk assessment also includes categorizing the likelihood of occurrence of each risk, from low to high.</p> <p>The identified risks are then categorized as upside (opportunities on which to capitalize), downside (ever-present and likely to result in negative impact if left unmitigated), or outside (outside the control of management), with differing approaches to mitigation and oversight for each category.</p>	2025 CDP 2.2
b) Describe the organization’s processes for managing climate-related risks.	<p>Each risk identified in the process described above is assigned to an executive-level owner who is responsible for identifying risk mitigation strategies with support from the General Counsel and Internal Audit team. Quarterly risk refresh exercises are conducted by the risk owners.</p> <p>The company provides semi-annual updates to the Audit Committee of the Board regarding these risks to raise current and emerging risks, as well as their mitigation status. The Chair of the Audit Committee of the Board provides an update on the ERM program to the full board on a semi-annual basis.</p> <p>Climate-related risks and opportunities are assessed as part of the overall ERM program and follow the process described above. The Crocs, Inc. sustainability team, including the CS&amp;CO, as well as other relevant stakeholders, are engaged as part of the annual enterprise risk assessment for environmental topics. This group brings knowledge, oversight, and management of environmental impacts and dependencies to the risk assessment process.</p>	2025 CDP 4.6 and 4.10
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Climate-related risks are included in our annual ERM program as described above.	

# TCFD Guidance

Metric	Disclosure 2025	Related Reference(s)
<b>Metrics &amp; Targets</b>		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Crocs, Inc. tracks metrics related to climate risks and opportunities including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Scope 1 &amp; 2 emissions, including energy consumption at enterprise-wide facilities</li> <li>• Scope 3 emissions categories, including Purchased Goods and Services, Upstream and Downstream Transportation and Distribution, End of Life, Business Travel, Employee Commuting, Fuel &amp; Energy Activities, Use of Sold Products, Capital Goods, Waste, Upstream Leased Assets, and Franchises</li> <li>• Carbon footprints for top product styles</li> <li>• ISCC PLUS Certification of material content</li> <li>• Bio-circular material within Crocs Classic Clogs</li> <li>• SBTi approved near-term targets, including reducing Scope 1 and 2 emissions by 50.40% from our 2022 baseline and reducing our Scope 3 Category 1: Purchased Goods and Services and Category 4: Upstream Transportation and Distribution emissions by 58.20% per dollar of value added within the same time frame</li> </ul>	<p>2025 Comfort Report - Progress on Purpose, pg. 6-7</p> <p>2025 Comfort Report - Emissions by Scope   Net Zero Pathways and Progress, pg. 20-21</p> <p>2025 Comfort Report - Raw Materials   Carbon Footprints by Style, pg. 16-17</p> <p>2025 Comfort Report - Key Metrics, pg. 22</p> <p>2025 CDP 7.6, 7.7, and 7.8</p>
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>The results of our GHG Inventory including Scope 1, 2, and 3 emissions can be found on pages 30-31.</p>	<p>2025 Comfort Report - Emissions by Scope   Net Zero Pathways and Progress, pg. 20-21</p> <p>2025 Comfort Report - Key Metrics, pg. 22</p> <p>2025 CDP 7.6, 7.7, 7.8, 7.53, and 7.54</p>
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>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.</p> <ul style="list-style-type: none"> <li>• Achieve Net Zero by 2040</li> <li>• Reduce Scope 1 and 2 emissions by 50.40% by 2032 from our 2022 base year</li> <li>• Reduce Scope 3 Category 1: Purchased Goods and Services and Category 4: Upstream Transportation and Distribution emissions by 58.20% per dollar of value added by 2032 from our 2022 baseline*</li> <li>• Achieve 50% bio-circular content within our Crocs Classic Clog on a mass balance basis (by 2030).</li> <li>• Reduce the carbon footprint of our Crocs Classic Clog by 50% by 2030</li> </ul>	<p>2025 Comfort Report - Progress on Purpose, pg. 6-7</p>

\*Added value is defined as gross profit.