How do I report integrity or ethical concerns?

It is important to promptly report any situation which may violate the law or Company policy – whether you are involved in the situation or not. It is generally advised that you first report a suspected violation to your supervisor. If this is not a viable option, report it to your supervisor’s manager, local Human Resources department, Legal department, or the Ethics Line.

You may also mail a letter to Crocs, Inc. (Attn: Legal department), 7477 East Dry Creek Parkway Niwot, CO 80503.

We encourage you to provide full information and your name in order to facilitate a complete investigation. We may not be able to investigate some matters, such as allegations of sexual harassment, without such information. Do not, however, investigate a situation on your own. Investigations may involve complex legal issues and acting on one’s own may compromise the integrity of the investigation or adversely affect Crocs and the employee.

What is the Ethics Line?

The Ethics Line is an on-line portal for reporting integrity and ethical concerns. The Ethics Line is staffed by a live operator from an independent company (NAVEX Global), 24 hours a day, 7 days a week. NAVEX Global is a leading provider of corporate ethics and compliance programs and hotlines worldwide, and manages the Ethics Line to ensure independence and objectivity.

Calls or web-based reports are free, confidential and may be made anonymously. Operators are equipped to take these calls and web-based reports in all primary languages of the countries in which we operate or do business. The operator or reporter will relay the information to Crocs’ Compliance office, and will provide you with a case number and call back date if desired.

What type of issues should be reported?

Crocs is committed to maintaining a positive, productive and ethical work environment. To this end, report any concerns, violations or suspicions of any of the following:

- Accounting, Auditing and Financial Reporting
- Business Integrity
- Environment, Health and Safety
- Fraud & Theft
- HR, Diversity and Workplace Respect

Should I be nervous that filing a report might have negative consequences for me?

No. Retaliation in any form against anyone who reports, in good faith, concerns or possible violations of the Code, Company policy, or the law, even if the report is mistaken, or who assists in the investigation of a suspected violation, is absolutely prohibited. If you have any concerns that you have been retaliated against, immediately contact your local Human Resource department of the Legal department.
What happens once I file a report?

Reports are referred to the Human Resources, Risk, or Legal departments depending upon the nature and subject matter of the complaint, potential legal implications, or the individual(s) involved. Ethical or legal issues, complaints raising concerns about accounting practices, internal controls, and auditing matters, or violations of the Code are referred to designated members of the Human Resources, Finance, and Law departments. Administrative issues (e.g., lost paychecks), compensation (e.g., salary, bonus, or overtime), e-mail abuse, poor management, and misconduct (e.g., discrimination, harassment, falsification of company records, or theft) are referred to the Human Resources and/or Risk departments. When appropriate, Crocs will provide the employee with the status of the investigation and the outcome.

Management, in consultation with the Human Resources and/or Law departments, will take appropriate corrective action, up to and including termination of employment, in connection with a violation of the Code. Conduct that may result in disciplinary action, up to and including termination, includes: (i) violation of the Code, Company policy, or the law, including requesting others to do so; (ii) failure to report a suspected violation of Company policy; (iii) failure to effectively monitor compliance with Company policies and applicable law by subordinates; (iv) failure to cooperate in an investigation; or (v) retaliation against an employee who makes a complaint or cooperates in an investigation.

Your report is taken seriously. In fact, the Legal department provides the Audit Committee of Crocs’ Board of Directors with quarterly reports on Ethics Line activities and investigations.

Why do we need a system like the Ethics Line?

- We believe that our employees are our most important assets. By creating open channels of communication, we can promote a positive work environment and maximize productivity.

- Companies that are publicly traded in the U.S. are required by law to have an anonymous reporting vehicle to address accounting and auditing fraud directly to the Audit Committee of the Board.

- An effective reporting system will augment our other efforts to foster a culture of integrity, respect and ethical decision-making.

Does management really want me to report?

We certainly do. In fact, we need you to report. You are the feet on the ground and as such, know what is going on at Crocs - both good and bad. You may have initial knowledge of an activity that may be cause for concern. Your reporting can minimize the potential negative impact on Crocs and our employees. Also, offering positive input may help identify issues that can improve corporate culture and performance.

Where do these reports go? Who can access them?

Reports are entered directly on the NAVEX Global secure server to prevent any possible breach in security. NAVEX Global makes these reports available only to specific individuals within Crocs who are charged with evaluating the report and ensuring a proper investigation is performed in a professional and confidential manner.
Is it true that access from a Company computer can be tracked and reveal my identity?
No. NAVEX Global does not generate or maintain any internal connection logs with IP addresses, so no information linking your computer to NAVEX Global is available. In fact, NAVEX Global is contractually committed not to pursue a reporter’s identity.

If you still feel uncomfortable making a report on your work computer, you have the option of using a PC outside our work environment (such as one located at an Internet café, at a friend’s house, etc.) through the Ethics Line website.

Can I file a report from home and still remain anonymous?
A report from home, a neighbor’s computer, or an Internet portal will remain secure and anonymous. An Internet portal never identifies a visitor by screen name and our Ethics Line provider, NAVEX Global, strips away Internet addresses so that anonymity is totally maintained. Plus, NAVEX Global is contractually committed not to pursue a reporter’s identity.

I’m concerned that information I provide will reveal my identity. How can I be protected?
The Ethics Line system is designed to protect your anonymity. However, if you wish to remain anonymous, you - as a reporting party - need to ensure that the body of the report does not reveal your identity by accident. Nevertheless, it is possible that in the course of an investigation of the issue you raise, Crocs personnel may contact you if, independent from the report you made, it is believed you may have information relevant to the situation. In any case, retaliation against someone who has reported, in good faith, misconduct is strictly prohibited.

Is the telephone toll-free hot line confidential and anonymous too?
Yes. You will be asked to provide the same information that you would provide in an Internet-based report and an interviewer will type your responses into the Ethics Line web site. These reports have the same security and confidentiality measures applied to them during delivery.

What if I want to be identified with my report?
There is a section in the report for identifying yourself, if you wish.
Tips & Best Practices

I’m aware of unethical conduct, but it doesn’t affect me. Why should I report it?
Integrity is a core value at Crocs and we actively promote ethical behavior. All unethical conduct, at any level, ultimately hurts the Company, the brand, and all employees, including you. You only have to consider what happened in recent corporate scandals to see the disastrous effects that a seemingly harmless lapse in ethics can have on an otherwise healthy company. So, if you know of any incidents of misconduct or ethical violations, consider it your duty to yourself and your coworkers to report it.

I’m not sure if what I observed is a violation of policy. What should I do?
If you see or hear something that seems to be out of line with Company policy, or just doesn’t look right, report your concern. If you don’t feel comfortable addressing it directly with management or your local Human Resources department, use the Ethics Line either to file a report or you can use the “ask a question” link. The Ethics Line process can help you file your report or question so it can be properly understood. We’d rather you report a situation that turns out to be harmless than let possible unethical behavior go unchecked.

What if my boss or other managers are involved in a violation, won’t they get the report?
The Ethics Line is designed so that implicated parties are not notified or granted access to reports in which they have been named. Retaliation against any employee who reports, in good faith, any concerns or possible violations of the Code, Company policy or the law, is strictly prohibited.

What if I remember something important about the incident after I file the report?
When you file a report at the Ethics Line Web site or through the Ethics Line Call Center, you receive a unique user name and are asked to choose a password. You can return to the Ethics Line system again either by Internet or phone to access the original report to add more detail or answer questions posed by the Company to get more information. We strongly suggest that you return to the site for follow-up. You and the Company have now entered into a “dialogue” where situations can be resolved, no matter how complex.

Are these follow-ups on reports as secure as the first one?
Yes. All Ethics Line correspondence is held in the same strict confidence as the initial report, continuing under the umbrella of anonymity.