

# SASB Reference Table

The Sustainability Accounting Standards Board (SASB) is an independent, private-sector 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 2022-05.

This is Crocs, Inc.'s second year reporting against the SASB framework, but the first 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 will continue our efforts to evolve and improve our disclosure in the coming years. Whenever possible, we have indicated where our gaps are in the "Data/Response" column for context and transparency.

**Table 1**  
**Sustainability Disclosure Topics & Accounting Metrics**

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
<b>Management of Chemicals in Products</b>						
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	<p>Crocs, Inc. is dedicated to the management of chemical safety risks in our supply chain effective and the reduction of chemical substances in our products. Our mitigation strategy includes tracking progress and completion of corrective action plans, capacity building efforts such as analysis of root causes and management systems, engaging workers in the remediation process, reviewing any prior OSHA citations, supplier trainings, and internal and external audits.</p> <p>Croc, Inc. uses a single Restricted Substance List (RSL) to manage and maintain compliance with restricted substances regulations for products in all markets. Restricted substances on the RSL have been identified by their toxicity levels and potential hazard they pose to both human and environmental health. The enterprise's 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. Related to our chemical safety program, Crocs Inc. monitors evolving regulatory requirements to ensure policies are strong enough to meet workplace safety practices, air emissions and solid/hazardous waste thresholds, and water discharge regulations.</p> <p>To ensure compliance throughout our supply chain, we, along with the support of third-party labs:</p> <ul style="list-style-type: none"> <li>• conduct RSL training with suppliers,</li> <li>• run test programs, which are conducted by approved third parties, including SGS, CTI, BACL, and Eurofins,</li> <li>• conduct regular and random audits – input materials are tested annually, while finished shoes are randomly tested on a quarterly basis, and</li> <li>• have both Tier 1 and Tier 2 suppliers sign a Statement of Compliance.</li> </ul> <p>As we are still in the process of assessing the HEYDUDE supply chain and further strengthening the brand's chemical management system, the Crocs brand has additional measures in place that are not yet enterprise-wide:</p> <ul style="list-style-type: none"> <li>• The Crocs brand has an advanced test program prior to the selection of incoming materials by suppliers.</li> <li>• Crocs encourages suppliers to identify high-risk substances and perform tests by themselves prior to our involvement, which is called our Best Test Program.</li> <li>• Tier 2 suppliers specific to the Crocs brand also have to 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). The organization is planning to extend this process to Tier 1 suppliers for HEYDUDE in the next year.</li> </ul>	<p>Circularity, pg. 23-24</p> <p>Climate Stability, pg. 32</p> <p>The RSL policy is publicly available at: <a href="https://investors.crocs.com/governance/governance-documents/default.aspx">https://investors.crocs.com/governance/governance-documents/default.aspx</a>.</p>

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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	<p>Crocs, Inc. employs a hazard-based approach to chemicals management. Guided by the content in the RSL, the enterprise manages chemicals in various stages of its products' life cycles, including:</p> <ul style="list-style-type: none"> <li>• The RSL is referenced to control the application of chemicals during the design process.</li> <li>• Incoming materials must be submitted by Tier 2 suppliers for verification and testing during the sourcing process.</li> <li>• Compounds, components, and finished products are regularly tested throughout the manufacturing process.</li> </ul> <p>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.</p> <p>If issues of non-compliance arise, suppliers are required to create and execute on a corrective action plan (CAP) for every material that fails in any test and must report to Crocs, Inc. on the root cause for 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 shoes cannot be shipped until a Recovery Test Program is completed with clean results. Despite a comprehensive process for updating the RSL on an annual basis, we do not yet have an enterprise-wide plan for substituting and fully eliminating chemicals as they arise.</p> <p>The full extent of our current restricted substances audit program is active only for the Crocs brand, though the company plans to extend it through HEYDUDE's Tier 1 suppliers by the end of 2023 and to Tier 2 suppliers by Q1 2024.</p> <p>Currently, green chemistry principles are not yet used as part of the enterprise's framework or guidelines for chemical management, product design and development. That said, some work already being conducted within the Crocs supply chain fits within the scope of green chemistry principles, including for example, the use of water-based glue to reduce VOCs in some product lines. While green chemistry is not a directive by our chemicals management plan, we recognize that many initiatives across our business and ESG strategy, like our integration of bio-based materials, will have impacts on our chemicals management plan moving forward.</p>	<p>Circularity, pg. 23-24</p> <p>Climate Stability, pg. 32</p>

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**Table 1**  
**Sustainability Disclosure Topics & Accounting Metrics**

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
<b>Environmental Impacts in the Supply Chain</b>						
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 (%)	<p><b>(1) 97% of Tier 1 suppliers (all but one supplier across both brands) responded to the distributed wastewater survey, and 100% of those that responded reported compliance with wastewater discharge permits and agreements. In addition, two Tier 1 suppliers for the Crocs brand specifically, conducted wastewater testing in alignment with ZDHC in 2022: FVI and FVI II.</b></p> <p><b>(2) 92% of Tier 2 suppliers responded to the distributed wastewater survey, and 100% of those that responded reported compliance with wastewater discharge permits and agreements. Of our total list of active Tier 2 suppliers, all of the top 30 Tier 2 suppliers of the Crocs brand were asked to respond to the wastewater survey. Given the complexity of the HEYDUDE supply chain, for its first year of wastewater analysis within the Crocs, Inc. portfolio, we focused on Tier 2 suppliers for the HEYDUDE brand classified as "Core", which represent the majority of sourcing for the HEYDUDE business, according to our primary broker.</b></p> <p>At a minimum, Crocs, Inc. requires that all suppliers strictly comply with national and/or local standards for wastewater discharge, whichever is stricter in any given facility's region. 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, for example, 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 the manufacturing processes differ across our new portfolio.</p> <p>Because of the variety of processes and materials handled across Crocs Inc.'s supply chain, the type and breadth of wastewater data available and collected from each facility can vary greatly. Neither brand has routine testing parameters for all suppliers at this time. For suppliers supporting the Crocs brand, the team randomly selected Tier 1 suppliers for third-party sampling, testing, and reporting – in the past year, we prioritized facilities that produce industrial wastewater and/or treatment equipment onsite. In 2022, HEYDUDE Tier 1 suppliers were sent a wastewater survey to collect results of discharge testing. Suppliers from which we request wastewater data are selected based on various criteria such as the importance of the materials they supply, the business value, and production volume across Crocs and HEYDUDE etc.</p> <p>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, we are in the process of evaluating whether to enforce Zero Discharge of Hazardous Chemicals (ZDHC) Wastewater Guidelines (including sludge) as a uniform, global guidance for wastewater discharge. ZDHC covers conventional wastewater, as well as hazardous chemical management, and goes beyond regulatory conformance to hold us to a higher caliber of operation. In 2022, two (2) Tier 1 suppliers for the Crocs brand piloted wastewater testing in alignment with ZDHC. In 2023, we'll be asking all Tier 1 suppliers to participate in ZDHC trainings and provide wastewater test reports to get a fuller sense of our enterprise footprint.</p>	<p>Climate Stability, pg. 32-34</p> <p>For more information on wastewater discharge, please see the accompanying table on pg. 51.</p>

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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 (%)	<p><b>(1) ~31% of Tier 1 suppliers have completed Higg FEM.</b></p> <p><b>(2) ~7% of Tier 2 suppliers have completed Higg FEM.</b></p> <p>At this time, only suppliers supporting the Crocs brand have been assessed through the lens of Higg FEM. We may include more facilities across both brands over time.</p>	Climate Stability, pg. 32

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Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
<b>Labor Conditions in the Supply Chain</b>						
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 (%)	<p><b>(1) ~99% of Tier 1 suppliers across both brands were audited in 2022.</b></p> <p><b>(2) ~46% of Tier 2 suppliers across both brands were audited in 2022.</b></p> <p><b>(3) Of the 219 audits conducted across Tier 1 and Tier 2 suppliers, ~ 70% were conducted by a third-party partner. That said, all but one Tier 1 supplier audit was conducted by a third party partner across both brands.</b></p> <p>In 2022, Crocs, Inc. reviewed and amended its Factory &amp; Supplier Code of Conduct 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 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.</p> <p>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.</p> <p>Audit results influence the frequency of scheduled audits, and each supplier facility is assigned one of four color codes that reflect our audit findings and dictate how often a facility will have scheduled audits. A facility's color code will be adjusted if a future audit demonstrates any non-conformances have been fully remediated.</p> <ul style="list-style-type: none"> <li>• Red: quarterly audit required</li> <li>• Yellow: semi-annual audit required (every six months)</li> <li>• Green: annual audit conducted</li> <li>• Blue: annual audit conducted</li> </ul> <p>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. In 2022, we consolidated expected and required standards for compliance into a global, public-facing Human Rights policy which will be published in 2023, and details the enterprise stance on diversity and inclusion, freedom of association and collective bargaining, forced labor and human trafficking, child labor, work hours, wages and benefits, and more.</p>	Community, pg. 37-38 Responsibility, pg. 47-48

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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	<p><b>At the end of the year, only 2 CAPs were pending for Tier 1 suppliers, resulting in a corrective action rate of ~97%. 28 CAPs were pending for Tier 2 suppliers, all of which were supporting the HEYDUDE brand and many of which are still in progress because of the new nature of the relationship with the supplier, resulting in a corrective action rate of ~80%.</b></p> <p><b>In 2022, none of our Tier 1 suppliers were categorized as 'Red', per the above, but three Tier 2 suppliers for the Crocs brand were. CAPs were in place for all three as of year-end and a quarterly audit and improvements will be required.</b></p> <p>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 corrective action plan (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. will periodically check-in to verify that resolutions are being implemented in a timely manner and may request a re-audit if deemed necessary.</p> <p>In tandem with our efforts to improve compliance throughout our supply chain and accelerate remediations to non-compliances when identified, we are actively addressing issues of supply chain transparency that exist in the apparel and footwear industry. Within the Crocs brand specifically, we have many long-term relationships with our Tier 1 suppliers and have found that stable cooperation not only helps us ensure compliance with our Code of Conduct, but also makes us more familiar with each of our supplier's unique circumstances and situations, which deepens trust and builds the foundation for continuous improvement. We seek to bring the same approach to the HEYDUDE supply chain, starting by working closely with the suppliers and brokers that handle the majority of the brand's product manufacturing. Since the acquisition was completed, our understanding of the supply chain has improved significantly.</p> <p>If minimum compliance is not met, the case will be escalated to management. Additionally, if there is any priority non-conformance found, the grade of the facility is directly classified as 'Red'. Remediation measures which apply to both Tier 1 suppliers and beyond, may include: more frequent audits to follow up on a CAP (including Tier 1 suppliers 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-compliance 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 2022, we did not terminate any contracts as a result of non-compliance.</p>	Responsibility, pg. 47-48

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Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
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	Some of the issues that were identified by our 2022 audits included excessive overtime, transparency challenges, time records, and fire safety. While the exact circumstances of these issues varied, they give us a clear picture of how to continue to improve our policies and practices to improve labor conditions along our supply chain to protect human rights. Moreover, these issues are not unique to Crocs, Inc., but we hope to play an active role in improving the working conditions of workers in our supply chain.	<p>Responsibility, pg. 47-48</p> <p>The details of our company's risk factors are more thoroughly outlined in our Annual Report on form 10-K.</p>

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**Table 1**  
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Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
<b>Raw Materials Sourcing</b>						
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	n/a	<p>(1) At this time, materials most purchased by the enterprise to produce our products, include Compounds: Croslite™ and EVA (including bio-based); Nylon; PVC; Polyester; Cotton; Leather; Rubber; Textile; and TPU.</p> <p>(2) We seek to collect weights of materials sourced from each shoe factory in Asia and then consolidate them in an attempt to get a more precise appreciation for the true environmental and social risk factors associated with the materials we source. Our material sourcing team is still in the process of implementing this approach to understanding our material consumption across all brands and regions.</p> <p>The greatest social and environmental risk factors associated with raw materials sourcing throughout the supply chain include, the effects of climate change, including natural disasters such as earthquakes, hurricanes, tsunamis, or other adverse weather and climate conditions. Climate change could harm or disrupt our operations or the operations of our vendors, other suppliers, or consumers, and could damage our supply chain manufacturing or distribution centers, retail stores, and lead to energy shortages. The greatest risks also include forced labor, which we seek to prevent by monitoring for, and mitigating the use of tactics that might delay employment being granted. Historically marginalized communities are more prone to the risks of forced labor, and children are one of the most at-risk groups.</p> <p>(3) Potential business risks and opportunities posed to Crocs, Inc. that are associated with raw materials sourcing throughout the supply chain include:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• Legislation on greenhouse gases (GHG) affecting the price of petroleum which may affect the price of petroleum-derived raw materials;</li> <li>• Tightening environmental regulations for suppliers that could affect the cost or availability of raw materials they supply;</li> <li>• 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,</li> <li>• The risk of our third-party manufacturers not following applicable environmental regulations.</li> <li>• 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.</li> </ul> <p>(4) Crocs, Inc. manages the social and environmental risks associated with the sourcing of Croslite™ compound 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 of a yearly statement of compliance associated with our Factory &amp; Supplier Code of Conduct, and regular internal and third-party audits.</p> <p>Transitioning to a bio-based version of our Croslite™ material, which began in 2021 in collaboration with Dow®, a global materials science company, is a significant way we can manage the potential and actual risks posed by our sourcing of materials derived from fossil fuels. Dow's ECOLIBRIUM™ Technology 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-based Croslite™ material into footwear containing EVA, as opposed to creating a new and separate product line. 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.</p>	Circularity, pg. 21-26 Responsibility, pg. 45-46



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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	Discussion and Analysis	n/a	For a comprehensive list of materials, please see the accompanying table on pg. 54.	Circularity, pg. 21-22

# SASB Reference Table

Table 2  
Activity Metrics

Topic	Code	Accounting / Activity Metric	Category	Unit of Measure	Data/Response	Related Reference(s)
<b>Suppliers</b>						
Suppliers	CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	<p><b>(1) Tier 1 Suppliers: 76</b></p> <p><b>Crocs: 26</b></p> <p><b>Hey Dude: 53</b></p> <p><b>(2) Tier 2 Suppliers: 307</b></p> <p><b>Crocs: 208</b></p> <p><b>Hey Dude: 104</b></p> <p><b>Total Suppliers: 383</b></p> <p>Crocs, Inc. maintains an enterprise approved vendor list (AVL) for Tier 1 and Tier 2 suppliers that meet the company's standards for quality, delivery, cost and compliance. Those 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 many of our Tier 1 suppliers maintain additional sourcing relationships that are not reflected in the company's AVL.</p> <p>A majority of HEYDUDE products are supplied through a single broker partner, so in order to help us better understand Tier 2 HEYDUDE suppliers, the broker has organized them into Core, Secondary and Under Development.</p> <p>At this time, the enterprise does not have full transparency beyond Tier 2. As part of our integration efforts, we are working with a third-party partner to map the HEYDUDE supply chain to Tier 5 (and beyond), which we will have completed in 2023. We also plan to update the mapping of our Crocs supply chain in 2023 to account for our growth and the potential addition of new factory and supplier partners.</p> <p>Crocs, Inc. currently has 383 Tier 1 and Tier 2 suppliers on its enterprise AVL - there are three Tier 1 and five Tier 2 suppliers that are shared across our portfolio. The AVL is updated periodically and any suppliers that are inactive, which is defined as not having done business with the enterprise for two years, are removed from the AVL.</p>	<p>Introduction, pg. 5-6</p> <p>Responsibility, pg. 47-48</p>