

# Sustainability Snapshot 2023



# A word from our CEO

## Our UNIFI® journey started over 50 years ago with a mission to 'do one thing and do it well' - texture polyester yarn.

This philosophy of 'do one thing well' has stayed with us – but now, that 'one thing' is to mainstream sustainable manufacturing.

Our role in this pursuit, is multifaceted. As a recycler and manufacturer, we must consider our own environmental impact, our customers' impact and even the impact of our customers' customer. We approach this role through one simple lens – we hate wasting. We hate wasting resources, thinking, time – and waste.

This mentality gives me comfort that we can reach our newly launched 2030 sustainability targets. We will lessen our environmental impact through a 30% reduction in Scopes 1 & 2 greenhouse gas emissions intensity and have zero non-compliant water discharges each year. We will also be a key player in the global expansion of textile-to-textile circularity through our Textile Takeback™ program and other recycled offerings made from post-industrial textile and yarn waste. We are committing to transforming the equivalent of 1.5 billion T-shirts worth of this waste.

REPREVE® is used by brands worldwide, and in partnering with us, they stand on our shoulders - shoulders that bear the weight of a system built on trust, transparency, and traceability. Since REPREVE's launch in 2007, we have invested in a world-class, sustainable, transparent supply chain. Our FiberPrint® tracer technology, paired with our U-TRUST® verification system, provides the trust needed to ensure that a product contains REPREVE. The investments we have made in sustainability are investments in our customers' successes as they move alongside us on our journey to be the most recognized sustainable brand in the world.

To ensure the continued success of UNIFI's sustainability strategies, we focus on three pillars: People, Planet, and Product. You will see our progress within these pillars in this FY2023 Sustainability Snapshot. I hope you enjoy reading and remember, hate wasting – the planet will thank you for it.



**EDDIE INGLE**

Chief Executive Officer and Director



# UNIFI at a Glance

Headquartered in Greensboro, N.C., Unifi, Inc. (together with its subsidiaries, UNIFI) is a global textile solutions provider and one of the world's leading innovators in manufacturing synthetic and recycled performance fibers. Through REPREVE, one of UNIFI's proprietary technologies and the global leader in branded recycled performance fibers, UNIFI has transformed more than 38 billion plastic bottles into recycled fiber for new apparel, footwear, home goods, and other consumer products. UNIFI continually innovates technologies to meet consumer needs in moisture management, thermal regulation, antimicrobial protection, UV protection, stretch, water resistance, and enhanced softness. UNIFI collaborates with many of the world's most influential brands in the sports apparel, fashion, home, automotive, and other industries. For more information about UNIFI, visit [www.unifi.com](http://www.unifi.com).

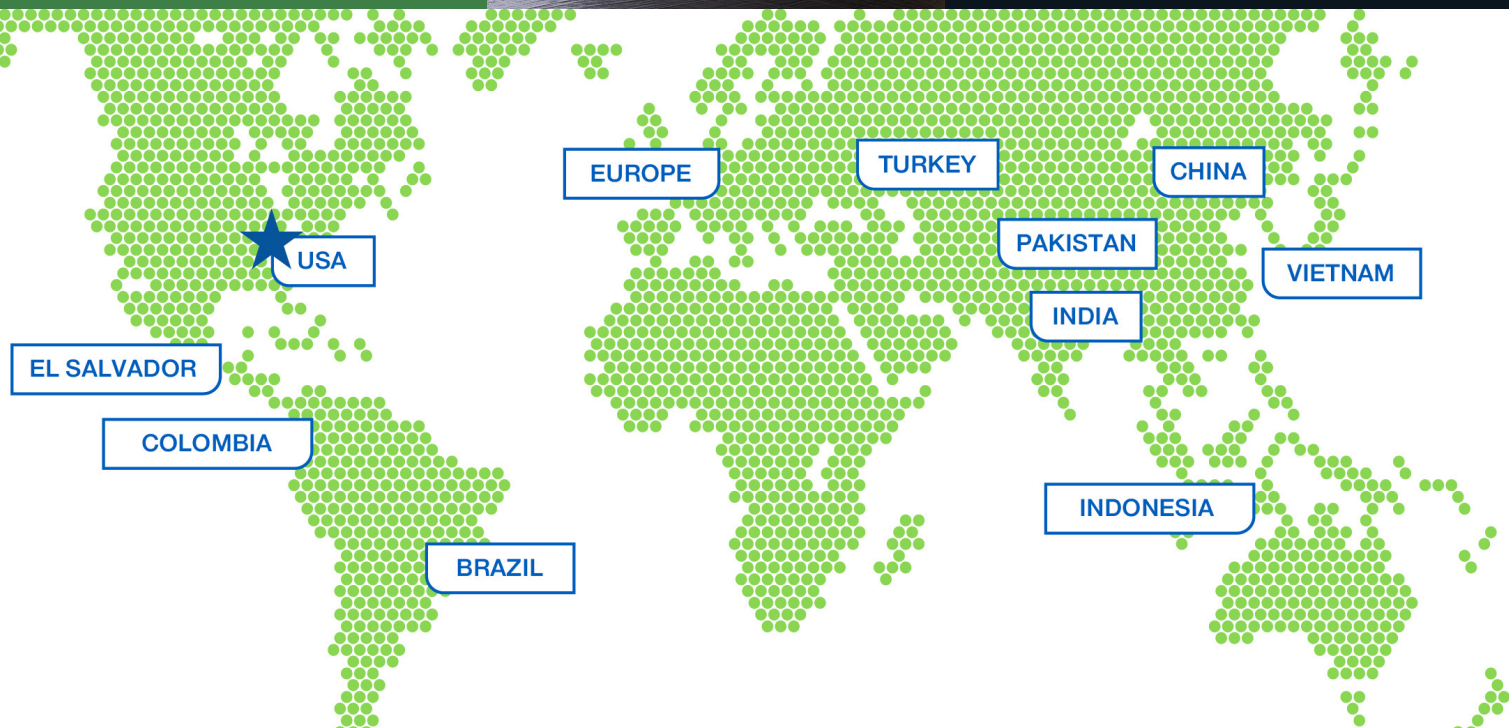
ABOUT

**Headquarters:**  
Greensboro, N.C.

**NYSE: UFI**

**2,800+**  
employees globally

**UNIFI produces and distributes products across the Americas, Europe, and Asia.<sup>1</sup>**



<sup>1</sup> As of publication date



## Sustainability Pillars and Materiality

Our vision of sustainability is built on three Sustainability Pillars: People, Planet, and Product. We focus on the following material areas within our Sustainability Pillars to guide our sustainability journey and Environmental, Social, and Governance (ESG) priorities.

### PEOPLE



Our employees, and the communities in which we operate and live, are the foundation of our success and future. We prioritize our employees' well-being and safety, and are engaged in the communities we serve.

- Anti-Corruption
- Community Engagement
- Data Privacy
- Ethical Labor Practices
- Health, Safety, and Well-being
- Human Rights
- Leadership Development
- Responsible Supply Chain Management

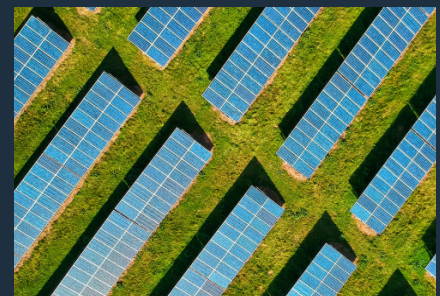
### PRODUCT



We prioritize circularity, traceability, and engagement to optimize the social and environmental impacts of our products.

- Circularity and Regeneration
- Content Certifications
- Customer Engagement
- Life Cycle Assessments of Products
- Responsible Chemistry
- Traceability

### PLANET



We are mindful of planetary boundaries and limited natural resources, and we prioritize both through our environmentally responsible initiatives.

- Energy Efficiency and Reduction
- Fossil Fuel Reduction
- Greenhouse Gas Emissions
- Sustainable Innovation
- Waste Reduction
- Water Scarcity

We use leading ESG frameworks such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) to guide us on how to identify and disclose sustainability related risks and opportunities. Additionally, we take inspiration from the United Nations Sustainable Development Goals (SDGs) to ensure we are adhering to these important social and environmental strategic pursuits.

View our FY2023 Frameworks, Methodology, and Data Report [here](#).

# Stakeholder Engagement, Memberships, and Certifications

UNIFI is proud to work with many key organizations in pursuing our vision for a more sustainable future. Solutions to our shared future challenges will require collaboration, and we're committed to continued engagement with these organizations to fulfill our vision.



Our investments in these certifications allow our customers peace of mind that their raw materials and production processes are aligned with up-to-date best practices.





## This year sees UNIFI setting **three** new sustainability targets.

A pioneering textile-to-textile recycling target, and two manufacturing objectives tackling greenhouse gas emissions and water discharge.

# 1

**Transform the equivalent of 1.5 billion T-shirts worth of textile and yarn waste by FY2030**

# 2

**30% reduction in Scopes 1 & 2 greenhouse gas emissions intensity by FY2030**

# 3

**Zero non-compliant water discharges each year**

UNIFI's pursuit of these challenging targets is driven by our purpose – to solve how tomorrow can be better.

The PLANET section of this snapshot details our widening commitment to waste recycling and sustainable manufacturing.



# 2025 Targets + Progress



## Targets for 2025

**50 billion** recycled plastic bottles by December 2025

REPREVE fiber comprises **over 50%** of FY2025 revenue

## FY2023 Progress

With over **38 billion recycled plastic bottles**, we are on pace to meet this goal

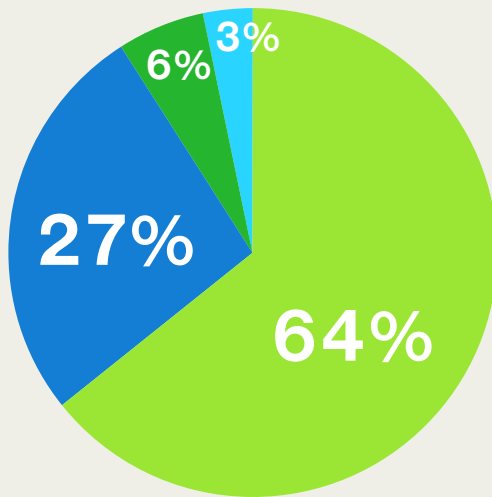
REPREVE fiber comprised **30%** of FY2023 revenue<sup>2</sup>



<sup>2</sup> The decline in FY2023 was driven primarily by weak global demand and lower sales volume for our Asia Segment.

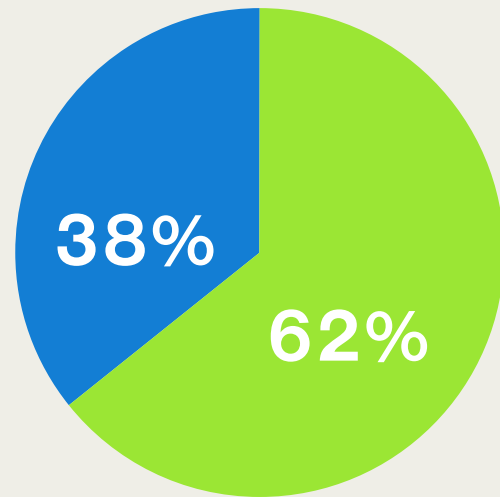
# Workforce Data

Global Headcount by Region



- North America
- South America
- Central America
- Asia/Europe, Middle East, Africa

Global Gender Distribution



- Male
- Female

# Global Community Engagements

50+ COMMUNITY ENGAGEMENTS GLOBALLY

## YADKINVILLE, NC

For over 25 years, children of UNIFI employees have been awarded student scholarships as part of the UNIFI bowl, a rivalry high school football game. UNIFI supports further fundraising for the local high schools through T-shirt donations.

## EL SALVADOR

UNIFI donated recyclable waste to the San Andrés Business Environmental Committee to promote and fund the “Let’s recycle, everyone” project in School Centers of the San Andrés Valley, which encourages recycling and environmental awareness among students.

## BRAZIL

UNIFI made multiple donations to the *Ambiente de Ajuda e Redirecionamento* (AMBAR) Project, developing social services to train young people so that they are ready to integrate into the workforce and contribute to their first job.



# Health, Safety, and Well-Being

**UNIFI is committed to providing a safe and healthy work environment for our people.**

We strive daily to eliminate hazards, promote safety awareness, and prevent injuries to our employees by mitigating risks to our stakeholders through defined procedures, resources, and general best practices.



## Safety and Transportation Awards

**10 safety awards** received in June 2023 from the North Carolina Department of Labor for our manufacturing facilities

**“Hall of Fame”** induction of one driver to the National Private Truck Council

**“Driver of the Year”** awarded to one driver by the North Carolina Trucking Association



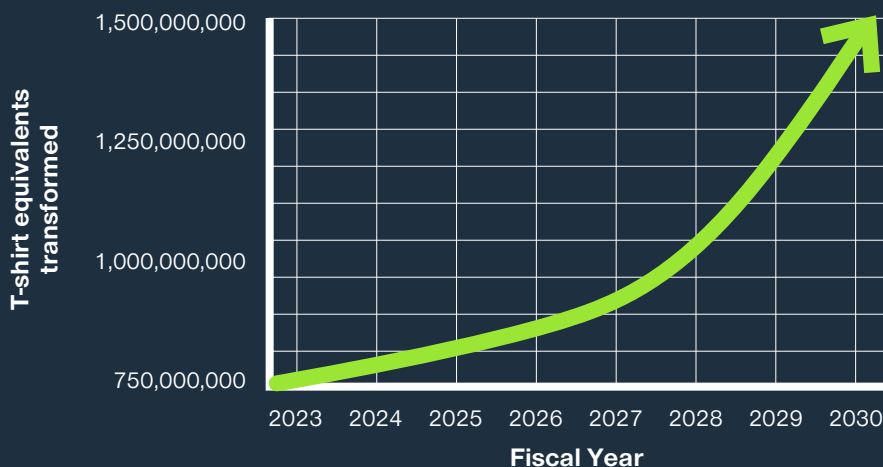
# Waste

**NEW GOAL:** Transform the equivalent of 1.5 billion T-shirts worth of textile and yarn waste by FY2030<sup>3</sup>

As part of our drive to broaden our waste sources, we recycle commercial pre-consumer textile waste, in addition to our own yarn waste. This waste source expansion is a critical step for the global textile industry and is reflected in our trailblazing textile circularity goal.

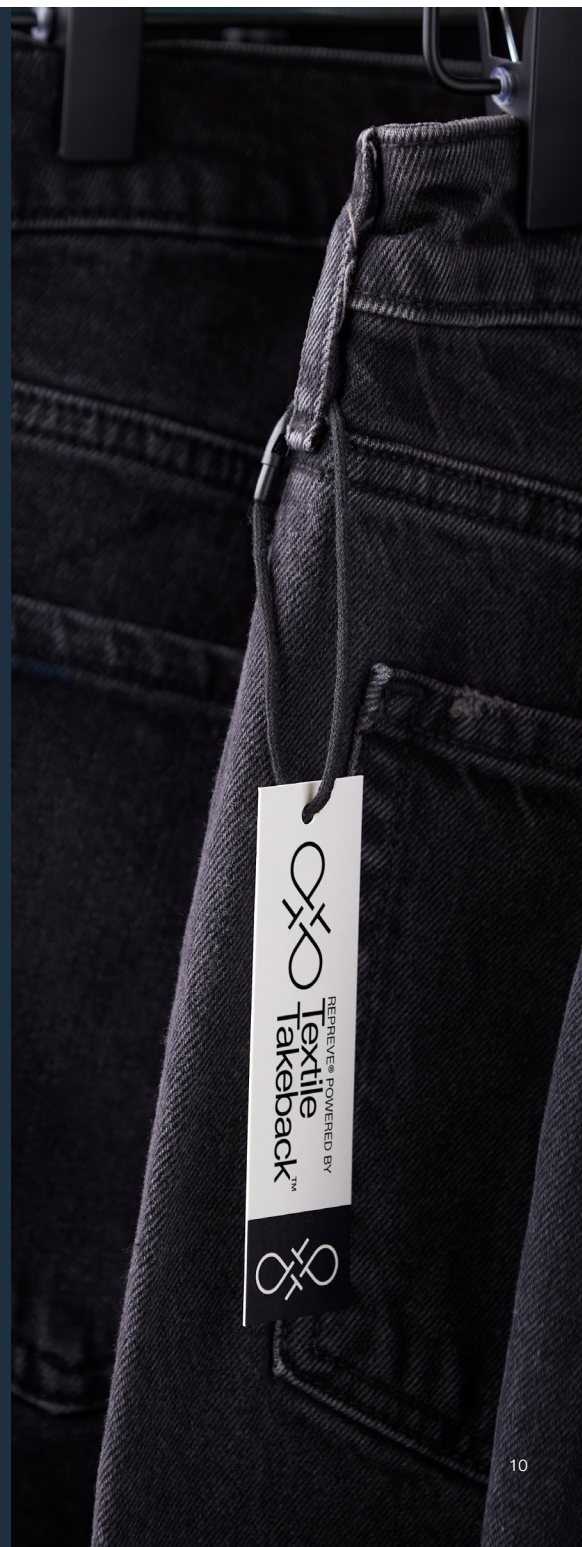
UNIFI's Textile Takeback™ program utilizes fabric production waste, transforming it into raw materials. We have long adopted a 'hate wasting' mentality for our own yarn processes and will now help scale this philosophy for the industry at large.

**PROJECTED T-SHIRT EQUIVALENTS TRANSFORMED**



To measure - and to help consumers and brands visualize our impact - we're adopting a T-shirt equivalent measuring system.<sup>3</sup> By the end of FY2030, we aim to transform the amount of textile and yarn waste necessary to create the equivalent of 1.5 billion T-shirts into new products - REPVE polyester, REPVE powered by Textile Takeback™, and REPVE Nylon.

<sup>3</sup> "T-shirt equivalents" refers to the weight of material equal to that of a single polyester T-shirt.



## Waste

In addition, at UNIFI, we strive to reduce landfill waste throughout our global operations and move to more preferred disposal methods, such as recycling, composting, and energy recovery.<sup>4</sup> Several of our operations made significant improvements - year over year - reducing landfill waste through recycling initiatives.

### CENTRAL AMERICA    BRAZIL

**93% REDUCTION**  
IN LANDFILL WASTE FROM  
FY2022 TO FY2023

**55% REDUCTION**  
IN LANDFILL WASTE FROM  
FY2022 TO FY2023



## Water

**NEW GOAL: Zero non-compliant water discharges each year**

It is important for companies to use and discharge water responsibly in order to protect the Earth's water resources. That's why each year we're aiming to have no non-compliant water discharges according to local, state, and national regulations or permitting.



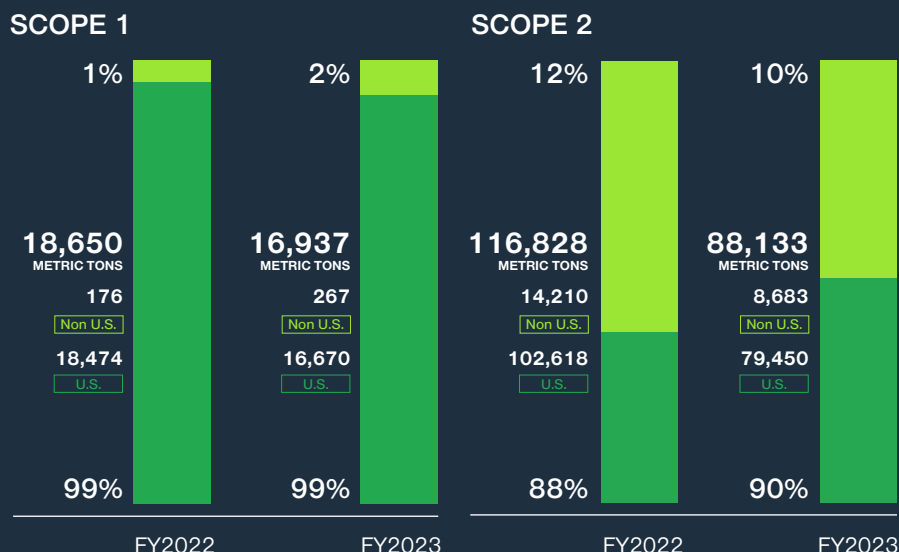
<sup>4</sup> 2023. Sustainable Materials Management: Non-Hazardous Materials and Waste Management Hierarchy. June 19. Accessed September 2023. <https://www.epa.gov/smm/sustainable-materials-management-non-hazardous-materials-and-waste-management-hierarchy>

# Greenhouse Gas Emissions

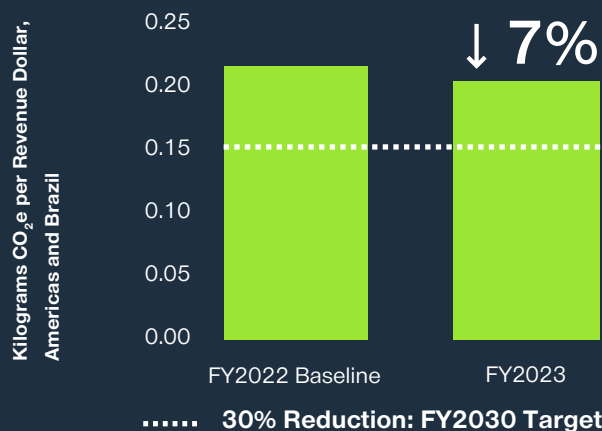
**NEW GOAL:** 30% reduction in Scopes 1 & 2 greenhouse gas emissions intensity by FY2030

Climate change is one of the most challenging and complex issues we face as a global society. One way we can support action against warming temperatures is to reduce the greenhouse gas (GHG) emissions associated with our products and operations. We are committed to reducing our Scopes 1 and 2 emissions intensity by 30% by FY2030, against a FY2022 baseline. The term “intensity” means that we normalize our emissions against the revenue for our Americas and Brazil business segments, as they are the ones with associated material emissions.

## GHG EMISSIONS (Metric tons CO<sub>2</sub>e)



## SCOPES 1 & 2 GHG EMISSIONS INTENSITY



### EFFORTS TO REACH THIS GOAL INCLUDE:

Leveraging our energy efficient eAFK EvoCooler texturing technology in our Americas and Brazil operations

Continuing facility upgrades to lighting infrastructure in our REPVEVE Recycling Center in Yadkinville, N.C.

# Life Cycle Assessment Update

Our new life cycle assessment (LCA) was completed this year, which was based on International Organization for Standardization (ISO) 14040 and 14044 and third-party reviewed according to ISO 14044 following ISO 14071.

These measures help us achieve data-driven quantification of the environmental benefits of REPREEVE. This new study covered our global production supply chains and products, including REPREEVE staple fiber and REPREEVE draw textured yarn (DTY).

**The findings of the cradle-to-UNIFI gate LCA confirm that REPREEVE polyester, for all products and supply chains studied, reduces:**

	<u>GHG Emissions</u>	<u>Depletion of Fossil Fuels</u>	<u>Freshwater Consumption</u>	<u>Water Scarcity</u>
<u>DTY</u>	up to 42%	up to 66%	up to 67%	up to 76%
<u>Staple</u>	60%	76%		

Factors such as the energy grid mix, energy usage, transportation, and packaging have an impact on GHG emissions, causing slight variations between supply chains.

WE PROVIDE SEVERAL LCA DATA OFFERINGS TO OUR CUSTOMERS:

**TEXBASE:** CRADLE-TO-UNIFI GATE CARBON EMISSIONS OF THE REPREEVE COMPONENT OF AN ITEM OR FABRIC

**LCA SAVINGS:** SAVINGS FROM SWITCHING FROM VIRGIN TO REPREEVE FOR RELEVANT IMPACT CATEGORIES

# Product Technologies

## REPREVE POWERED BY TEXTILE TAKEBACK™

We earned an honorable mention in Fast Company's 2023 World Changing Ideas awards in the Sustainability/Energy category for the relaunch of our Textile Takeback™ process.<sup>5</sup> Through this pioneering program, polyester-based fabrics are collected and transformed into REPVE to keep textile waste out of landfills.<sup>6</sup> The expansion of our Textile Takeback™ program helps us reach our goal of transforming 1.5 billion T-shirt equivalents by the end of FY2030.

## RESIST<sub>2</sub>O

Fluorine-free water repellent technology to answer the demand for per-and polyfluoroalkyl substances (PFAS) free products.<sup>7</sup>

## WATERWISE

Save energy and water, compared to traditional dyeing, by adding color during the melt-spinning phase.

## SMARTDYE™

Up to 30% energy savings by dyeing at a lower temperature and reduced cycle time.<sup>8</sup>

## REPREVE OUR OCEAN®

Helps to prevent plastic bottle contamination in the ocean through OceanCycle certified products.

## FIBERPRINT

FiberPrint is UNIFI's proprietary tracer technology, which allows us to verify that REPVE is present in fiber, fabric, or any products that use REPVE yarn or resin.



**FiberPrint**®

## U-TRUST

Our U-TRUST verification system provides supply chain transparency through the ability to certify that fabrics, yarns, and finished products not only contain REPVE, but contain REPVE at the intended ratios. The certification portal also serves as a way for our customers to request bottle counts and LCA data for the REPVE component of their products and fabrics.



Read about all of UNIFI's sustainable products and innovations [here](#).

<sup>5</sup> Clendaniel, Morgan. 2023. 40 inspiring ideas for cleaner power, less waste, and a more sustainable world. May 2. Accessed September 2023. <https://www.fastcompany.com/90871249/world-changing-ideas-sustainability-energy-2023>

<sup>6</sup> Fabric waste may be combined with recycled plastic bottle flake.


<sup>7</sup> In addition to Resist<sub>2</sub>O, UNIFI regularly tests a representative sample of its product offerings and has no reason to believe any contain PFAS. Contact us to learn more about particular product offerings.

<sup>8</sup> Based on UNIFI's package dyeing equipment and UNIFI's internal measurements.

## SECTION 6: CLOSING

### AT UNIFI, WE CONSISTENTLY EVALUATE OPPORTUNITIES FOR IMPROVEMENT ON OUR SUSTAINABILITY PILLARS.

Our company values and beliefs are anchored in avoiding wastefulness, conserving resources, and relentlessly searching for fresh potential in processes. Our three new sustainability targets, outlined in this report, demonstrate our commitment to challenging both ourselves – and the wider industry – and the importance we place on transparent measurement.



**Transform the equivalent of 1.5 billion T-shirts worth of textile and yarn waste by FY2030**

**30% reduction in Scopes 1 & 2 greenhouse gas emissions intensity by FY2030**

**Zero non-compliant water discharges each year**

View our FY2023 Frameworks, Methodology, and Data Report [here](#).

#### REPORT STRUCTURE

The content of the report covers information from FY2023 (July 4, 2022 – July 2, 2023) unless otherwise stated. This report standardizes certain aspects of our sustainability reporting. We use leading ESG frameworks to guide us on how to disclose and identify sustainability related risks and opportunities. In our Frameworks, Methodology, and Data Report, we have provided in-progress Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) disclosure grids. While neither is complete, they highlight our commitment to transparency and progress. Data estimates presented in this report were completed in good faith. They have not been independently verified, except where otherwise stated. This report uses certain terms, including those that GRI refers to as “material,” to reflect the issues or priorities of UNIFI or its stakeholders. As used in this report, these terms are distinct from, and should not be confused with, the terms “material” and “materiality,” as defined by or construed in accordance with securities or other, laws, or as used in the context of financial statements and reporting. This report, which speaks only as of its date, is not comprehensive. For that reason, it should be read in conjunction with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K filed with the U.S. Securities and Exchange Commission (SEC).

Finally, this report contains statements reflecting our views on potential future performance, based on current assumptions and expectations. Forward-looking statements are usually accompanied by the words “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target,” and “will,” or similar statements or variations of such terms and comparable terminologies of similar import. All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements in this report include any mention of current or future sustainability strategies, goals, commitments, and programs; working groups, business plans, assumptions, and expectations; corporate responsibility risks and opportunities; and standards and expectations of third parties. Investors are cautioned not to place undue reliance on any such forward-looking statements as they inherently involve risks and uncertainties. All forward-looking statements should be considered in conjunction with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K filed with the SEC now and in the future. Any forward-looking statements in this report speak only as of the date of this report, unless otherwise indicated. UNIFI does not undertake any obligation to update any forward-looking statement. We invite you to provide feedback to this report. Comments or requests for information can be sent to: [sustainability@unifi.com](mailto:sustainability@unifi.com)