



FY2023 Frameworks, Methodology, and Data Report

Headquartered in Greensboro, N.C., Unifi, Inc. (together with its subsidiaries, UNIFI) uses leading Environmental, Social, and Governance (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.

This Frameworks, Methodology, and Data Report is intended to be read in conjunction with our [FY2023 Sustainability Snapshot](#) and [FY2022 Sustainability Report](#), providing additional information on our ESG initiatives. Quantitative data referenced throughout reflects FY2023 data unless otherwise noted, while qualitative data reflects the most recently published information. Fiscal years 2023, 2022, and 2021 ended on July 2, 2023, July 3, 2022, and June 27, 2021, respectively.

We invite you to provide feedback to this report. Comments or requests for information can be sent to: sustainability@unifi.com.

SECTION 1: FRAMEWORKS

FY2021 marked the beginning of UNIFI’s journey towards reporting in alignment with the GRI and SASB frameworks. Although this report is not in full accordance to the GRI and SASB frameworks, it demonstrates our desire for commitment to transparency and progress. While the data in this report has been prepared in good faith and internally audited, no values have been externally assured unless otherwise stated. The scope of all frameworks reporting and calculations is of UNIFI-owned facilities unless otherwise noted.

GRI

GRI is an independent, international organization that allows businesses and organizations to report on standardized sustainability metrics through a common language. The GRI Standards allow stakeholders transparent means to track UNIFI’s material topics and sustainable development. This report follows GRI 1: Foundation 2021 and does not claim to be in full accordance with the GRI Standards for FY2023.

Disclosure	Description	Response/Reference
General Disclosures		
2-01	Organizational details	UNIFI at a Glance
2-02	Entities included in the organization’s sustainability reporting	UNIFI at a Glance
2-03	Reporting period, frequency and contact point	Closing
2-04	Restatements of information	Methodology
2-05	External assurance	This report has not been externally assured.
2-06	Activities, value chain and other business relationships	UNIFI at a Glance
2-07	Employees	Workforce Data
2-09	Governance structure and composition	2023 Proxy Statement
2-10	Nomination and selection of the highest governance body	2023 Proxy Statement
2-11	Chair of the highest governance body	2023 Proxy Statement
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance & Nominating Committee
2-13	Delegation of responsibility for managing impacts	Corporate Governance & Nominating Committee
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance & Nominating Committee
2-15	Conflicts of interest	Related Persons Transaction Policy, Code of Business Conduct and Ethics, Ethical Business Conduct Policy Statement

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Disclosure	Description	Response/Reference
2-16	Communication of critical concerns	Audit Committee
2-17	Collective knowledge of the highest governance body	Corporate Governance & Nominating Committee
2-18	Evaluation of the performance of the highest governance body	2023 Proxy Statement
2-19	Remuneration policies	2023 Proxy Statement
2-20	Process to determine remuneration	2023 Proxy Statement
2-21	Annual total compensation ratio	2023 Proxy Statement
2-22	Statement on sustainable development strategy	Sustainability Pillars and Materiality
2-23	Policy commitments	Principal Governance Documents
2-24	Embedding policy commitments	Principal Governance Documents
2-25	Processes to remediate negative impacts	Ethical Business Conduct Policy Statement
2-26	Mechanisms for seeking advice and raising concerns	Ethical Business Conduct Policy Statement
2-27	Compliance with laws and regulations	Principal Governance Documents
2-28	Membership associations	Stakeholder Engagement, Memberships, and Certifications
2-29	Approach to stakeholder engagement	Stakeholder Engagement, Memberships, and Certifications
2-30	Collective bargaining agreements	Not applicable
Economic Performance		
201-1	Direct economic value generated and distributed	2023 Proxy Statement, Quarterly Reports
201-2	Financial implications and other risks and opportunities due to climate change	2023 Annual Report
201-3	Defined benefit plan obligations and other retirement plans	2023 Annual Report
201-4	Financial assistance received from government	2023 Annual Report
Market Presence		
202-2	Proportion of senior management hired from the local community	87% of senior management (VP and above) is from the local community.
Procurement Practices		
204-1	Proportion of spending on local suppliers	UNIFI procures raw materials based on total value for the company, taking into account competitive price, location, quality, and other crucial parameters. Preference is given to a local supplier when all other fields are equal.
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Ethical Business Conduct Policy Statement
205-2	Communication and training about anti-corruption policies and procedures	Ethical Business Conduct Policy Statement
205-3	Confirmed incidents of corruption and actions taken	None to report
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None to report
Material Topics		
3-1	Process to determine material topics	Sustainability Pillars and Materiality
3-2	List of material topics	Sustainability Pillars and Materiality
3-3	Management of material topics	Sustainability Pillars and Materiality
Materials		
301-2	Recycled input materials used	Waste, A Circular Future
301-3	Reclaimed products and their packaging materials	A Circular Future
Energy		
302-1	Energy consumption within the organization	Data
302-2	Energy consumption outside of the organization	Data
302-4	Reduction of energy consumption	Greenhouse Gas Emissions
Water and Effluents		
303-1	Interactions with water as a shared resource	Water
303-2	Management of water discharge-related impacts	Water
303-3	Water withdrawal	Methodology, Data

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Disclosure	Description	Response/Reference
303-4	Water discharge	Methodology , Data
303-5	Water consumption	Methodology , Data
Emissions		
305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	Methodology , Data
305-2	Energy indirect (Scope 2) GHG emissions	Methodology , Data
305-4	GHG emissions intensity	Methodology , Data
305-5	Reduction of GHG emissions	Greenhouse Gas Emissions
Waste		
306-1	Waste generation and significant waste-related impacts	Waste , Methodology , Data
306-2	Management of significant waste-related impacts	Waste , Methodology , Data
306-3	Waste generated	Methodology , Data
306-4	Waste diverted from disposal	Methodology , Data
306-5	Waste directed to disposal	Methodology , Data
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Social and Environmental Compliance Guidelines for Suppliers
Employment		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits
Occupational Health and Safety		
403-1	Occupational health and safety management system	Heath, Safety and Well-Being: FY2022 , FY2023
403-2	Hazard identification, risk assessment, and incident investigation	Heath, Safety and Well-Being
403-3	Occupational health services	Heath, Safety and Well-Being
403-4	Worker participation, consultation, and communication on occupational health and safety	Heath, Safety and Well-Being
403-5	Worker training on occupational health and safety	Heath, Safety and Well-Being
403-6	Promotion of worker health	Heath, Safety and Well-Being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Heath, Safety and Well-Being
403-8	Workers covered by an occupational health and safety management system	Heath, Safety and Well-Being
403-9	Work-related injuries	SASB
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Developing the UNIFI of Tomorrow
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Workforce Data
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	None to report
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Social and Environmental Compliance Guidelines for Suppliers , Policy on Human Rights
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and Environmental Compliance Guidelines for Suppliers , Policy on Human Rights
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	None to report
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Global Community Engagements

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Disclosure	Description	Response/Reference
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Social and Environmental Compliance Guidelines for Suppliers
414-2	Negative social impacts in the supply chain and actions taken	None to report
Public Policy		
415-1	Political contributions	None to report
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None to report
Marketing and Labeling		
417-2	Incidents of non-compliance concerning product and service information and labeling	None to report
417-3	Incidents of non-compliance concerning marketing communications	None to report
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None to report

SASB

The SASB Standards provide another means to discuss sustainability metrics through a common language. The SASB Standards discuss material topics for specific industries, making it simple to see how a company performs within its industry. We currently report on the Apparel, Accessories, and Footwear Standard as well as the Chemical Standard. This report follows Version 2023-06 and does not claim to be in full accordance with the SASB Standards for FY2023. We continue to determine the feasibility of discussing disclosures not currently addressed.

Topic	Metric	Category	Code	Reference/ Response
Apparel, Accessories, and Footwear Standard				
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	CG-AA-250a.1	Responsible Chemistry, Stakeholder Engagement, Memberships, and Certifications
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	CG-AA-250a.2	Responsible Chemistry, Stakeholder Engagement, Memberships, and Certifications
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	CG-AA-440a.3	2023 Annual Report, Social and Environmental Compliance Guidelines for Suppliers
Chemicals Standard				
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	RT-CH-110a.1	Data
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	RT-CH-110a.2	Greenhouse Gas Emissions
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	RT-CH-130a.1	Data

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Topic	Metric	Category	Code	Reference/ Response
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	RT-CH-140a.1	Data
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	RT-CH-140a.2	None to report, Water
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	RT-CH-320a.1	(1) 2.04 (2a) 0 (2b) 0
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	RT-CH-320a.2	Health, Safety, and Well-Being
Safety & Environmental Stewardship of Chemicals	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	RT-CH-410b.2	Responsible Chemistry

SECTION 2: METHODOLOGY

The methodology followed for GHG emissions, water, and waste accounting is described in detail below. UNIFI restates any Significant Changes to previously published data, where a Significant Change is defined as any change greater than five percent of the originally published data point. An exception to this is our GHG emissions data, where we restate previously published values regardless of whether a Significant Change occurred. This methodology avoids compounding error since an insignificant change in a single data point could result in Significant Changes in subsequent calculations. Restatements are classified by methodology updates or calculation errors.

Greenhouse Gas Emissions Footprint

UNIFI followed the GHG Protocol Corporate Accounting and Reporting Standard definitions of Scope 1 and 2 greenhouse gas emissions methodology. These calculations do not claim to be in direct alignment with the GHG Protocol Corporate Accounting and Reporting Standard.

Scope: We currently report Scopes 1 and 2 GHG emissions.

Locations: Company owned and operated facilities, with the addition of one joint venture, are included in Scopes 1 and 2. For the joint venture facility, we estimated our emissions as 50% of the site’s total emissions for Scopes 1 and 2.

Methodology: Unless otherwise stated, all consumption values are tracked using internal utility bills. The annual consumption was multiplied by the appropriate emission factor, global warming potential (GWP), as necessary, and unit conversion factor to convert to metric tons (mt) or kilograms (kg) CO₂e. All CO₂e values include CO₂ equivalents for CO₂, CH₄, and N₂O. Our Scopes 1 and 2 GHG emissions intensity only references the revenue for our Americas and Brazil business segments, as they are the ones with associated material emissions.

Scope 1:

Natural Gas: Natural gas is tracked through internal purchase records from the gas and transit companies. Only certain locations within the United States consume natural gas. The emission factor was sourced from the [US EPA Emission Factors for Greenhouse Gas Inventories](#) (updated September 12, 2023) and converted to CO₂e.

Propane/Liquefied Petroleum Gas (LPG): Propane/LPG is tracked through internal purchase records from the gas companies. Only certain locations consume propane/LPG. The emission factor was sourced from the [US EPA Emission Factors for Greenhouse Gas Inventories](#) (updated September 12, 2023) and converted to CO₂e.

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Diesel Fuel: UNIFI's transportation fleet consumes a combination of diesel fuel and gasoline. Although the U.S. locations sell diesel fuel to non-UNIFI fleets, all diesel fuel purchased is included in Scope 1. In the U.S., fleet diesel fuel consumption in gallons is calculated by dividing the miles driven by the average fleet miles per gallon. UNIFI's Colombia site tracks diesel fuel consumption in gallons, therefore no conversions are necessary. The emission factor for U.S. and Non-U.S. sites was sourced from the [US EPA Emission Factors for Greenhouse Gas Inventories](#) (updated September 12, 2023) and converted to CO₂e.

Gasoline: UNIFI's Colombia site consumes gasoline in its transportation fleet, which is tracked through internal purchasing records in gallons. Despite the fact that this site is not within the U.S., the emission factor was sourced from the [US EPA Emission Factors for Greenhouse Gas Inventories](#) (updated September 12, 2023) and converted to CO₂e.

Scope 2:

Purchased Electricity: Electricity consumption is tracked through utility bills in kilowatt-hours (kWh) at all sites. Location specific emission factors for sites within the U.S. are used, sourced directly from the energy providers or country specific emission factors from the International Energy Association (IEA). The remaining sites utilize country specific emission factors from the IEA. The most recently published data for each emission factor source is utilized at the time of first publication.

Water Footprint

All water discharge, also referred to as wastewater or sewer, is sent to municipal wastewater treatment sites unless otherwise noted.

Scope: Only company-owned and operated facilities, not joint-ventures, were included in the calculations.

Methodology: Water withdrawal and discharge for each site were calculated by totaling the monthly utility bills for each site during the reporting period. Water consumption was calculated by subtracting the discharge from withdrawal. Since the reporting unit for water is cubic meters (m³), sites that measure in gallons were converted to m³ accordingly.

Most sites measure water withdrawal and discharge separately, however, some sites do not measure water discharge or do not separate it from water withdrawal on utility bills. UNIFI's Yadkinville, N.C. location assumes that sewer is 105% of the total water withdrawn because water usage and sewer are not measured separately. Due to this methodology, the calculated water consumption produces a negative number since the billed sewer is greater than the withdrawal. Our facilities in Greensboro, N.C. and Colombia assume that the wastewater equals the water consumption for the site. Certain locations do not measure all wastewater exiting the site via flow meters, in which case we only reported the discharge measured directly with flow meters resulting in slight discrepancies between water withdrawal and discharge.

UNIFI's bottle processing plant and dyeing operations are both located in Reidsville, N.C. Through internal calculations, the bottle processing plant accounts for approximately 2% of total water consumption for the Reidsville, N.C facilities.

Waste Footprint

Our waste is categorized by four destinations unless otherwise stated: landfill, recycling, energy recovery (waste-to-energy), and composting. All locations measure waste by weight unless otherwise stated.

Scope: Only company-owned and operated facilities, not joint-ventures, were included in the calculations.

Methodology: The waste for each site was categorized by the destination and totaled for the reporting period. Most of our sites reported their waste in pounds, thus no conversions were needed. Since our Colombia site reported its waste in m³, we first converted to cubic yards then to pounds by using the [EPA's density conversion](#) of 300 pounds per cubic yard

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for mixed municipal solid waste. Our Greensboro facility tracked waste by the number of eight-yard dumpsters emptied per week, in which case we converted to pounds by again using the EPA’s density conversion.

Solar Farm

UNIFI built a solar farm at one of its Yadkinville, N.C. locations (the G. Allen Mebane Industrial Complex) in 2015. The electricity used to power the solar farm is included in our Scope 2 GHG calculations. The GHG emissions avoided are disclosed separately from our total emissions.

SECTION 3: DATA

Key Performance Indicators		FY2021	FY2022	FY2023
Energy				
Energy Consumption (kWh)	U.S.	374,304,508	362,733,183	294,311,888
	Non-U.S.	106,798,734	108,273,781	104,963,601
	Total	481,103,242	471,006,964	399,275,490
Solar Energy Generated (kWh)	Yadkinville Mebane Complex Solar Farm	1,097,540	1,284,604	1,340,603
Greenhouse Gas Emissions				
Scope 1 (mt CO ₂ e)	U.S.	17,708 ¹	18,474 ¹	16,670
	Non-U.S.	145	176 ¹	267
	Total	17,853 ¹	18,650 ¹	16,937
Scope 2 (mt CO ₂ e)	U.S.	102,390 ²	102,618 ²	79,450
	Non-U.S.	13,095 ³	14,210 ³	8,683
	Total	115,484 ²	116,828 ²	88,133
Scopes 1 and 2 Total Emissions (mt CO ₂ e)	Total	133,337 ²	135,478 ²	105,069
Emissions Avoided (mt CO ₂ e)	Yadkinville Mebane Complex Solar Farm	296 ³	345	357
Emissions Intensity	Revenue, Americas and Brazil (\$)	482,755,000	609,151,000	508,724,000
	Scopes 1 and 2 GHG Emissions (mt CO ₂ e)	133,337	135,478	105,069
	Scopes 1 and 2 GHG Emissions (kg CO ₂ e)	133,336,903	135,477,692	105,069,257
	Scopes 1 and 2 GHG Emissions Intensity (kg CO ₂ e per revenue dollar, Americas and Brazil)	0.276	0.222	0.207
	Percent Change Year Over Year	-	-19%	-7%
Water				
Water Withdrawal (m ³)	Brazil	101,445	116,194	119,120
	Colombia	2,077	858	84
	Central America	49,857	44,858	38,079
	Reidsville	568,570	648,055	597,480
	Madison	110,909	159,309	122,401
	Yadkinville	174,639	188,887	139,364
	Greensboro	1,175	1,195	1,066
	Total	1,008,671	1,159,356	1,017,594
Water Discharge (m ³)	Brazil	38,540	55,744	60,583
	Colombia	2,077	858	84
	Central America	7,765	12,195	14,370
	Reidsville	489,317	519,907	482,008
	Madison	60,807	88,598	63,900
	Yadkinville	183,371	198,332	146,332
	Greensboro	1,175	1,195	1,066
	Total	783,052	876,828	768,343

¹ Restatement due to calculation errors

² Restatement due to calculation errors and methodology updates

³ Restatement due to methodology updates

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Key Performance Indicators		FY2021	FY2022	FY2023
Water Consumption (m ³)	Brazil	62,905	60,450	58,537
	Colombia	0	0	0
	Central America	42,092	32,663	23,709
	Reidsville	79,252	128,147	115,472
	Madison	50,101	70,711	58,501
	Yadkinville	-8,732	-9,444	-6,968
	Greensboro	0	0	0
	Total	225,618	282,528	249,251
Waste				
Waste Type (lbs.)	Landfill	28,017,387	27,993,866	22,407,926
	Recycling	16,937,308	20,512,759	18,203,005
	Energy Recovery (Waste-to-Energy)	2,069,835	1,111,872	959,698
	Compost	90,134	113,175	99,356
	Total	47,114,664	49,731,672	41,669,986