UNIFI®

SUSTAINABILITY REPORT

2021

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A Word From Our CEO

Since March 2020, COVID-19 brought historic challenges to the organization, and the resiliency shown by Unifi is a testament to our team. We recognize that Unifi is celebrating 50 years of continuous operation because of our people, and that each employee will play an integral part in ensuring Unifi continues to prioritize sustainability long into the future.

Positive change in any form requires action and commitment, which can, over time, lead to transformational results. As we have demonstrated over the last decade, Unifi is changing, and moving towards becoming a more sustainable company.

Though the last year has been challenging, we're proud of the progress we've made in our pursuit of a more sustainable and inclusive business. We're on pace to meet our goal to divert 30 billion bottles from landfills by 2022. Six of our seven owned facilities are zero waste-to-landfill. In July 2021, the Higg Materials Sustainability Index confirmed that REPREVE® textured polyester yarn manufactured in the U.S. reduces global warming potential by 42% compared to conventional virgin polyester. Our Total Recordable Incident rate in calendar 2021 continues to stay below 1.0, a testament to our people committing to a safe work culture. And we were honored as the 2021 Diversity Champions by the UNC School of Law's Director Diversity Initiative, supporting our commitment to diversity and inclusion.

As we move forward, we'll continue to invest towards our commitment to being agents of good for the people and communities we serve and the environment we share. The world demands accountability, and we have a larger responsibility to expand sustainability efforts within our organization and communities. We will take deliberate actions to further reduce our carbon footprint and develop our ability to be a solution provider in the circular economy by continuing to expand REPREVE and textile takeback programs, transitioning away from the "take-make-waste" model. Our focus will be on technology and product innovations that have a multifaceted impact: benefit for our customers, our business and the environment.

Change is rarely easy, and we will continue to challenge ourselves in empowering Unifi to be better citizens and stewards of the environment. While we are proud of the progress we're making, we're aware that sustainability is a journey, and you should know that Unifi is "Working Today for the Good of Tomorrow". Recognizing that progress starts with transparent action and thought, I'm proud to present our 2021 Sustainability Report.

— Eddie Tingle

01

ABOUT US

Who We Are

What makes us different? The extra elements that go into every fiber we make: our dedication, our commitment, our passion. Yes, true innovation starts with us and what we envision for the good of tomorrow. It starts with how we work, and it starts with what we believe — and with us, it never stops.

Fifty years ago, we started making textured polyester yarn, and as our founder, G. Allen Mebane, used to say, "Doing one thing and doing it well." We've evolved and grown over the years, but our drive to be tech-savvy innovators — and to serve our customers with the most dynamic solutions we can offer — has never faltered. Better than anyone, we know that innovation starts by listening to the customer and anticipating the future needs of the market, just as we did years ago when we developed REPREVE.

Headquartered in Greensboro, N.C., Unifi manufactures and sells innovative recycled and synthetic products made from polyester and nylon to knitters and weavers that produce fabric for the apparel, hosiery, home furnishings, automotive, industrial and other end-use markets. Through REPREVE, Unifi's flagship technology platform and the global leader in branded recycled performance fibers, Unifi has transformed more than 26 billion plastic bottles into recycled fiber for new apparel, footwear, home goods, packaging and nonwovens. Unifi continually develops technologies to meet consumer needs in moisture management, thermal regulation, anti-odor, UV protection, stretch, water resistance and enhanced softness.

Unifi maintains one of the textile industry's most comprehensive product offerings that includes a range of specialized, value-added and foundational solutions, with principal geographic markets in the Americas, Asia and Europe. Unifi has direct manufacturing operations in four countries (United States, Brazil, El Salvador and Colombia) and a joint venture with Nilit Fibers in Israel and North America. From Asia to the Americas and from Switzerland to El Salvador, Unifi sources, manufactures and sells innovative textile solutions. Our processes, ideas and partners reach across borders to bring the best the world has to offer: consistent service, flexibility and innovative products.

UNIFI AT A GLANCE

Headquarters:
Greensboro, NC

NYSE:
UFI

330+
raw material
suppliers

2800+
employees
globally

660+
customers
globally

Revenue from REPREVE fiber as a % of consolidated net sales

25%

31%

37%

FY19

FY20

FY21

This has increased at an average rate of ~15% annually for several years

We're on pace to meet our goal of diverting

30 BILLION BOTTLES

from landfills by 2022.

Unifi Locations

UNITED STATES OPERATIONS

Greensboro, North Carolina

We started in North Carolina in 1971 and stayed here because we draw on the region's long history of textile innovation. Our headquarters are home to much of our commercialization, business operations, marketing and sustainability teams.
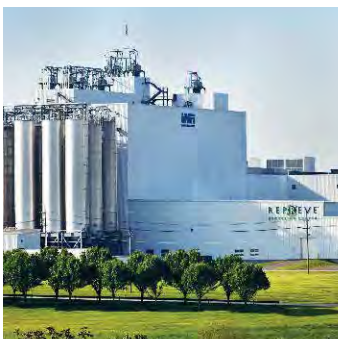

Reidsville, North Carolina

The facility houses both the REPREVE Bottle Processing Center and package dyeing operations. Representing one of our more recent investments into sustainable production, the REPREVE Bottle Processing Center, built in 2016, is one of the most advanced bottle recycling facilities in the US.

Madison, North Carolina

Central to our nylon development and processes, our Madison facility houses nylon textured yarn, single, double and air covered product lines. This facility also features an advanced sock and knitting lab that is key in our continued pursuit of innovation.

Yadkinville, North Carolina

Home to the G. Allen Mebane Industrial Complex, this location includes the REPREVE Recycling Center and the Innovation Center. This facility transforms recycled materials into REPREVE and houses polyester spinning, texturing, twisting and beaming services.

Unifi Locations

GLOBAL OPERATIONS

São Paulo & Alfenas, Minas Gerais, Brazil

Unifi do Brasil (UdB) is headquartered in São Paulo, Brazil, with additional sales offices located in Americana and Blumenau. Working in coordination with the UdB sales offices, our manufacturing facility in Alfenas offers both false twist and air jet textured yarns.

Suzhou, Jiangsu, China

Located 70 miles west of Shanghai, the headquarters for Unifi Textiles (Suzhou) Co., Ltd. (UTSC) serves the needs of the growing textile market in the region, working directly with our customers' manufacturing, sales and sourcing operations.

Ciudad Arce, La Libertad, El Salvador

Located in the American Industrial Park, Unifi Central America (UCA) opened in 2010 and continues in the tradition of providing exceptional service and excellence through yarn texturing and twisting.

Bogota, Colombia

Our Unifi Latin America (ULA) operations in Bogota add to our thriving South American presence in the nylon market by housing both single and double covered nylon yarn product lines.

Istanbul, Marmara, Turkey

Our Unifi Textiles Turkey (UTT) sales office located in Istanbul provides quality, service and speed-to-market for REPREVE staple fibers to fabric mills, brands and retail partners within the country and Middle East.

Lausanne, Vaud, Switzerland

Centrally located in Lausanne, our sales office in Switzerland ensures we meet the needs of customers throughout Europe. This location specializes in REPREVE polyester and nylon products.

Our History

1971

Unifi begins producing polyester yarn

1970s

G. Allen Mebane invests in cutting-edge manufacturing equipment, giving Unifi a long-term advantage over competitors

1980s

Unifi diversifies its product offerings and starts producing nylon
Unifi enters the Chinese and European Markets, selling both polyester and nylon

1990s

Unifi Latin America S.A.S. opens in Colombia
Unifi acquires Unifi do Brasil Ltda in São Paulo, Brazil

2000s

Unifi launches REPREVE branded polyester and nylon
Unifi Textiles Co., Ltd. opens in Suzhou, China
Unifi Central America, Ltda. De CV opens in El Salvador

2010s

The REPREVE Recycling Center opens in Yadkinville, N.C.
The REPREVE Bottle Processing Center opens in Reidsville, N.C.
Unifi adds REPREVE Our Ocean® to the REPREVE product line

2021

Unifi celebrates its 50th anniversary

02

APPROACH TO SUSTAINABILITY

Introduction

Building on the momentum from the release of our first sustainability report in 2020, Unifi is pleased to present our 2021 sustainability report. This report serves to update Unifi's sustainability progress for our 2021 fiscal year, which covers the period from June 29, 2020 to June 27, 2021.

The COVID-19 pandemic brought unprecedented circumstances. During this period, however, we were able to stay on target with our sustainability journey and enhance our investment to the cause through the dedication and commitment of our people. Over the last year, we invested in innovation that prioritized reducing our environmental impact and took steps to formalize our approach to sustainability through the expansion of our team.

At Unifi, our definition of "sustainability" aligns with the 1987 United Nations' Brundtland Commission definition: "*meeting the needs of the present without compromising the ability of future generations to meet their own needs.*" We have prioritized that vision around three commonly adhered-to pillars: People, Planet and Product.

This report furthers our sustainability journey by celebrating those victories while plotting a path forward towards further opportunities as we live out our vision of *Working Today for the Good of Tomorrow*.
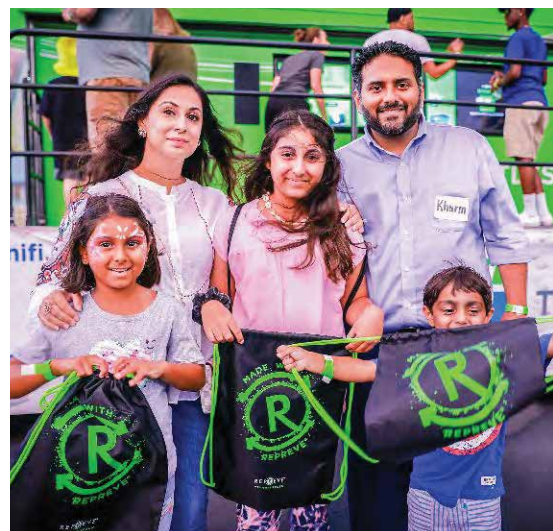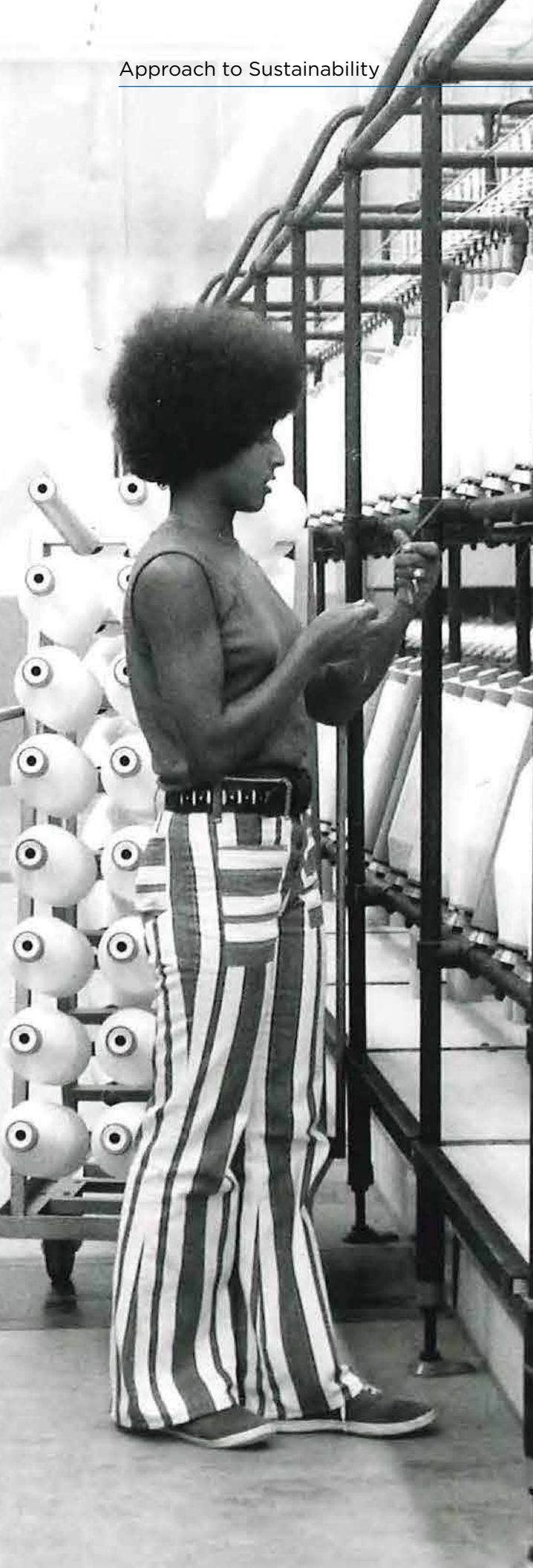
A History of Sustainable Action

Over the last 50 years, we have continually evolved our approach to sustainability. From early in our yarn production, we have employed key resources for process-improvement initiatives to improve the quality and efficiency of our processes and to eliminate waste wherever possible. As we moved into the early 2000s, our efforts took flight as we recognized that the waste we were still creating could be used for something so much bigger — REPREVE.

Our first launch into REPREVE focused on a combination of our own post-industrial polyester fiber waste and post-consumer materials. REPREVE didn't require our customers to make compromises in quality, properties or aesthetic. Through our proprietary recycling technology and material handling methodology, we created recycled products that run on a continuous basis — not in small, segmented lots. This minimizes waste in our own process due to fewer product transitions and waste in our customers' processes as they are able to run a single product for an extended period of time.

Seeing an opportunity to meet the demand for more products made from recycled content, we innovated ways to expand REPREVE. After

finding a way to recycle our own waste, we took things a step further to create products with 100% post-consumer materials and REPREVE nylon.

In 2019, we expanded our REPREVE portfolio to include REPREVE Our Ocean®, a sustainable product that enables customers and consumers to play a role in solving the ever-growing problem of ocean-bound plastic. REPREVE Our Ocean is made with plastics collected within 50 km of waterways or coastal areas lacking formal waste collection systems, effectively reducing waste in these areas and giving plastic bottles a second life.

REPREVE is one of our proudest accomplishments along our 50-year journey. As we celebrate our half-century of success, we're looking back on our history of innovation while looking forward to a more sustainable future. REPREVE was integrated into a process that our founder, G. Allen Mebane, held as a vision — one that leverages modern technology and automation — and empowers our people to innovate for the good of tomorrow.

This year, we have textured over 50% more REPREVE recycled yarn than in previous years. Unifi Central America is committed to sustainability, contributing with new eco-friendly ideas for the good of tomorrow.

— Javier Mitjavila, Plant Manager
Unifi Central America

Sustainability Management

Foundational Pillars

Our vision of sustainability is built on three commonly adhered-to foundational pillars: People, Planet and Product. We use these pillars to structure this report.

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, safety and engagement in the communities we serve.

Planet

We acknowledge that there are planetary boundaries, and we are working to ensure that we prioritize these boundaries and natural resources in an environmentally-responsible way.

Product

Through innovation, we will prioritize circularity, transparency and engagement to reduce the social and environmental impacts of our products, and therefore reduce the impact of our whole value chain.

SUSTAINABILITY PILLARS

Materiality

In recent years, we have seen significant societal change on social and environmental issues to which we must continually adapt to drive meaningful progress and be a force of good in the community and industry. We assessed the materiality of our organization to guide us on our sustainability journey, assessing what issues are most critical to the continued growth of our business. The table below identifies our most material Environmental, Social and Governance (ESG) issues. Prioritization and effective management of these issues and opportunities are incorporated into our strategy, governance and risk mitigation to allow for environmentally and socially-conscious business growth.

Our assessment was created based on our understanding of the perspectives of our people, customers, communities, investors and industry associations. An updated materiality assessment will be executed in 2022, ensuring our vision of sustainability remains current in an evolving society and market.

People	Planet	Product
Anti-Corruption Policies & Procedures	Climate Change	Circularity
Diversity Equity & Inclusion	Energy Reduction & Efficiency	Customer Engagement
Ethical Labor Practices	Innovation	Life Cycle Assessment (LCA) of Products
Learning & Development	Waste Generation	Microfibers
People & Community Engagement	Water Use	Product Chemistry
Safety, Health, & Well-being		Quality & Content Certification
Supply Chain Management		Traceability

Additionally, we take inspiration from the United Nations Sustainable Development Goals (United Nations SDGs) to ensure we are adhering to the highest ideals on social and environmental strategic pursuits. Our vision contributes to these SDGs:

3: GOOD HEALTH AND WELL-BEING

7: AFFORDABLE AND CLEAN ENERGY

8: DECENT WORK AND ECONOMIC GROWTH

11: SUSTAINABLE CITIES AND COMMUNITIES

12: RESPONSIBLE CONSUMPTION AND PRODUCTION

13: CLIMATE ACTION

Formally adopted by the United Nations in 2015, the Sustainable Development Goals provide a framework for a more peaceful and prosperous future of all the planet's inhabitants.

Find out more here.

Stakeholder Engagement

Unifi is proud to work with many key partners in our pursuit of knowledge and the fulfillment of our purpose and vision of a more sustainable future. Solutions to our shared future challenges will require collaboration, and we're committed to continued engagement with our partners to reach this goal. Below is a list of partners with whom Unifi is proud to work:

Textile Exchange

Textile Exchange is a global non-profit organization that works closely with our members to drive industry transformation in preferred fibers, integrity and standards, and responsible supply networks. Unifi is proud to work with the Textile Exchange to drive collaboration and industry understanding through programs like the Recycled Polyester (rPET) Round Table and Corporate Fiber & Materials Benchmark.

Outdoor Industry Association

Outdoor Industry Association (OIA) collaborates with members and key stakeholder groups to move the needle in their key focus areas of outdoor recreation and trade policy, sustainable business innovation and outdoor participation, while providing meaningful benefits to help businesses thrive.

Synthetic Yarn & Fabric Association

The Synthetic Yarn and Fabric Association (SYFA) is a non-profit organization comprised of individuals affiliated with the synthetic yarn and fiber industry. The SYFA's mission is to support the production and continued advancement of synthetic yarns and fabrics through technology and education and to promote both existing and new uses for these quality materials.

NAPCOR

The National Association for PET Container Resources (NAP-COR) aims to promote the introduction and use of PET packaging, protect the PET package and overcome hurdles to its successful introduction, use and recycling and to articulate and communicate the environmental sustainability attributes of PET packaging.

Accelerating Circularity

Accelerating Circularity is a collaborative industry project developed to accelerate the textile industry's move from linear to circular. Unifi is proud to serve on the Steering Committee of this initiative.

CAMTEX

The Chamber of the Textile, Apparel and Free Zones Industry of El Salvador (CAMTEX) aims to promote, represent and support the textile, clothing and free trade zones of El Salvador, to strengthen their competitiveness.

The Microfibre Consortium

The Microfibre Consortium (TMC) facilitates the development of practical solutions for the textile industry to minimize fiber-fragmentation and release to the environment from textile manufacturing and product life cycle. The organization presents the opportunity to align globally as an industry through its connection to its member base at the brand, retail, supplier, research, industry, organization and policy level.

ADDITIONAL PARTNERS

EcoVadis
American Apparel Producers Network
Association of Contract Textiles
Southern Textile Association
Industrial Fabrics Association International
NC Chamber of Commerce
National Council of Textile Organizations
U.S. Footwear Manufacturers Association

Risk Oversight

Sustainability is a core value of Unifi, which means every member of our organization is responsible for supporting and executing sustainability work and initiatives.

Our Board of Directors reviews strategic risks and opportunities facing the Company, including risks associated with social and environmental issues. The Corporate Governance & Nominating Committee reviews Company activities related to ESG issues. The Audit Committee oversees the Company's assessment and management of enterprise risks, which includes cybersecurity, information technology and emerging social and environmental risks such as those related to climate change and water scarcity.

Report Structure

This report standardizes certain aspects of our sustainability reporting. We believe utilizing leading ESG frameworks will guide us on how best to disclose and identify sustainability- related opportunities and risks moving forward.

We have provided in-progress Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) disclosure grids in the appendix of this report. While neither is complete, they serve to highlight our commitment to transparency and progress. Additionally, all data estimates presented in this report were completed in good faith but were not independently verified unless 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, and for that reason, should be read in conjunction with our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the Securities and Exchange Commission (SEC).

Finally, this report contains statements reflecting our views about potential future performance based on our 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. 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, and all forward-looking statements should be considered in conjunction with our annual reports on Form 10-K, our 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. For more information, or to provide commentary, contact us at:

sustainability@unifi.com

03

OUR
PEOPLE

Perspective

People are the strength of Unifi. We value open communication and the freedom to express ideas and opinions to continue to evolve our culture and organization for the good of tomorrow. We are a global organization with a small-company feel fostered by a collaborative environment, strong and long-lasting employee relationships and respect for the experiences and value others bring to the Company. We understand the importance of a diverse workforce and value everyone's ideas, perspectives, experiences, thoughts and opinions.

We developed our vision by prioritizing people first. We continue to seek input and feedback from our people through employee surveys and focus group meetings. We use this feedback to build our employee engagement programs and improve our work environment, benefits and compensation, enabling us to attract and retain top talent for the future. Our leadership team hosts quarterly 'town hall' style meetings, providing a business review and responding to questions from employees.

OUR PEOPLE
WORKING TODAY FOR THE GOOD OF **TOMORROW**

Unifi promotes development, training and educational opportunities for our people to ensure we are making decisions that prioritize sustainability. We created a robust succession planning process to identify leaders of tomorrow as well as provide our current leaders with necessary training and development to build skills and prepare for the future. We will continue to concentrate on creating a sustainable organization for the good of tomorrow.

– Alison Jester
Senior Vice President, Human Resources

The Impact of COVID-19

The health and safety of our people is our first priority. COVID-19 brought challenges to our team that we've never faced before. Since Unifi is considered part of the critical infrastructure workforce (a designation determined by the United States Department of Homeland Security), we remained operational throughout the pandemic.

At the onset of the pandemic, we created a COVID-19 emergency response team, implementing and enforcing stringent health and safety policies through our global operations, leaning on the recommended guidelines from the United States Centers for Disease Control and Prevention and local health departments.

We also established contact tracing protocols to confidentially identify, notify, and care for our employees who may have come in contact with COVID-19.

To protect our people, we contracted with an external company specializing in sanitization and disinfection, in addition to our daily cleaning and housekeeping processes. We implemented the use of virtual meeting platforms, telecommuting and flextime policies while limiting in-person meetings and business travel where applicable. In addition, we continue to provide information to our employees regarding general vaccine information, vaccination center locations and links to schedule appointments.

Diversity, Equity & Inclusion (DEI)

At Unifi, we believe that true change starts from within and now is the time to use our voice to stand in solidarity against racial and other injustices. Diversity and inclusion for all people are key components of our core values. I'm proud to lead an organization that is dedicated to creating a workplace that is safe, open, understanding and compassionate for those whose lives we touch around the globe. Ahead, there is much work to be done, and we're committed to caring, listening and always improving.   *-Eddie Ingle, CEO*

OUR COMMITMENT IN ACTION

1 We were honored as the 2021 Diversity Champion by the University of North Carolina School of Law's Director Diversity Initiative. The DDI encourages boards of directors at public companies to increase their gender, racial and ethnic diversity.

2 On March 8th of each year, we celebrate International Women's Day, a global holiday that commemorates the cultural, political, and socioeconomic achievements of women around the world.

3 In the United States, we've expanded recruitment pools with Historically Black Colleges and Universities, diversity recruitment networks, and Hispanic and Latino outreach through Qué Pasa and Hispanic League.

We acknowledge the strength of diversity and our opportunity to continue being a leader for our people and community by developing a more robust DEI strategy as part of our sustainability plan. We will continue to include and respect all voices as we look towards our future.

> **Unifi's engagement with UNC School of Law's DDI shows that the company "walks the talk" when it comes to a commitment to diversity and inclusion for all people. Not only did Unifi turn to DDI to find diverse board candidates, but the Company also supported the DDI with a generous and unprecedented financial gift. Though the Company acknowledges diversity and inclusion is a journey, it is committed to putting words into action.**
>
> *— Emma Battle, Independent Director, Unifi, Inc.*

Workforce Data

GLOBAL HEADCOUNT BY REGION

2% 7%

69%

22%

- North America
- South America
- Central America
- Asia / EMEA
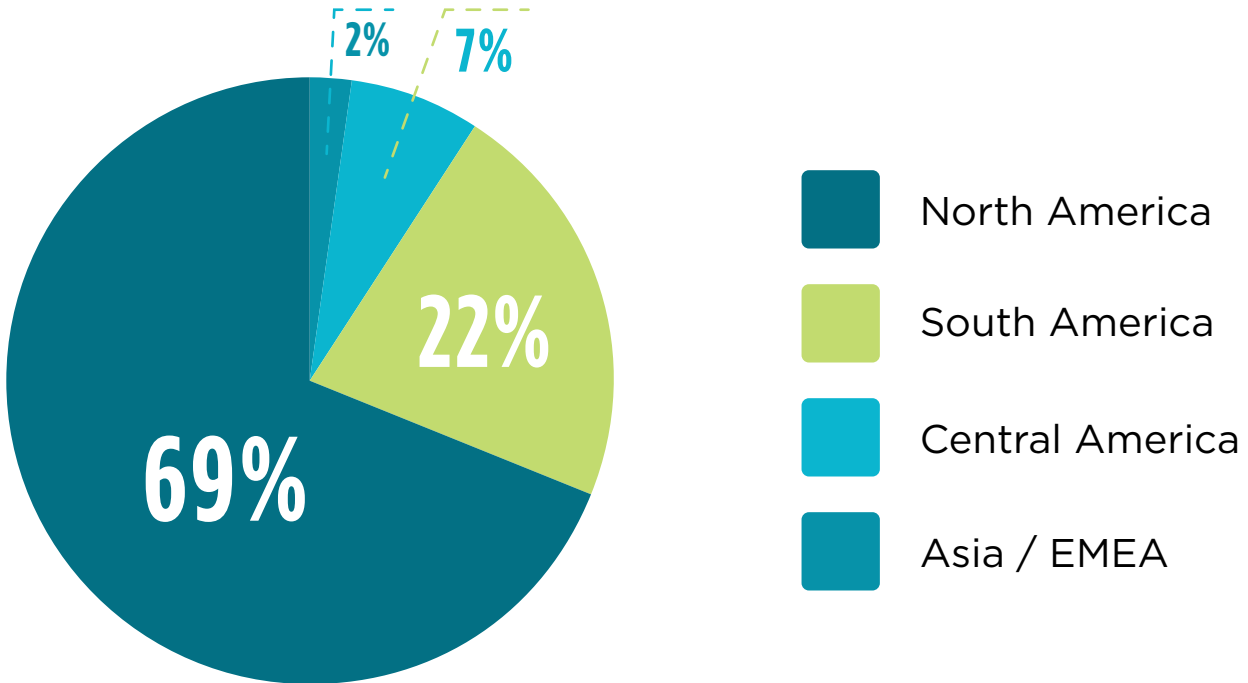
GLOBAL GENDER DISTRIBUTION

- Male
- Female

63%

37%

Health, Safety & Wellbeing

Safety First

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 and risks to our employees.

> **"Here at Unifi, we always talk to others about being safe on the job."**
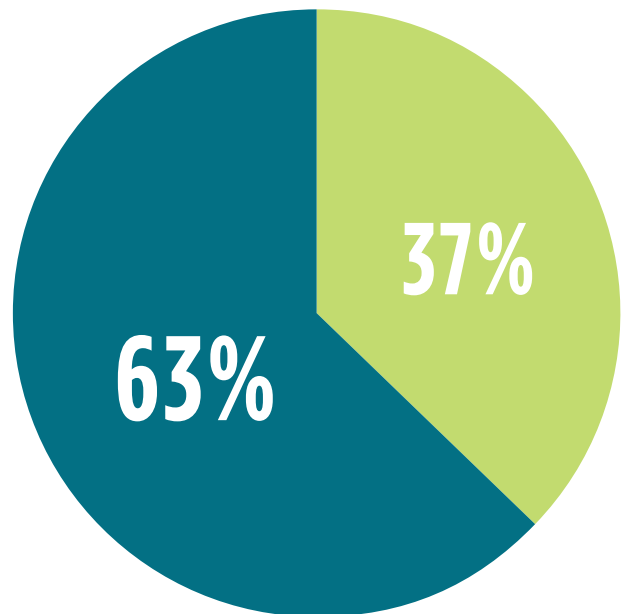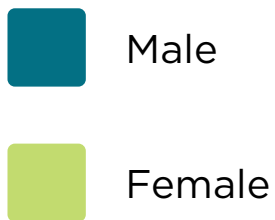> — *Mona Dalton, DTY Instructor*
> *Madison, N.C.*

We minimize risk and create a safe working environment by employing the following:

Procedures

Safety orientation for new hires

Ongoing, monthly and annual safety and compliance training

Specific/event-driven training *(e.g. pandemic safety protocols)*

Emergency-preparedness programs *(fire/tornado drills, etc.)*

Required management safety walks and audits

Resources

Safety awareness, communications campaigns, and incentives

People-based safety process *(peer-based behavioral safety observation and audit process)*

Full-time occupational health professionals

Best Practices

Providing proper PPE to all employees

Providing proper safety and health training to all employees

Hosting monthly safety performance tracking and recognition

Conducting job safety analyses

Hosting monthly safety review meetings

Safety Data

Below is our Total Recordable Incident (TRI) rate, as defined by OSHA, since 2012. Our track record of keeping our TRI rate below 1.0 for nearly a decade is reflective of our commitment to minimizing risk through a safe work culture.

UNIFI TOTAL RECORDABLE INCIDENT (TRI) RATE

Company Reportable Rate
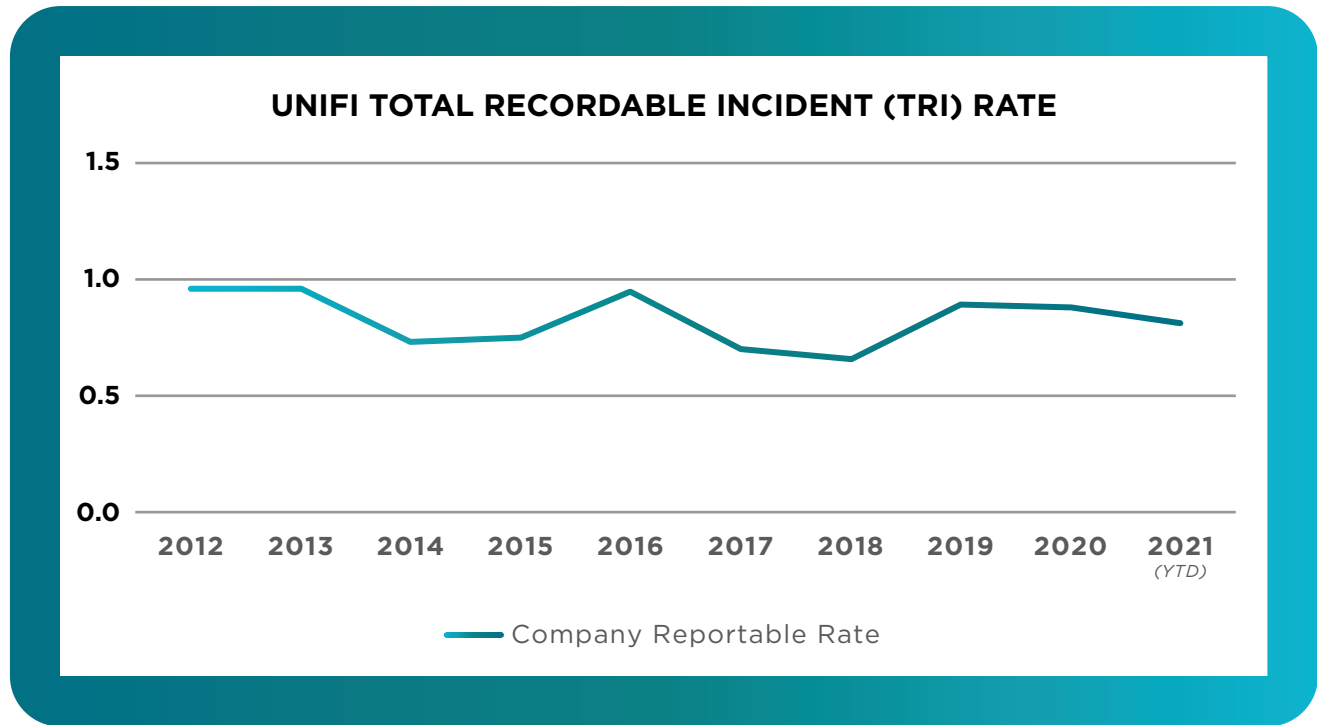
Benefits

True innovation starts with our people. That's why we put their wellbeing first – because our people and their families are what matter the most to us. At Unifi, we are driven by innovation that improves people's lives. We have the same goal with benefits – to enhance the lives of our people by providing comprehensive financial, insurance and health benefits.

Recent Awards

In 2021...

- **Four Unifi drivers** were recognized with individual **safety awards**

- Our **transportation fleet** won **two** safety awards

National Private Truck Council selected Unifi employee **Michael Gray Baity** as an inductee into the **2021 Driver Hall of Fame**

Developing the Unifi of Tomorrow

The foundation of our first 50 years has been rooted in our investment in developing the Unifi of tomorrow, and will be critical to our future. We're proud to be known for a rewarding and fulfilling work environment, priding ourselves on meaningful experiences and career development opportunities. This commitment includes programs that develop skills at all levels, including comprehensive performance management, leadership training, career development opportunities, tuition reimbursement and more. We expect all leaders at Unifi to plan and build healthy and diverse talent pipelines. We do that by progressing our existing talents' subject matter expertise by promoting internally and hiring externally to mindfully balance the benefits of gaining new perspectives.

"**At Unifi, we cultivate internal career development paths, offering employees the chance to achieve their goals within the Company. I started as Production Planner and now hold the position of General Manager.**"

— Patricia Argueta, General Manager, Unifi Central America.

"**The number of opportunities for project work at Unifi makes it a stimulating environment to work in. There is no shortage of intriguing work to keep you busy and promote collaboration between departments.**"

— Jordan Estep, Quality Assurance Manager, Yadkinville, N.C.

Management Trainee Program

Our management trainee program is committed to hiring recent graduates to shadow and train in plant and innovations processes, which include:

Manufacturing

Engineering

Regulatory Compliance

Safety

Human Resources

Maintenance & Quality

Innovation, Research & Development

Managerial & Administrative Functions

Our goal is to achieve success through the effective leadership of people and efficient management of machines, processes and product specifications. We seek thought leaders who are passionate about Unifi's vision and dedicated to delivering results.

Having the right mix of talent is vital to our sustained success. As we continue to strive to build diverse teams, we will bring forth innovative ideas, processes and products.

Internship Program

Unifi's internship program plays an integral part in building our talent pipeline by collaborating with colleges and universities to attract and retain top talent. We hire interns for our corporate and manufacturing teams across our US locations. Our paid interns work alongside some of our industry's top professionals.

Investing in our communities through partnerships with local universities enhances the local workforce in many ways:

- **Closes the skills gap**
- **Increases team productivity**
- **Creates a more diverse workforce**
- **Develops a positive employer brand awareness**
- **Produces solution-based, creative projects that impact the bottom line**
- **Establishes networking opportunities**

Engaging Our People & Community

> **My Unifi experience is very interesting. I never knew the power of a plastic bottle.** — *Janet Townsend, Material Sorter, Reidsville, N.C.*

Engagement fosters connection and collaboration between our people, community and customers. We implemented focus and new hire group surveys for production associates and quarterly communications meetings for global, salaried and leadership employees at Unifi. To celebrate our people, we host employee appreciation and recognition events on a regular basis.

Unifi's definition of community extends to more than just our people — it includes the cities, states and countries around us. We will continue to support local schools through our annual scholarship awards to deserving dependents of employees. The applications are reviewed and selected by an independent educator group.

We also continue to extend our support to a variety of other local and national charitable organizations that lean into our vision. Understanding the urgent needs of frontline workers in battling the pandemic, we donated to local hospitals and organizations throughout our communities to provide medical services, supplies and meals. Our team in Brazil donated food through a local church, aiding families that were most impacted by the pandemic. Being a leader in our communities means continuing to be a reliable partner in both good and challenging times.

Supply Chain Integrity

Unifi works with more than 330 suppliers to source our raw materials for production around the world. We are committed to respecting the rights of workers within our supply chain, especially at-risk groups, including women, young workers and foreign contract workers. To ensure we work only with suppliers that share our vision of social and environmental responsibility, we developed our [Social and Environmental Compliance Guidelines](). The guidelines include ethical business practices, respect for human rights, safety and environmental programs and general efforts to respect workers' lives within their communities. We expect our suppliers to comply with the guidelines and all applicable laws. If a supplier fails to adhere to our expectations, we will terminate our business relationships with them.

Business Ethics

Ethical business practices are central to who we are as a company. Our values are outlined in our [Ethical Business Conduct Policy Statement (Ethics Policy)](), and they include, as integral components, the principles of honesty and doing the right thing in all business dealings. We ensure that every employee is knowledgeable with the Ethics Policy and provide training that is more robust where necessary.

The Ethics Policy has been adopted by the Board of Directors and is part of Unifi's effort to assist all employees with resolving questions and in reporting suspected violations without fear of retaliation or other reprisal. All Unifi employees are expected to ask questions, seek guidance, to promptly report suspected violations and express any concerns regarding compliance with these policies through our confidential Ethics and Compliance Hotline, which allows for prompt and secure reporting in multiple languages and is managed by a third-party service provider.

04

OUR PLANET

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Perspective

Sustainable Innovation

Our focus on innovation and reducing our environmental impact not only contributes to our vision of *Working Today for the Good of Tomorrow* but also fuels our future growth by identifying new revenue streams and alleviating risk. This process allows us to create sustainable value-added products and processes that are environmentally and socially conscious.

We have a pivotal role to play in combating climate change within our industry and continue to make the necessary investments in people and technology to do that. We are focused on reducing our environmental impact by prioritizing sustainable innovation that can be segmented into three primary categories:

1. REDUCE ENVIRONMENTAL IMPACTS

We are prioritizing new, innovative products and processes to reduce total energy and water impacts throughout the life cycles of both our products and of our customers' products. For example, our investment in eAFK EvoCooler Texturing Technology reduces the environmental impact across our operations, decreasing our customers' indirect impact downstream. These innovations will also deliver enhanced value through capability, performance properties and function.

2. EXPAND UTILIZATION OF REPREVE

REPREVE is growing as a key element of our market share, and we continue to look at additional ways to differentiate ourselves beyond the traditional textile market. There is significant potential in reducing our value chain's environmental impact by expanding the applicability of REPREVE in existing markets and entering new markets, including industrial applications and expansion of our flake and resin businesses into nonwovens and packaging.

3. DEVELOP OUR CIRCULAR CAPABILITIES

We continue to invest in emerging mechanisms and technologies in pursuit of more circular solutions, like expanding our REPREVE textile takeback efforts and advanced recycling technologies. These developments are aimed at expansion of responsible solutions for our customers and our planet. Our focus on initiatives like these allows us to grow our existing textile takeback programs and aid our customers and partners in creating new ones.

Through our dedication to sustainable innovation, we will continue being a leader in environmental responsibility. We look forward to sharing our progress in this report and in the future.

– Meredith Boyd
Senior Vice President, Technology, Innovation and Sustainability

Climate

Climate change is one of the most challenging and complex issues we face as a society. To limit its impact, we have a responsibility to reduce the carbon emissions associated with our operations and products. Accordingly, we are working to establish carbon reduction goals that are science-based, ensuring they are in accordance with the current climate research. This will ensure our internal goals are ambitious enough to support the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C.

For reporting greenhouse gas (GHG) emissions, we use the GHG Protocol Corporate Accounting and Reporting Standard that categorizes a company's emissions into direct and indirect emissions. Emissions are broken up into three groups. These emissions are summarized as "CO_2 equivalents (CO_2e), a combination of CO_2, CH_4 and NO_2."

SCOPE 1

Direct emissions from owned or controlled sources

SCOPE 2

Indirect emissions from purchased electricity

SCOPE 3

All other indirect emissions throughout the value chain
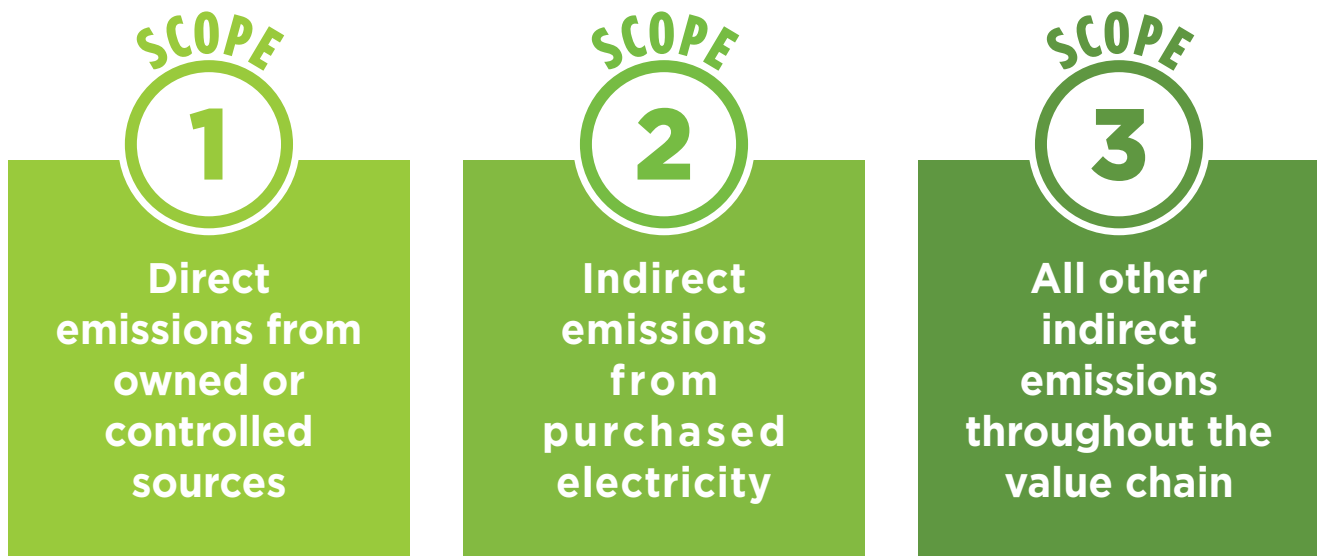
" **Within textiles, Unifi is truly a global leader for sustainability. Through innovative people come innovative products.** "

— *Brent Lawson, Site Manager Madison, N.C.*

GHG Protocol Scopes and Emissions Across the Value Chain

CO_2 CH_4 N_2O HFCs   PFCs SF_6 NF_3

SCOPE 2
Indirect

Purchased goods & services

Capital goods

Fuel & energy related activities

Transportation & distribution

Purchased electricity, steam, heating & cooling for own use

Leased assets

Employee commuting

Business travel

Waste generated

SCOPE 3
Indirect

Company facilities

Company vehicles

SCOPE 1
Direct

Transportation & distribution

Processing of sold products

Use of sold products

End-of-life treatment of sold products

Investments

Leased assets

SCOPE 3
Indirect

UPSTREAM ACTIVITIES   **REPORTING COMPANY**   **DOWNSTREAM ACTIVITIES**

Source: WRI Apparel Sector Guidance

Our emissions are reported as based on our fiscal year. Our Scope 1 and Scope 2 emissions estimates are presented as follows:

1%

14,133
METRIC TONS

99%

11%

118,044
METRIC TONS

89%

US

Non-US

FY21 SCOPE 1

Metric tons CO_2

FY21 SCOPE 2

Metric tons CO_2
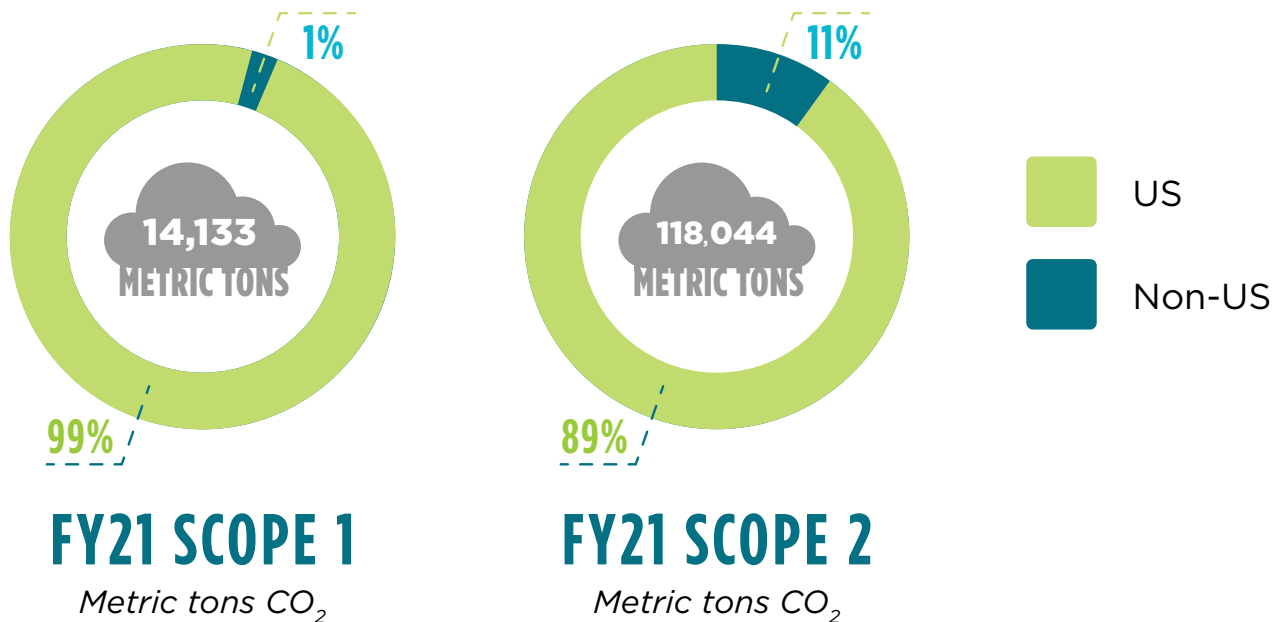
We are also working towards the creation of our Scope 3 emissions baseline and the impact it has on our organization. Our Scope 3 emissions, which represent a comprehensive evaluation of indirect emissions beyond purchased electricity, ensure we address upstream and downstream impacts with purchased goods and services, logistics, business travel and beyond.

All of our owned and operated facilities are expected to complete the Higg Facility Environmental Module (FEM) for 2021, fulfilling our vision of transparency across our manufacturing processes. Established by the Sustainable Apparel Coalition (SAC), the Higg FEM is the most commonly adopted facility environmental performance assessment. The Higg FEM will allow Unifi to communicate to our customers our commitment to environmental management, while validating and benchmarking our performance within the industry.

## INVESTMENTS IN ACTION

Emission Reductions — Solar Farm

In 2015, we constructed and installed a solar farm adjacent to our REPREVE Recycling Center (RRC) in Yadkinville, N.C. It produces about ~1,400 MWhs annually, avoiding an estimated 2,100 metric tons of CO_2e since being installed.

Energy Efficiency — eAFK EvoCooler Texturing Technology

Unifi collaborated with Oerlikon to develop a specially designed eAFK EvoCooler texturing machine that has been operating for nearly a year, using it to manufacture various yarns. With the optimized, extremely energy-efficient technology and its connected peripherals, the machine offers significant energy savings benefits. We are committed to continue investing into this technology throughout the Americas.
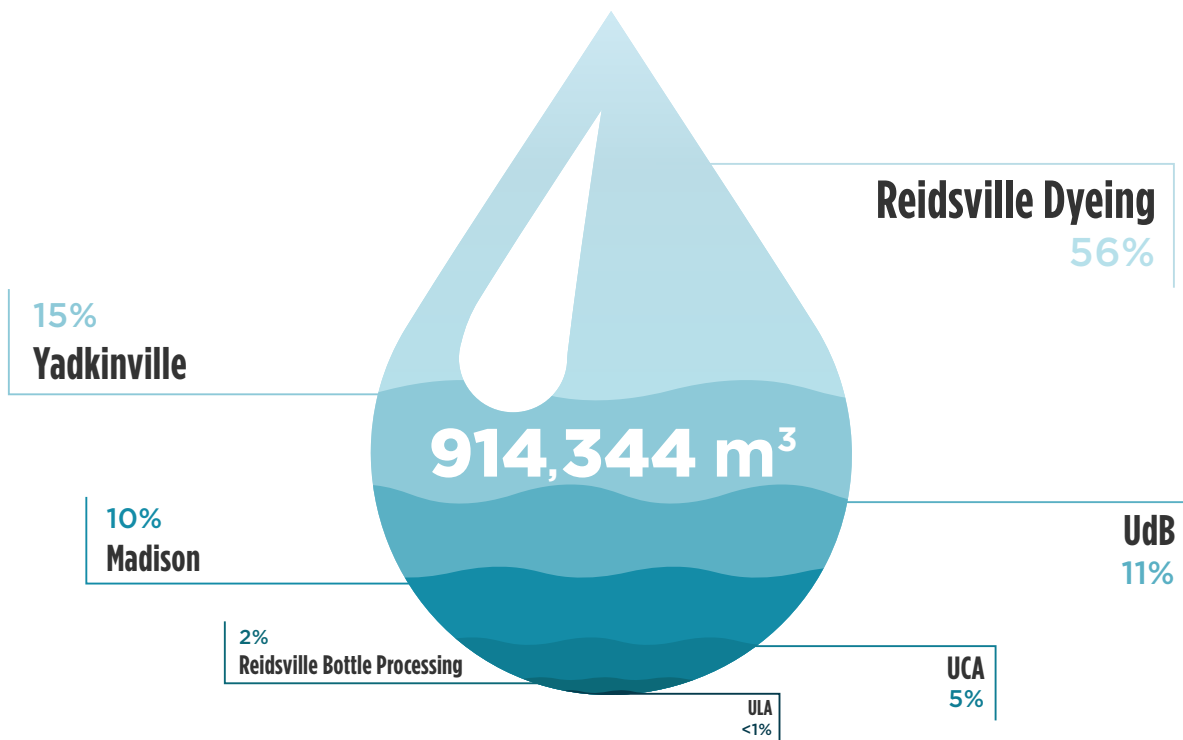
LED Lighting – Reidsville, N.C.

Our facility in Reidsville, N.C. completed a lighting upgrade, switching all ceiling lights to LED bulbs. The project is estimated to reduce the operation's carbon emissions by 612 metric tons of CO_2e per year.

EVOCOOLER
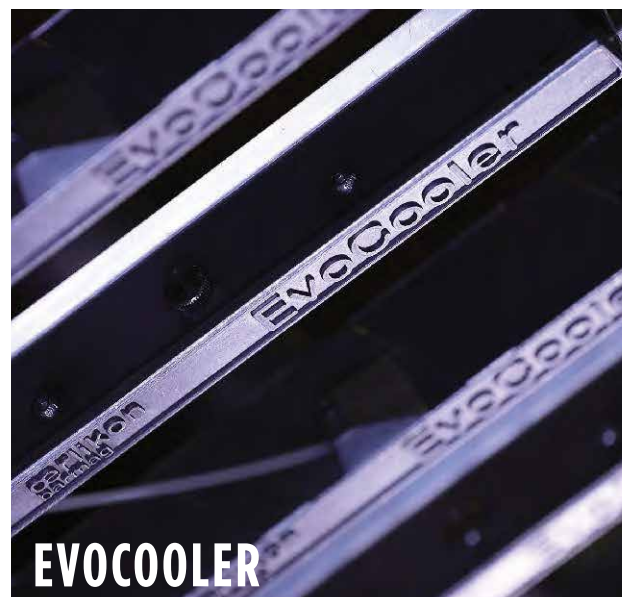
Water

Although 70% of the world is covered with water, fresh water is still extremely rare, comprising only 3% of all water. Fresh water is utilized as a resource for drinking, cleaning and farming. The majority of our processes utilize little water, but we have a responsibility to ensure we are consistently looking to reduce and recycle water use in our production and through the lifecycle of our products.

When we do utilize water in our process, we ensure it is safe for the environment. Once used, we properly discharge that water to treatment processes, usually with local municipalities. We operate an on-site primary treatment process at our package dyeing facility in Reidsville, N.C.

Reidsville Dyeing
56%

15%
Yadkinville

914,344 m³

10%
Madison

UdB
11%

2%
Reidsville Bottle Processing

UCA
5%

ULA
<1%

> **We're committed and empowered at Unifi to continuously investigate treatment technologies that go beyond compliance with our water treatment programs. We understand the value of water in our operations and prioritize it accordingly.**
>
> *— Lisa Haynes, Corporate Environmental Manager, Reidsville, N.C.*

" **I'm very proud of Unifi's environmental commitment, assuring that wastes generated from our manufacturing processes have a sustainable destination.**
— Lucas Donizeti Cabral, Loading & Creeling Supervisor
Unifi do Brasil "

Waste

We have always had a passion to reduce the amount of waste that goes to landfills. In the early 2000s, we found a solution by utilizing our own waste in our REPREVE processes. We built on that momentum and saw an opportunity to evolve by offering customers an environmentally-conscious choice with our REPREVE polyester and nylon product offering, and that has been a priority ever since. Our team has worked to not only reduce waste but, in many of our facilities, eliminate it completely. Most of our operated facilities have been zero waste-to-landfill for some time, with a goal to ensure all operations are zero waste-to-landfill in the near future.

6 / 7 of our owned facilities are **zero waste** *

05

OUR PRODUCT

Perspective

A Circular Future

At Unifi, we see evolving the circular global textile economy as a social and economic development opportunity for every region around the globe. By working towards a circular economy with textiles and plastic waste, we can create a better world.

We share the vision of what a circular economy looks like with other leaders in the space – transitioning away from the model of "take-make-waste." More than $100 billion worth of clothing materials is thrown away each year, with less than 1% being recycled into new clothing.[2] We are working with our supply chain partners to design waste out of our current systems and decouple economic activity from the use of non-renewable resources.

While the challenge is great, there is opportunity to build a purpose-driven industry to meet the needs of future generations.

This opportunity is not new to Unifi. We started with the introduction of our REPREVE recycled polyester in 2007, launched our REPREVE textile takeback program in 2011, opened our own bottle processing center in 2016 and are completing our transition of most of our operated facilities to zero waste-to-landfill. These developments show that we understand the value of reducing waste and extending the life of products. Accordingly, we're on pace to divert 30 billion bottles from landfills in 2022. Building on our history of innovation, we're consistently challenging ourselves to innovate further, focusing now on textile takeback and advanced recycling processes, including chemical recycling.

A circular economy will require collaboration throughout the value chain; manufacturers, brands, retailers and consumers must all be involved. A collaborative, open-source solution is the best way to solve this challenge. We're partnering with a broad spectrum of experts, including the Textile Exchange, The Microfibre Consortium and Accelerating Circularity, on how best to prioritize, focus and utilize our expertise – for the good of tomorrow.

Jay Hertwig
Senior Vice President, Commercialization

Pursuing a Circular Economy

The transition to a circular economy is a significant challenge and will require multifaceted solutions that evaluate our products, processes and design through end-of-life. Unifi has been working towards this goal and will continue to build on our ability to position ourselves as a product and process solution provider for a circular future.

"Polyester is an amazing polymer that can be recycled many times, and there are technologies available that complement it and give it a new life. The key is collection and education in addition to how one industry can make it usable for the next processor. We work with our partners to educate them on how they can design for sustainability.

— *Khurm I Hussain,*
Director – Flake, Resin & Staple Fiber Business Americas"

Pursuing a Circular Economy

The REPREVE brand is a core enabler of bottle recycling that diverts millions of pounds of post-consumer waste from landfills. We've collaborated with organizations to deliver a product that is a part of a circular economy.

REPREVE Textile Takeback

The REPREVE Textile Takeback program, initiated in 2011, was designed to reduce the amount of waste generated in fabric production or at the garment's end of life. We have been working to expand and optimize the REPREVE Textile Takeback program ever since. While we have had successes in processing materials with high polyester content, we have work left to do. This will not only require innovative solutions to our processes, it will also necessitate wider adoption of textile takeback infrastructure and knowledge development. We joined Accelerating Circularity, a collaborative industry project working to establish systems that will use the embedded value and resources in existing textiles for new products, reducing waste and carbon emissions.[3]

Pac-12 Team Green

We're a founding member of Pac-12 Team Green. The Pac-12 is the Conference of Champions, and that includes championing sustainability. We take back bottles at Pac-12 institutions to contribute to a circular economy. Students recycle between classes and on their way to cheer on their teams, knowing that recycled plastic bottles can be transformed into apparel that is sold on campus.

Designtex

Designtex is an industry leader in design and manufacturing for the contract fabrics market. As part of our partnership with Designtex's closed loop program, we incorporate a "closed-loop" process that produces new fabrics from recycling already recycled textile waste. To create this Loop-to-Loop initiative, Unifi collaborated with two other companies—Steelcase and Duvaltex— and asked, "How can we take the waste that is produced during the manufacturing of wall coverings and divert it from the landfill?"

The result of this project is that we were able to establish a system for capturing and recycling textile waste back into first-quality goods, with the goal of creating textiles that can easily be deconstructed so they are able to be recycled again.

Microfibers

We understand that the shedding of microfibers, or fiber fragments, can potentially happen during the processing, use and disposal of both natural and synthetic fibers. The risk of microfibers is not limited to textiles, as research has shown fragmentation from sources such as car tires being a significant source.[5] We also understand that scientific consensus on measurement techniques and the impact of fabric construction and treatment is under development.

REPREVE began as an effort to keep our own fiber waste out of landfills, but our desire to be good stewards of the environment can't stop at recycling bottles. We believe transparent collaboration is the key to building a better understanding and path forward on this issue and we joined the Microfibre Consortium to work with our industry partners on this important issue.

Microplastics are plastic pieces that are **smaller than 5 mm** and are formed because of the degradation of larger plastics.
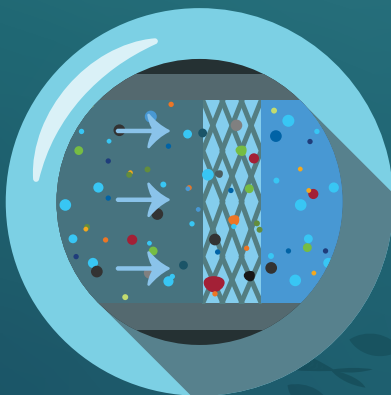
5 mm

0 cm 1
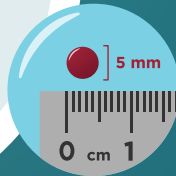
These larger plastics can be bottles, plastic bags, fishing nets and more.

Microfibers can be a result of washing **textile products**.

Many filters in sewage plants and washing machines may not efficiently screen microfibers.

Transparency

Our approach to sustainability is built on transparency and trust. At Unifi, this means we share insights about how our products are made, the process they go through and the social and environmental impact they may have. Our vertically integrated recycling process results in high-quality fiber, chip and flake. It is one thing to use sustainable ingredients and quite another to be able to make reliable claims that we can support. We know that trust is earned, and to build that trust through transparency, we have earned multiple third party certifications on our products and processes.

> **"**
> **Transparency has always been the backbone of REPREVE and has led us to develop our FiberPrint® tracer, one of the first technologies of its kind in the industry.**
>
> — *Barbara Tysinger, Fiber Application & Analytical Studies Manager*
> *Greensboro, N.C.*

U TRUST®

The textile supply chain is complex, with most brands and retailers not being able to map beyond fabric construction. We offer our U TRUST verification program to aid in supply chain transparency by mitigating risk and validating product information. This comprehensive certification program is designed to provide customers using REPREVE with the highest level of transparency. Fabrics made with REPREVE contain FiberPrint®, a proprietary tracer technology used to analyze and validate REPREVE fiber content claims and composition. From any point in the supply chain, using our unique FiberPrint tracer technology, we can test products to verify REPREVE is present and in the intended amounts.

U TRUST®
VERIFICATION PROGRAM

FiberPrint®

Life Cycle Assessments

Innovation designed to reduce environmental impact requires an ability to benchmark current impacts. Identifying environmental hotspots within our products and processes is a challenging process, and we work with third parties to model and calculate through certified Life Cycle Assessment (LCA) methodology.

An LCA is a tool that quantifies the environmental impacts over the whole life cycle of a product or service, including emissions and consumption of material resources. An LCA provides a more accurate estimate of products' or processes' environmental trade-offs, allowing organizations to utilize more reliable, transparent data that enable decisions, which can prioritize impact reduction.

We commissioned our first third-party LCA in 2014, updating the analysis in 2019. This past year, we worked with the Sustainable Apparel Coalition (SAC) to validate that analysis of REPREVE polyester, publishing the data on the Higg Materials Sustainability Index (MSI).

The Higg MSI is an apparel industry tool to measure and score the environmental impacts of materials. Apparel, footwear and textile industry designers and product developers utilize the Higg MSI to assess and compare the cradle-to-gate environmental impacts of different materials. The Higg MSI uses data submitted from organizations like Unifi and LCA databases like GaBi to estimate environmental impacts and translate them into comparable Higg MSI scores.[6]

> **We continue to build on our commitment to transparency by having the results of our REPREVE LCA verified and accepted into the Higg MSI. REPREVE made in the US has a lower global warming potential than generic rPET, providing our customers with a verified pathway to lower their environmental impact.**
>
> — *James Cooper, Sustainability Manager*
> *Greensboro, N.C.*

We look forward to the future when data transparency is a standard throughout the supply chain. To ensure we are doing our part to push transparency forward, we're pleased to share that we are currently working on an updated comparative ISO 14040 and ISO 14044 LCA study that will cover a wider scope, including REPREVE nylon with regional manufacturing consideration. This commitment to environmental impact data transparency will be vital to our customers and partners as they work to progress and validate on their emission and water reduction goals.

HIGG MSI GLOBAL WARMING POTENTIAL SCORE

9.66 — VIRGIN PET

↓42%

5.62 — REPREVE®

7.14 — GENERIC rPET

↓21%

5.62 — REPREVE®
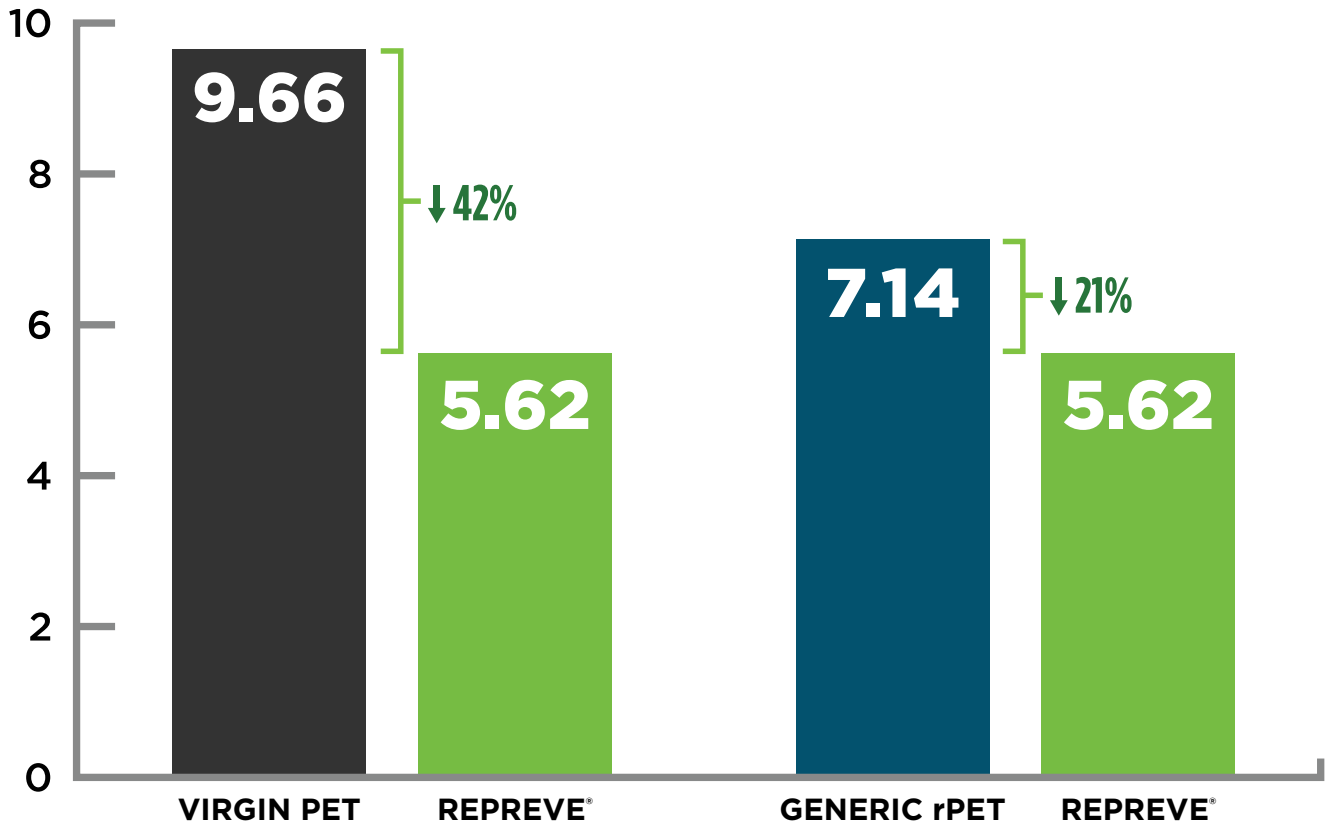
HIGG MSI – REPREVE

The study confirms that REPREVE manufactured in the US reduces the global warming potential by 21% compared to conventional mechanically-recycled polyester and 42% compared to conventional virgin polyester. The Higg MSI global warming potential is analogous to greenhouse gases, indicating REPREVE is verified to have a lower carbon footprint.

The results are available via the Higg MSI platform:

https://portal.higg.org/

Global Recycling Standard

The Global Recycle Standard (GRS) is a voluntary product standard based on the tracking and tracing of recycled content. The standard applies to the complete supply chain and verifies traceability, environmental management, social responsibility, labeling and chemistry. It uses a transaction certificate-based system to ensure the highest level of integrity. This helps track recycled content throughout the value chain of certified final products, validating our customers' progress on their environmental goals.

Scientific Certification Systems Recycled Content

REPREVE polyester and nylon fibers are certified for recycled content claims by Scientific Certification Systems (SCS) Recycled Content Certification. Every year, SCS performs a full examination of our recycled products, including our recycling processes, production records and manufacturing operations. SCS is a leading third-party certifier and standards developer of environmental and sustainability claims.

Responsible Chemistry

At Unifi, we understand the vital role chemistry plays in our products. Chemistry allows us to add variability and durability to extend a product's use and life. That is why we focus on ensuring every process we operate and product we create is

generally recognized as safe and free of chemical risk. This means we not only fulfill regulatory requirements in all our facilities, but that we also seek external validation on voluntary standards.

Every chemical that is used in our process is reviewed by an internal Unifi team of employees to assess risk with exposure, regulation and quality. This ensures we meet our customers' chemistry goals, often communicated through Restricted Substance Lists. Going beyond those requirements, however, is what sets Unifi's commitment to responsible chemistry apart. More than 95% of our products are Oeko-Tex Standard 100 certified, including all of our REPREVE products.

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100

Oeko-Tex offers "Confidence in Textiles," qualifying that our yarns are tested to be free of harmful levels of more than 100 restricted chemicals. The Oeko-Tex Standard 100 is the world's leading label for textiles screened for harmful substances. Find out more here.

Purpose-Driven Partners

At Unifi, we seek out partners that share our vision of a more socially and environmentally responsible world. In that pursuit, we have collaborated with organizations around the world on the benefits of REPREVE. It's more than just recycled fiber — it's the thread that connects our partners to the best sustainable solutions.

REPREVE CHAMPIONS OF SUSTAINABILITY

- REPREVE Champions of Sustainability awards recognize brand, textile and retail partners that have demonstrated a true commitment to supporting a sustainable world.

- More than 90 companies were recognized during REPREVE's Fourth Annual Champions of Sustainability awards, the most ever in the program's history.

- Our Champions of Sustainability have helped us recycle more than 25 billion bottles

REPREVE Brand Growth

SINCE 2007, REPREVE HAS GROWN FROM TWO BRANDS TO OVER 1,000 BRANDS

(Timeline markers: 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021)
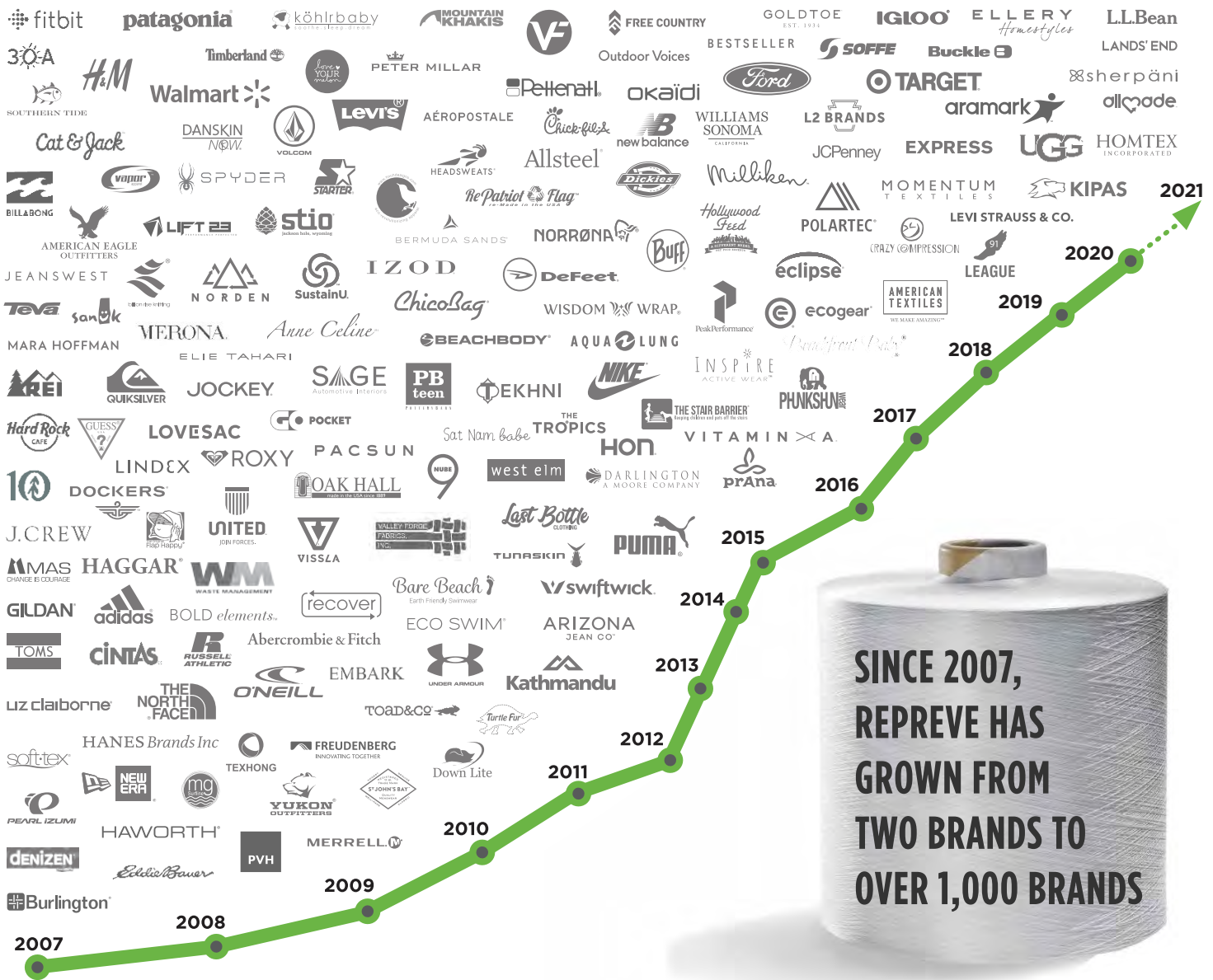
> "As one of the technology leaders at Unifi, I ask myself every day how to innovate more sustainably and create better products for our customers." — *Bimei Chen, Technical Director Unifi Textiles (SuZhou) Co., Ltd*

06

APPENDICES

Appendix A: Reporting Practices

Fiscal Year 2021 Sustainability Report Scope

The content of the report covers information from June 29, 2020 to June 27, 2021 (FY2021). All data included refers to FY2021, unless otherwise noted.

Our Reporting Journey

FY2021 is the first year we have conducted a greenhouse gas emissions inventory assessment and a complete water and waste footprint calculation. These calculations only apply to Unifi-owned or -operated facilities and one active joint venture location for Scope 2 calculations. We conducted these assessments to develop an initial understanding of our footprint and plan to expand what is included in these assessments as our strategy and sustainability journey progress. Please see Appendix B for a summary of our data methodology.

Reporting Frameworks

This report is not in full accordance with any reporting frameworks, but it marks the beginning of Unifi working toward full accordance with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) frameworks. The data included in this report has not been verified by a third party, unless otherwise noted, and Unifi does not claim to be approved by GRI or SASB.

GRI

GRI "aids organizations in understanding and communicating their impact on sustainability issues such as human rights, climate change, resource utilization, governance and social well-being. The standards empower organizations to implement social, environmental and economic action to benefit all stakeholders." All information reported is for FY2021.

We are aligning our sustainability reporting practices with the GRI Core Disclosure option and have included our current responses in this year's report.

GRI

Section	GRI Disclosure	Disclosure Title	Reference/Response
Executive Statement	102-14	Statement from senior decision-maker	*CEO Statement, pg. 2*
About Unifi	102-1	Name of the organization	*About Unifi, pg. 5*
About Unifi	102-2	Activities, brands, products, and services	*About Unifi, pg. 4*
About Unifi	102-3	Location of headquarters	*About Unifi, pg. 5*
About Unifi	102-4	Location of operations	*About Unifi, pg. 6*
About Unifi	102-5	Ownership and legal form	*About Unifi, pg. 5*
About Unifi	102-6	Markets served	*About Unifi, pg. 5*
About Unifi	102-7	Scale of the organization	*About Unifi, pg. 5*
About Unifi	102-8	Information on employees and other workers	*Workforce Data, pg. 24*
Our Approach to Sustainability	102-10	Significant changes to the organization and its supply chain	
Our Approach to Sustainability	102-11	Precautionary Principle or approach	
Our Approach to Sustainability	102-12	External initiatives	*Stakeholder Engagement, pg. 16*
Our Approach to Sustainability	102-13	Membership of associations	*Stakeholder Engagement, pg. 16*
Our Approach to Sustainability	102-18	Governance structure	
Our Approach to Sustainability	102-40	External review - List of stakeholder groups	*This report has not been externally assured.*
Our Approach to Sustainability	102-42	Identifying and selecting stakeholders	*Stakeholder Engagement, pg. 8*
Our Approach to Sustainability	102-43	Approach to stakeholder engagement	*Stakeholder Engagement, pg. 8*
Our Approach to Sustainability	102-44	Key topics and concerns raised	*Materiality, pg. 14*
Our Approach to Sustainability	102-45	Entities included in the consolidated financial statements	*Report Structure, pg. 19*
Our Approach to Sustainability	102-46	Defining report content and topic Boundaries	*Report Structure, pg. 19*
Our Approach to Sustainability	102-47	List of material topics	*Materiality, pg. 14*
Our Approach to Sustainability	102-50	Reporting period	*Appendix A: Reporting Practices, pg. 51*
Our Approach to Sustainability	102-51	Date of most recent report	*9/18/20*
Our Approach to Sustainability	102-52	Reporting cycle	*Appendix A: Reporting Practices, pg. 51*
Our Approach to Sustainability	102-53	Contact point for questions regarding the report	*sustainability@unifi.com*
Our Approach to Sustainability	102-54	Claims of reporting in accordance with the GRI Standards	*Unifi does not claim accordance with GRI Standards at this time.*
Our Approach to Sustainability	102-56	External assurance	*This report has not been externally assured.*
Our Approach to Sustainability	103-1	Explanation of the material topic and its Boundary	*Report Structure, pg. 19*
Our Approach to Sustainability	103-2	The management approach and its components	*Report Structure, pg. 19*
Our Approach to Sustainability	205-3	Confirmed incidents of corruption and actions taken	*None to report*

GRI

Our Approach to Sustainability	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	*None to report*
Our Approach to Sustainability	307-1	Non-compliance with environmental laws and regulations	*None to report*
Our Approach to Sustainability	402-1	Minimum notice periods regarding operational changes	
Our Approach to Sustainability	415-1	Political contributions	*None to report*
Our Approach to Sustainability	419-1	Non-compliance with laws and regulations in the social and economic area	*None to report*
People	102-16	Equality and diversity - Values, principles, standards, and norms of behavior	*Diversity, Equity, & Inclusion (DEI), pg. 23*
People	102-9	Supplier list - Supply chain	
People	103-2	The management approach and its components	*Developing the Unifi of Tomorrow, pg. 28*
People	205-1	Operations assessed for risks related to corruption	*Business Ethics, pg. 31*
People	205-2	Communication and training about anti-corruption policies and procedures	*Business Ethics, pg. 31*
People	308-1	New suppliers that were screened using environmental criteria	*Supply Chain Integrity, pg. 31*
People	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
People	401-3	Parental leave	
People	403-1	Occupational health and safety management system	*Heath, Safety and Wellbeing, pg. 25*
People	403-10	Work-related ill health	
People	403-2	Hazard identification, risk assessment, and incident investigation	*Heath, Safety and Wellbeing, pg. 25*
People	403-3	Occupational health services	*Heath, Safety and Wellbeing, pg. 25*
People	403-4	Worker participation, consultation, and communication on	*Heath, Safety and Wellbeing, pg. 25*
People	403-5	Worker training on occupational health and safety	*Heath, Safety and Wellbeing, pg. 25*
People	403-6	Promotion of worker health	*Heath, Safety and Wellbeing, pg. 25*
People	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	*Heath, Safety and Wellbeing, pg. 25*
People	403-8	Workers covered by an occupational health and safety management system	*Heath, Safety and Wellbeing, pg. 25*
People	403-9	Work-related injuries	*Heath, Safety and Wellbeing, pg. 26*
People	404-2	Programs for upgrading employee skills and transition assistance programs	*Developing the Unifi of Tomorrow, pg. 28*
People	405-1	Diversity of governance bodies and employees	*Workforce Data, pg. 24 (Partial)*
People	405-2	Ratio of basic salary and remuneration of women to men	
People	408-1	Operations and suppliers at significant risk for incidents of child labor	
People	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
People	412-1	Operations that have been subject to human rights reviews or impact assessments	

GRI

People	412-2	Employee training on human rights policies or procedures	
People	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
People	413-1	Operations with local community engagement, impact assessments, and development programs	*Engaging Our People and Community, pg. 30*
People	414-1	New suppliers that were screened using social criteria	*Supply Chain Integrity, pg. 31*
People	414-2	Negative social impacts in the supply chain and actions taken	
Planet	302-1	Energy consumption within the organization	*Appendix B: Data & Methodology, pg. 59*
Planet	302-2	Energy consumption outside of the organization	
Planet	302-3	Energy intensity	
Planet	302-4	Reduction of energy consumption	
Planet	303-1	Interactions with water as a shared resource	*Water, pg. 37*
Planet	303-2	Management of water discharge-related impacts	*Water, pg. 37*
Planet	303-3	Water withdrawal by source	
Planet	303-3	Water recycled and reused	
Planet	305-1	Direct (Scope 1) GHG emissions	*Appendix B: Data & Methodology, pg. 59*
Planet	305-2	Energy indirect (Scope 2) GHG emissions	*Appendix B: Data & Methodology, pg. 59*
Planet	305-3	Other indirect (Scope 3) GHG emissions	
Planet	305-4	GHG emissions intensity	*Appendix B: Data & Methodology, pg. 59*
Planet	305-5	Reduction of GHG emissions	
Planet	306-1	Water discharge by quality and destination	
Planet	306-2	Waste by type and disposal method	*Appendix B: Data & Methodology, pg. 62*
Planet	306-3	Significant spills	*None to report*
Planet	308-2	Negative environmental impacts in the supply chain and actions taken	
Products	103-2	The management approach and its components	*Transparency, pg. 44*
Products	301-1	Materials used by weight or volume	
Products	301-2	Recycled input materials used	*Circularity in Action, pg. 42*
Products	413-2	Operations with significant actual and potential negative impacts on local communities	
Products	416-1	Assessment of the health and safety impacts of product and service categories	
Products	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	*None to report*
Products	417-1	Requirements for product and service information and labelling	

GRI

Products	417-2	Incidents of non-compliance concerning product and service information and labelling	*None to report*
Products	417-3	Incidents of non-compliance concerning marketing communications	*None to report*
Products	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*None to report*
Appendix	102-55	GRI, SASB content index	*Appendix A: Reporting Practices, pg. 51*

SASB

SASB is a not-for-profit, independent standards-setting organization. The SASB Foundation's mission is to establish and maintain industry-specific standards that assist companies in disclosing financial material, decision-use-ful sustainability information to investors." We have chosen to report to the Apparel, Accessories, and Footwear and Chemicals disclosures. All information reported is for FY2021.

We have included responses to the SASB Apparel, Accessories, and Footwear & SASB Chemicals disclosure frameworks where applicable.

SASB - Apparel, Accessories, and Footwear Standard					
Topic	Metric	Category	Unit of Measure	Code	Reference/ Response
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	C-AA-250a.1	*Responsible Chemistry, pg. 47*
Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	C-AA-250a.2	*Responsible Chemistry, pg. 47*
Environmental Impacts in the Supply Chain	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 (%)	CG-AA-430a.1	
Environmental Impacts in the Supply Chain	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 (%)	CG-AA-430a.2	
Labor Conditions in the Supply Chain	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 (%)	CG-AA-430b.1	
Labor Conditions in the Supply Chain	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	
Labor Conditions in the Supply Chain	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	CG-AA-430b.3	
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	n/a	CG-AA-440a.1	*Climate, pg. 34*
Raw Materials Sourcing	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	
Activity Metric		Category	Unit of Measure	Code	
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1		Quantitative	Number	CG-AA-000.A	

SASB

SASB - Chemicals Standard					
Topic	Metric	Category	Unit of Measure	Code	Reference/ Response
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2-e, Percentage (%)	RT-CH-110a.1	*Appendix B: Data & Methodology, pg. 59*
Greenhouse Gas Emissions	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	n/a	RT-CH-110a.2	*Climate, pg. 34*
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	RT-CH-120a.1	
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	*Appendix B: Data & Methodology, pg. 59*
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	RT-CH-140a.1	*Water, pg. 37 0% sourced in High Baseline Water Stress*
Water Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	*None to report*
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	RT-CH-140a.3	
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-CH-150a.1	
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	*Heath, Safety and Wellbeing, pg. 26*
Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	n/a	RT-CH-320a.2	*Heath, Safety and Wellbeing, pg. 25*
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	n/a	RT-CH-410b.2	*Responsible Chemistry, pg. 47*
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	RT-CH-530a.1	

Appendix B:
Data & Methodology

For FY2021, we followed the below methodology to calculate GHG emissions, waste, and water footprints. All data estimates presented in this report were completed in good faith but were not independently verified unless otherwise stated.

Greenhouse Gas Emissions

We followed the Greenhouse Gas Protocol Corporate Standard definitions of Scope 1 and 2 and emissions calculations methodology. These calculations do not claim to be in alignment directly with the Greenhouse Gas Protocol Corporate Standard at this time.

Scopes included: Scope 1 and 2 emissions only. We will include Scope 3 emissions in the future. Most of our logistics fleet is leased and thus included in Scope 3.

Location Scopes: Only Company-owned and -operated facilities. We included one active joint venture site in our Scope 2 calculations and accounted for 50% of that site's electricity-related emissions. In total, twelve locations were included.

Calculation Process: Usage from electricity reports, internal tracking reports, etc. was multiplied by the applicable emissions factor to calculate total carbon emissions and reported in metric tons of CO_2e. These calculations were confirmed internally.

Data Sources:

Scope 1

- Propane/Liquefied Petroleum Gas: Internal purchase records. For locations where complete records were not available, we applied a Company-wide average use per month to the location.
- Mobile Combustion: Internal purchase records for diesel fuel. Note: Unifi United States locations do sell diesel fuel to non-Unifi fleets. However, we included all Unifi-purchased diesel fuel in our Scope 1 calculations.
- Assumptions: Assumed an average miles per gallon (MPG) of all fleet vehicles based on internal tracking methods, based on the average MPG for the last six months of FY2020.

Scope 2

- Purchased Electricity
  - Purchased electricity bills listing kWh
  - Internal tracking methods to calculate kWh used
- Natural Gas
  - Only applicable for our United States locations. Data collected from internal natural gas bill tracking.

Emissions Factor Sources

Propane/LPG: [US EPA Emission Factors for Greenhouse Gas Inventories](), Updated April 2021.

- Diesel Fuel Use: From the US Environmental Protection Agency (EPA), including for non-US countries. We hope to have country-specific mobile combustion emission factors in the future. Source: [US EPA Emission Factors for Greenhouse Gas Inventories](), Updated April 2021.

Electricity:

- The [International Energy Association Emissions Factors 2020]() for all non-US locations.
- For US locations, we used location-specific factors provided by our energy utility.

Natural Gas: [US EPA Emission Factors for Greenhouse Gas Inventories](), Updated April 2021.

Greenhouse Gas Data

FY2021 Total	US (MT CO_2e)	Non-US (MT CO_2e)	Total (MT CO_2e)
Scope 1	13,989	144	14,134
Scope 2	104,189	13,855	118,044
Total	118,178	13,999	132,177

Energy Data

Grand Total	kWh
Non-US	106,798,734
US	374,304,508
Total	481,103,242

Energy Intensity

CO_2e by Revenue	FY2021
Revenue ($)	667.6 million
Total CO_2e (metric tons)	134,998
CO_2e per revenue dollar (metric ton of CO_2 per dollar)	0.000202
CO_2e in kg	134,998,000
kg CO_2e per dollar	0.20

Solar Farm

In 2015, we built a solar farm adjacent to our REPREVE Recycling Center (RRC) in Yadkinville, N.C. It produces about ~1,400 MWs annually. The electricity required to power this solar farm is included in our kWh and GHG calculations under Scope 2 Electricity use.

Fiscal Year	MW	kg CO_2e Avoided	MT CO_2e avoided
FY2015	109	28,175	28
FY2016	1,464	378,838	379
FY2017	1,453	376,167	376
FY2018	1,429	369,742	370
FY2019	1,402	362,858	363
FY2020	1,370	354,581	355
FY2021*	1,098	284,065	284
		2,154,426	2,155

Note that the solar farm was offline in April 2021 for maintenance. Subsequently, April and May 2021 kWh production was lower than average.

Water Footprint

FY2021 is the first year we estimated a Company-wide water footprint. As such, certain information was unavailable by the launch of this report as specified below.

Scope: Only Company-owned and -operated facilities. We did not include joint venture locations in this Report's calculations. In total, water data from seven sites were included.

Calculation Process: Using water and wastewater utility bills, we tracked each location's water consumption and wastewater use and then totaled these numbers for all locations. In some cases, the location information needed to be converted from cubic meters to gallons and no density conversion was used, given that it is water.

Assumptions: Certain locations do not measure water consumption and wastewater separately. For our Yadkinville location, our utility assumes wastewater (sewer) is 105% of the billed water consumption. The water utility for ULA assumes that water in equals water out. Therefore, we assumed that the measured water consumption at ULA equaled the wastewater released back to the municipal water treatment plant. Additionally, at certain locations, not all waste-

water is able to be metered. In these cases, we only included wastewater data that could be measured directly via meter, resulting in differences between water used versus wastewater. Note that our Reidsville location operates two distinct processes: Bottle Processing and Dyeing. Water usage at Reidsville cannot be metered directly to the applicable process. Bottle Processing uses less water than Dyeing and through internal review, is determined to be 3% of the total Reidsville water use.

Data Sources:
- Internal utility bill and water usage tracking
- Utility bills

Wastewater Destinations: Unless otherwise noted, all locations' wastewater is sent to a municipal wastewater treatment site.

Data:

FY2021		
Location	**m³ of Water**	**m³ of Wastewater**
UdB	101,445	38,540
ULA	2,077	2,077
UCA	49,857	7,765
Reidsville	526,319	452,322
Madison	93,908	52,867
Yadkinville	139,717	146,702
Greensboro	1,022	1,022

Waste Footprint

FY2021 is the first year we estimated a Company-wide physical waste footprint. As such, certain information was unavailable by the launch of this report as specified below.

Scope: Only Company-owned and -operated facilities. We did not include joint venture locations in this Report's calculations. In total, waste data from seven sites were included.

Calculation Process: We tracked each location's waste data for FY2021 and then totaled these numbers for all locations. In some cases, the location information needed to be converted from cubic meters to pounds. In these cases, we used a density conversion of 300 pounds per cubic yard for mixed municipal solid waste, un-compacted, commercial, from the EPA.

Assumptions: In one case, we needed to estimate the total weight of recycling, as we were unable to obtain this information from our waste utility. This location used two 8-yard dumpsters for recycling, which were emptied once a week. We assumed an 8-yard dumpster has 8 cubic yards of volume and used a density factor for un-compacted institutional mixed municipal solid waste recyclable materials, estimated at 300 lbs./cubic yard. Source: Volume-to-Weight Conversion Factors U.S. Environmental Protection Agency Office of Resource Conservation and Recovery April 2016. Link.

Data Sources: Internal waste tracking.

Waste Destinations: Unless otherwise noted, all locations' waste is either: sent to landfill, sent to recycling, converted into waste-to-energy, or composted.

Data:

FY2021 Totals by Type	Pounds
Landfill	25,448,161
Recycling	16,937,308
Waste to Energy	2,069,835
Compost	90,134

Appendix C: Sources

[1] "Water Scarcity | Threats | WWF." Accessed May 25, 2021.
https://www.worldwildlife.org/threats/water-scarcity.

[2] "A-New-Textiles-Economy_Full-Report_Updated_1-12-17.Pdf." Accessed June 10, 2021.
https://www.ellenmacarthurfoundation.org/assets/downloads/publications/A-New-Textiles-Economy_Full-Report_Updated_1-12-17.pdf.

[3] Accelerating Circularity. "Accelerating Circularity." Accessed June 12, 2021.
https://www.acceleratingcircularity.org.

[4] "Atmospheric Transport Is a Major Pathway of Microplastics to Remote Regions | Nature Communications." Accessed June 12, 2021.
https://www.nature.com/articles/s41467-020-17201-9.

[5] "Higg Product Tools – Sustainable Apparel Coalition." Accessed June 12, 2021.
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