

2025

Uf
Ultrafabrics®



Sustainability Report

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Introduction

Letter from our CEO and President

At a time when the world is facing urgent and complex environmental challenges, the role of companies in driving meaningful change has never been more critical. Businesses today have a responsibility not only to their customers and stakeholders but to the planet we all share. At Ultrafabrics, we embrace this responsibility with purpose, creativity, and a deep commitment to action.

Sustainability is not just a chapter in our story – it's the thread that connects everything we do. As we reflect on another year of progress, we're proud of the strides Ultrafabrics has made in pushing the boundaries of responsible innovation and sustainable design.

In early 2025, we marked a major milestone with the launch of our next-generation Chiyoda mill in Japan's Gunma Prefecture. This advanced facility exemplifies low-carbon, high-tech manufacturing and strengthens our proprietary Takumi™ Technology. More than an operational achievement, Chiyoda is a bold step forward in closed-loop textile production and reflects our broader commitment to operational excellence across our global value chain.

Our industry leadership was further recognized with a series of prestigious awards for Volar Bio, our biobased collection. Garnering honors from Interior Design Magazine and MetropolisLikes 2024, Volar Bio is more than a product – it's a proof point of how material innovation can drive both performance and environmental progress.

Last year, we also reached a key milestone in product safety: all Ultrafabrics open-line products sold in the U.S. are now fully PFAS-free. This proactive shift aligns with



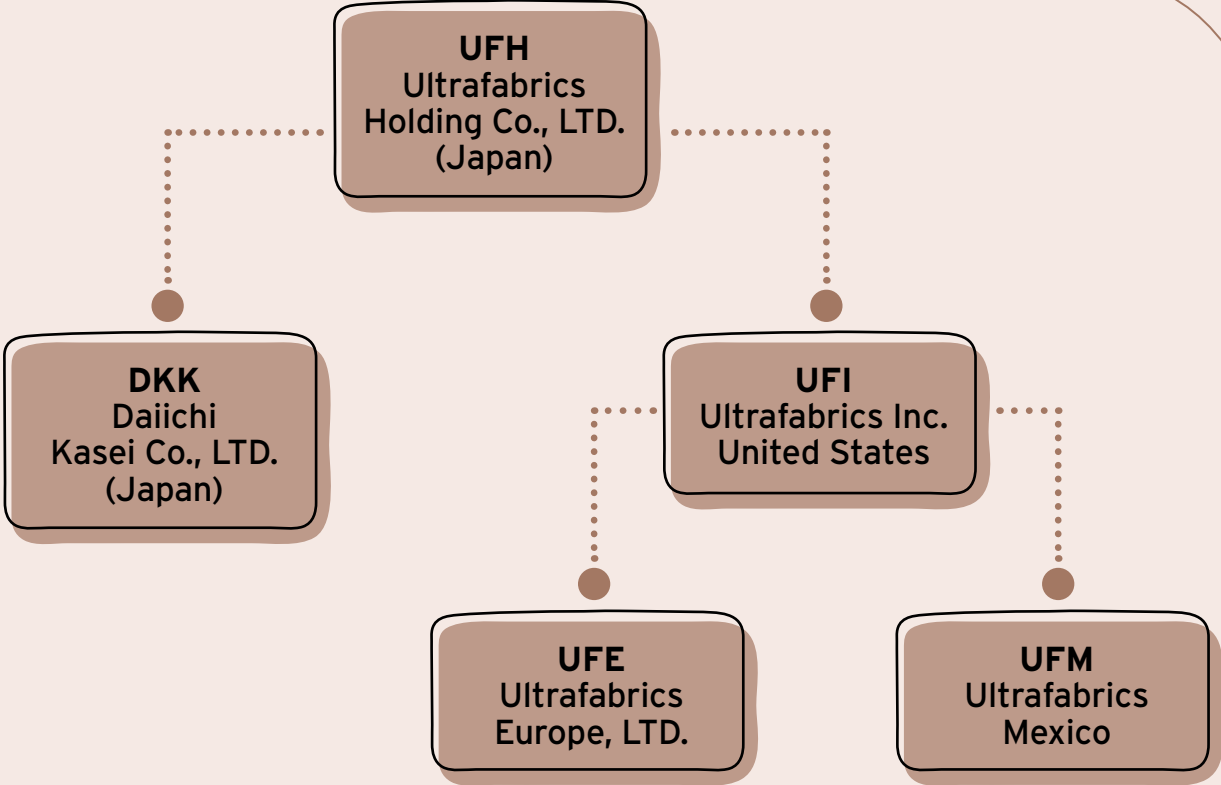
evolving regulations and customer expectations while upholding the durability and design quality we're known for. It reflects our ongoing commitment to responsible chemistry and human health.

We're equally focused on understanding and improving the impact of our products. A comprehensive Life Cycle Assessment (LCA) of one of our most commonly produced styles now informs our strategy for reducing carbon emissions, water use, and waste. This insight strengthens our approach to product innovation and our long-term sustainability roadmap. We also formalized our Sustainability Procurement and Human Rights Policies, embedding ethical sourcing, fair labor practices, and environmental expectations into every level of our supply chain. These policies are more than statements – they're commitments to uphold international standards and stakeholder values in everything we do.

Each of these actions contributes to a greater mission: to create a future where sustainability and performance go hand in hand. As industries around the world embrace climate action, we're proud to support their progress with innovative materials, responsible solutions, and purposeful partnerships. Looking ahead, we remain driven to lead with integrity, innovate with intention, and continue redefining what's possible for sustainable design.

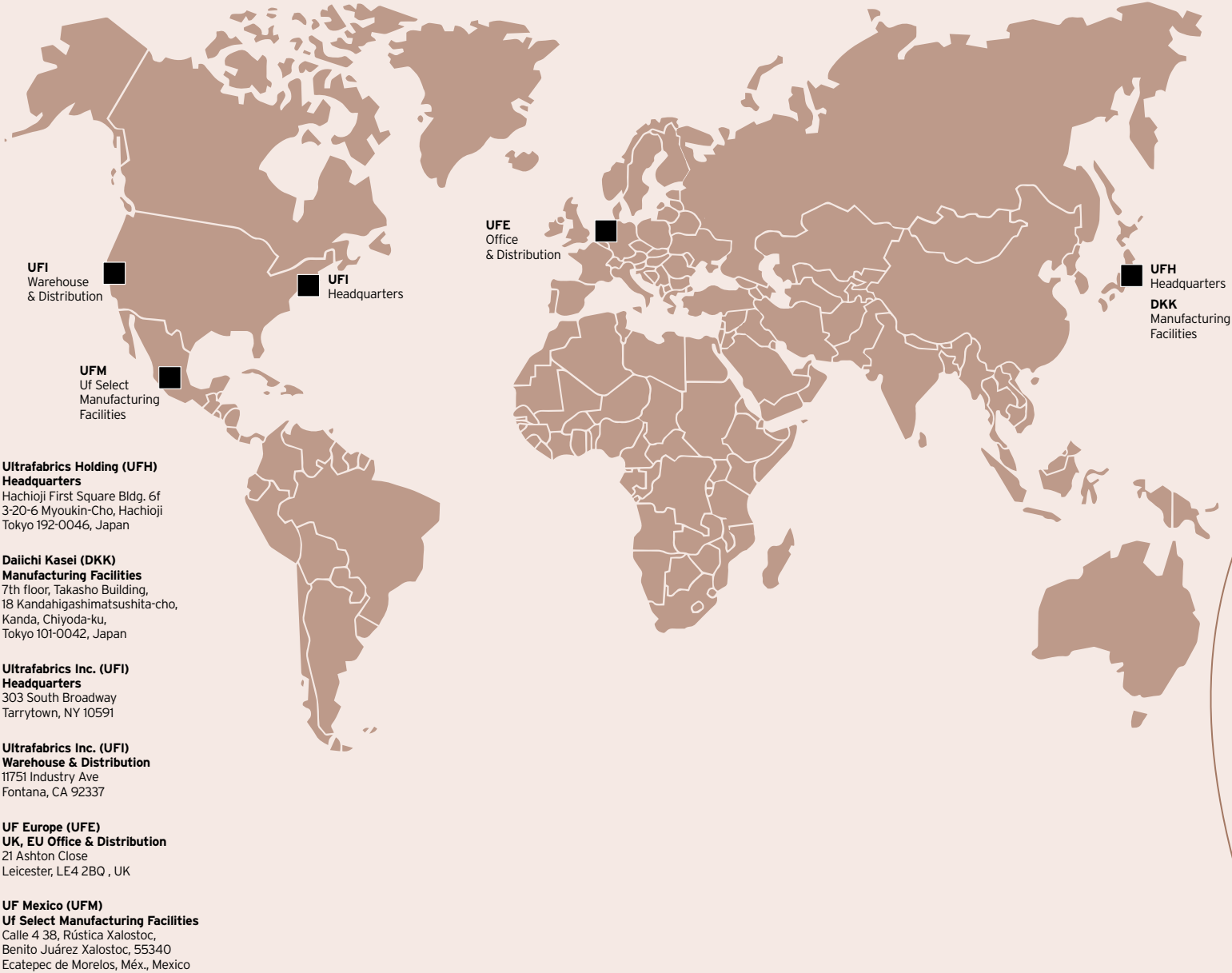
With gratitude,
Danielle Boecker-Primack, President,
and Clay Rosenberg, CEO

About Ultrafabrics



Ultrafabrics Group (Ultrafabrics), comprising Daiichi Kasei Co., Ltd. in Japan (DKK), Ultrafabrics Inc. in the United States (UFI), Ultrafabrics Europe Ltd. (UFE), and Ultrafabrics Mexico (UFM), designs and produces high-performance fabrics that blend premium aesthetics, tactile comfort, and functionality. Supported by partner mills, DKK manufactures top-quality polyurethane materials, while UFI manages importing, distribution, sales, and marketing. As a unified global team driven by innovative engineering, we are committed to delivering exceptional materials and meeting customer needs today and in the future. Ultrafabrics Holdings Co., Ltd. is the holding company of the Ultrafabrics Group, headquartered in Japan.

The Ultrafabrics Sustainability Committee, composed of Ultrafabrics Inc., DKK, and Ultrafabrics Holdings members, is responsible for overseeing, implementing, and reporting on Ultrafabrics’ sustainability strategy and coordinating with business leaders of principal programs to enable Ultrafabrics to overcome key challenges and reach its sustainability goals. The committee, composed of ten senior leaders (6 from DKK and UFH, and 4 from UFI), meets every quarter to review emissions reduction roadmap implementation, product development, quality assurance, and human rights. The Ultrafabrics Sustainability Committee reports to the board of directors of Ultrafabrics Holdings, Ultrafabrics Inc., and the DKK Senior Leadership Team.



Our Featured Markets

Our products are the result of time-honored Japanese craftsmanship and state-of-the-art technology, combined. Designed for ultimate comfort and durability, our materials challenge expectations.

Transportation*

Auto — As global car manufacturers announce net zero targets and sustainable manufacturing, innovative material inputs become crucial to meeting these goals. Our products are designed to reduce ecological footprint through safer chemistry, environmentally preferred materials, and operations that lower emissions, water use, and waste. Jaguar Land Rover and McLaren are just two automakers that are reimagining the concept of sustainable modern luxury by using Ultrafabrics' interiors.

*We also proudly serve bus, coach, rail, and trucking customers, meeting their needs for durable, luxurious, and safe materials.

Aviation — Our products' lighter weight reduces environmental loads during transportation and use, which is especially important in aviation. Ultrafabrics products are about 1/2 to 2/3 the weight of genuine leather or PVC. Our products are the fabric of choice for progressive brands like Virgin Galactic and Gulfstream Private Jets.

RV/Marine — Ultrafabrics has been a longstanding choice for the marine industry. Princess Yacht has been committed to Volar Bio as the standard upholstery fabric for interior helm seating on all of their models. "Ultrafabrics has remained a staple resource for Princess Yachts over many years with the eco-friendly Volar Bio collection providing the complete package of quality, comprehensive color palette, and durability to offer an ideal resource to support our move towards sustainable design."

Furniture & Hospitality

Ultrafabrics is honored to have been named a Carbon Reduction Leader for Steelcase, "designing better futures for the well-being of the planet by reducing its carbon footprint, designing for circularity, and choosing and using materials responsibly." In 2024, Volar Bio earned the Interior Design Magazine HiP Award in the hospitality category for its outstanding environmental impact. Our fabrics, which are SCS Indoor Advantage Gold certified and included in the mindful Materials and Design for Health by Mindlick libraries, support sustainably-minded manufacturers and designers to reduce their environmental impact.

Healthcare

Healthcare offices require durable, vinyl-free materials to prevent harmful off-gassing and promote patient well-being. We proudly offer a selection of materials that support Health Care Without Harm's goal of eliminating the use of five substances – PVC, PFAS stain-resistant finishes, flame retardants, antimicrobials, and formaldehyde. Our products are trusted by specifiers and designers of clinical settings, patient and waiting rooms, doctor's offices, and spas for customers like A-dec, Haworth Health, and Lexor.

Fashion

Ultrafabrics animal- and skin-friendly polyurethane fabrics provide a luxury alternative to leather that offers value in both design and innovation in the fashion industry. "For my brand, Smouldy, it's important to provide premium faux leather options that cater to diverse preferences. Ultraleather stands out in a league of its own with its ideal thickness, buttery softness, and exceptional durability, opening endless possibilities for creative manipulation. Its stunning array of colors is unmatched, making it versatile. Once you try Ultraleather, it's very hard to find other materials that match up to the level of quality." - Stephanie Mold, Designer



Polyurethane-Coated Fabrics at Ultrafabrics

At Ultrafabrics, we prioritize sustainability and responsible manufacturing to minimize environmental and health risks. Our polyurethane-coated fabrics are free from PVC, plasticizer phthalates, and formaldehyde, which are often found in other alternatives like vinyl and pose environmental risks and health hazards. DKK's proprietary Takumi™ manufacturing technology – named after the Japanese word for artisan – combines craftsmanship, cutting-edge technology, and sustainable innovation to create durable, high-comfort polyurethane-coated fabrics. This report highlights how Ultrafabrics is shaping the future of high-tech performance materials with sustainability at the core.

Report Overview

Ultrafabrics Inc. has developed this report with the support of DKK and Ultrafabrics Holdings.

Recognizing that our biggest impacts come from our manufacturing activities, we have included ESG data covering owned manufacturing (DKK) along with the sustainability goals, targets, and activities of DKK and Ultrafabrics Inc. (including Ultrafabrics Europe and Ultrafabrics Mexico). This report does not cover manufacturing data from our partner mills.

This report covers the attributes of products within the Ultrafabrics branded product portfolio unless otherwise noted.

For this report, Ultrafabrics refers to the companies of Ultrafabrics Group unless otherwise noted.

Reporting Year: January 1, 2024, through December 31, 2024, unless otherwise noted.



ESG Overview

Environmental, Social, and Governance (ESG) is a framework that measures a company’s impact beyond financial performance. By prioritizing ESG, we aim to reduce risks, drive innovation, and create positive change for people and the planet. In this report, we’ll share our efforts to make a meaningful impact across all areas of ESG – building a more responsible and competitive future in a rapidly evolving world.

Environmental

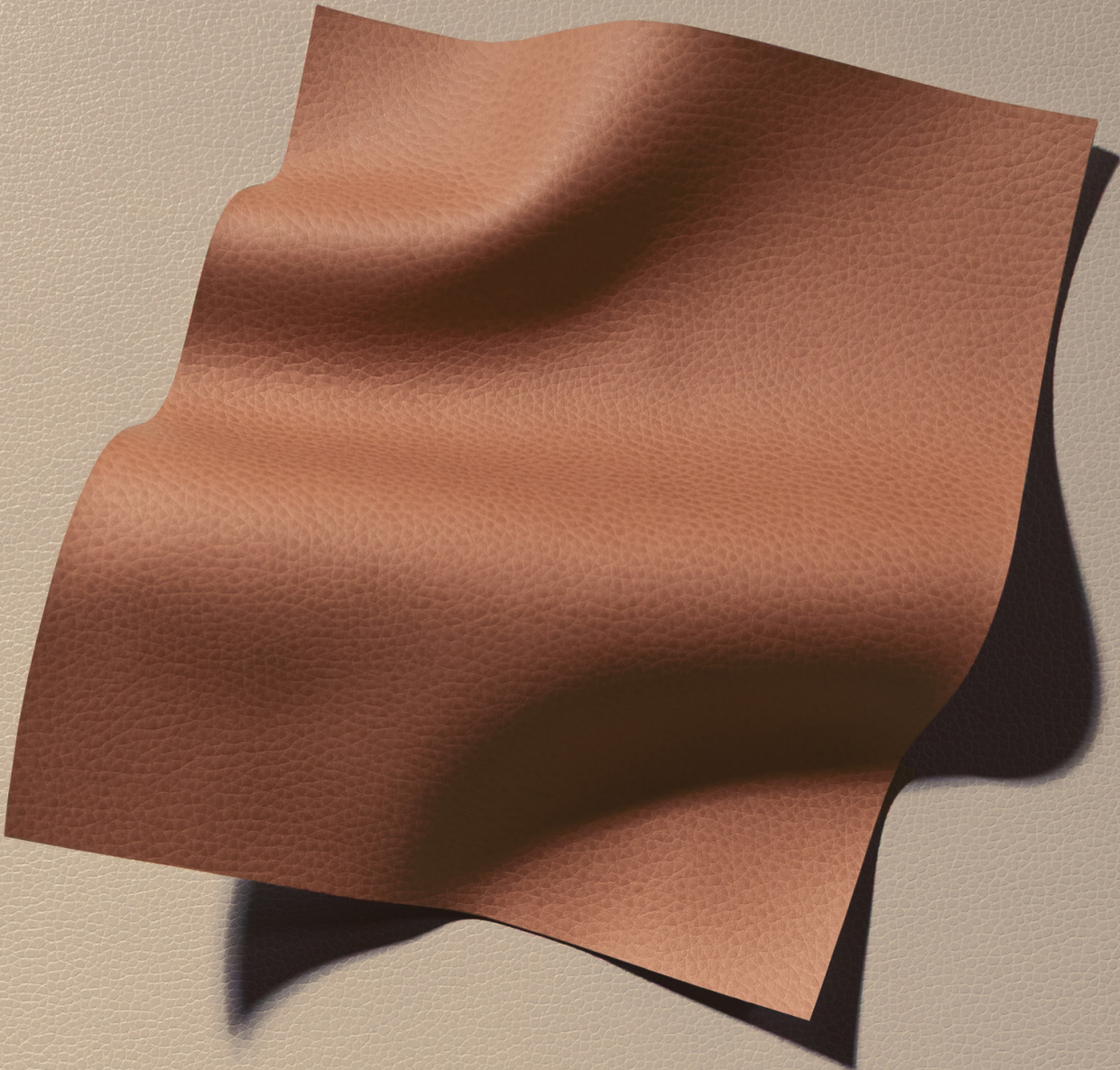
Environmental factors focus on our impact on the planet, including reducing our carbon footprint, improving energy efficiency, managing waste responsibly, and using natural resources sustainably.

Social

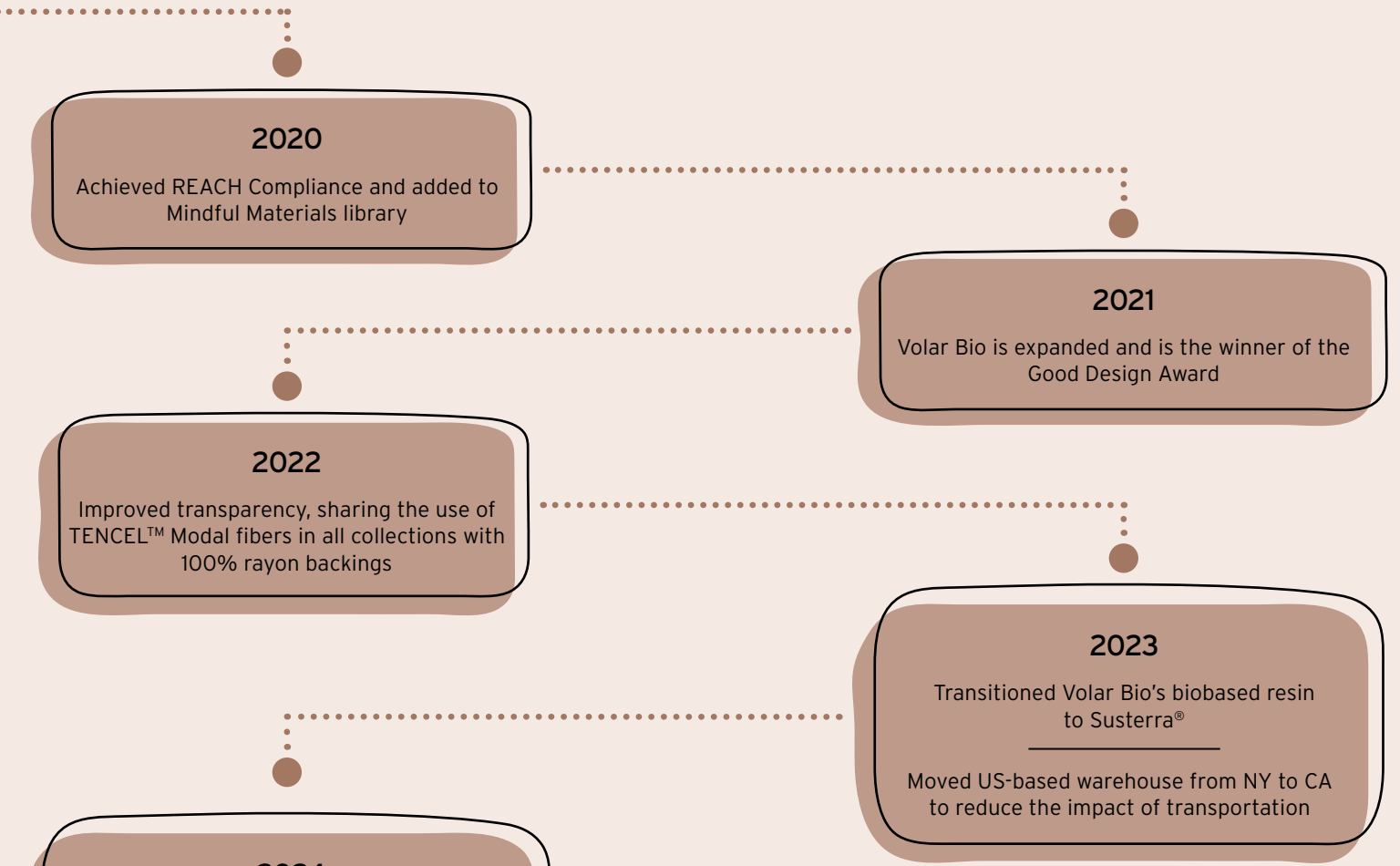
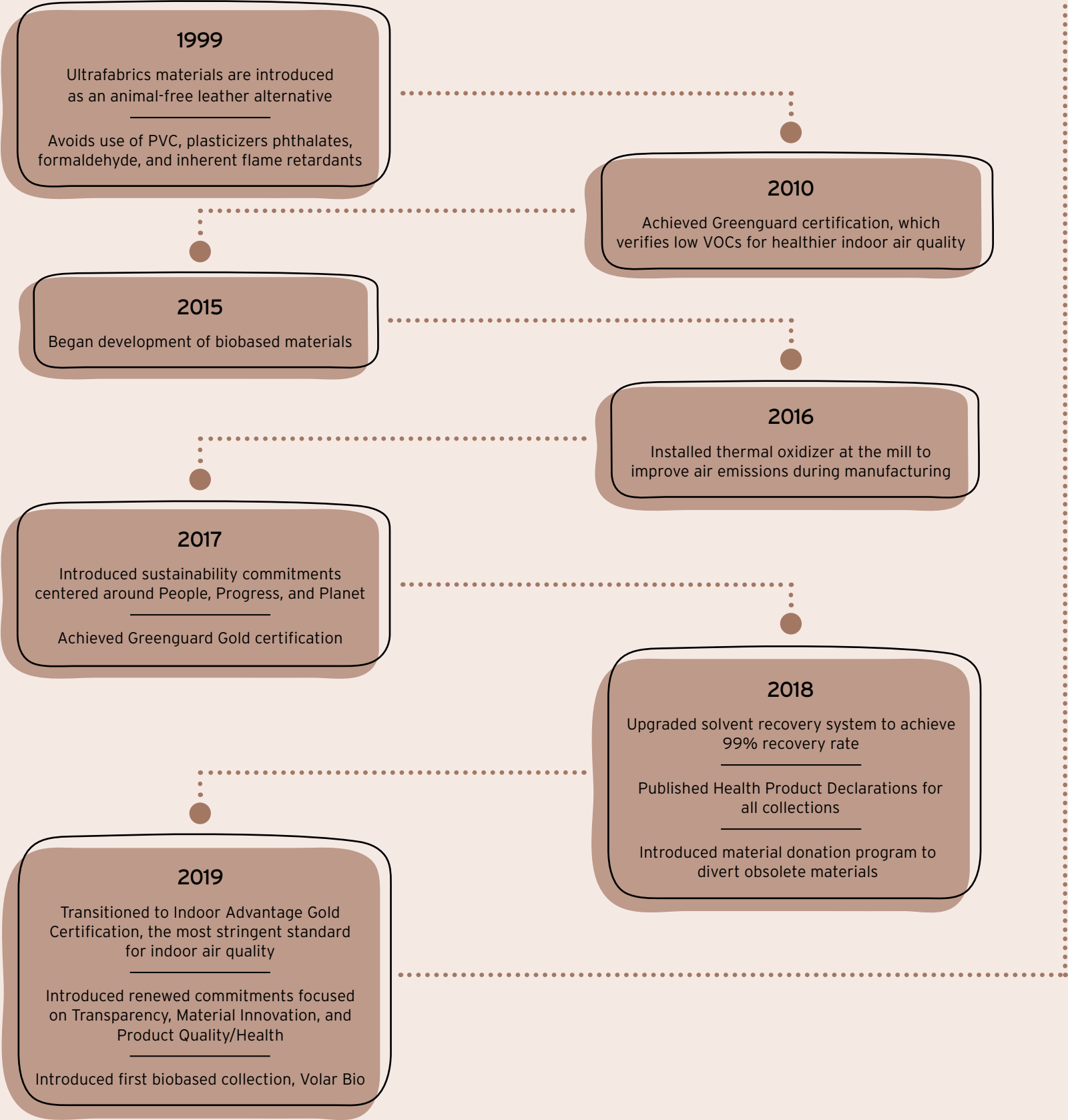
Social aspects focus on how we engage with people – both within and beyond our organization – through fair labor practices, strong employee relations, diversity and inclusion, human rights advocacy, and community involvement.

Governance

Governance refers to the systems and structures we have in place to ensure we uphold accountability, transparency, and ethical business practices through strong leadership and oversight.



Ultrafabrics' Long-Term Commitments & Targets



2024
25 year anniversary

Fully transitioned Ultrafabrics branded product portfolio to contain at least 50% environmentally preferred materials like biobased resin, recycled polyester, and FSC/PEFC certified viscose

All Ultrafabrics open-line products sold in the US are PFAS-free

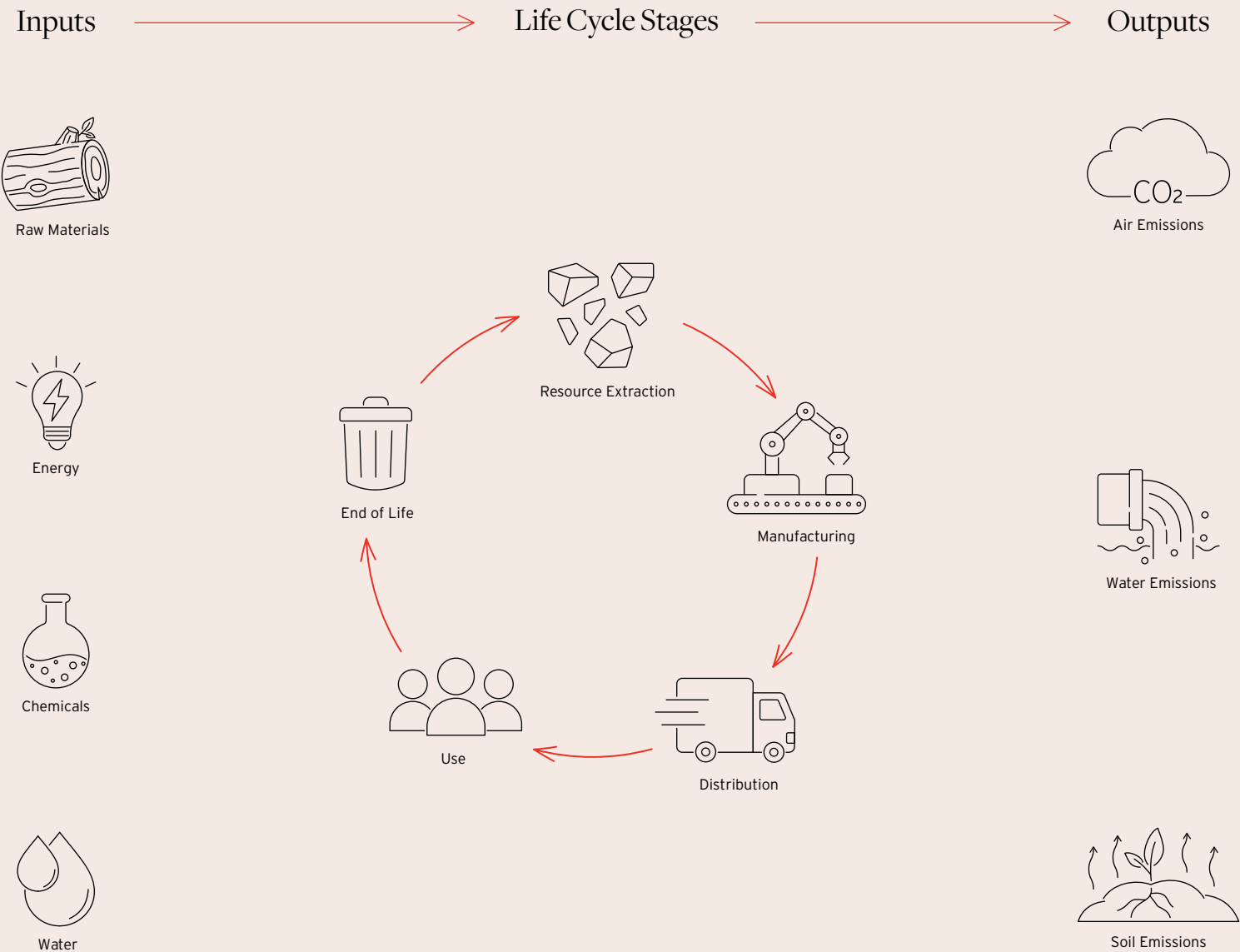
Completed an LCA on a product representing our most typical style

Established Sustainability Procurement & Human Rights Policies

Goal	Target Date	2024 Progress
All Ultrafabrics branded products sold in the US are PFAS-free	2025	100%
All products in the Ultrafabrics portfolio sold globally are PFAS-free	2027	90%
Reduce Scope 1 and 2 emissions by 42% from a 2021 baseline	2030	18.51%
All Ultrafabrics branded products sold to furniture, healthcare, recreational vehicle, marine, aviation, and accessories markets have at least 50% environmentally preferred materials	2025	100%
Uf Select portfolio and applicable transportation-grade materials have at least 50% environmentally preferred materials	2030	Target set
Reduce water use by 20% from a 2020 baseline as percentage of yards produced	2025	11.7%
Maintain 3% or less waste intensity – meaning that 3% or less of the yardage we produce each year goes to landfill or is recycled	Ongoing	1.33%

Environmental

At Ultrafabrics, sustainability is at the core of company culture. As we continue to push the boundaries of material innovation, we are proud to share our latest progress in product development, safe chemistry, and operational efficiency. From advancing biobased and recycled materials to reducing our environmental footprint through energy conservation, water recycling, and emissions reduction, our commitment to continuous improvement and accountability remains stronger than ever. Last year, to better understand the impacts of our products, we completed an LCA on a product representing our most typical style. Through collaboration, research, and a commitment to responsible practices, we are shaping the future of high-performance materials – delivering sustainability without compromise.



Environmentally Preferred Materials



Enhancing sustainability through lower-impact materials

Ultrafabrics is working to increase our use of environmentally preferred materials like biobased, recycled, and certified inputs in our backings and resins to reduce the environmental impact of our materials portfolio. Our initial investment in these materials began about a decade ago when we became the first and only polyurethane-branded partner to utilize TENCEL™ Modal in our backcloth. Since then, we have continued to explore and integrate innovative alternatives that reduce environmental impact without compromising quality or performance. Our commitment to material sustainability drives ongoing research, partnerships, and advancements that push the industry toward a more responsible future.

Where We've Been

- 2023 –
- Transitioned Brisa, Brisa Distressed, Promessa, and Fresco collections to 65% recycled polyester and 35% FSC/PEFC certified viscose backing.
 - Transitioned Volar Bio collection to new biobased resin with full supply chain transparency.
 - Transitioned the backings of 21 collections, including Volar Bio, to the 65% recycled polyester and 35% FSC/PEFC certified viscose backing.
 - Conducted R&D with a partner mill to source environmentally preferred materials for Uf Select product portfolio backings.
 - Invested in R&D to produce more sustainable products (biobased inputs).
- 2019 –
- Introduced first biobased collection Volar Bio.

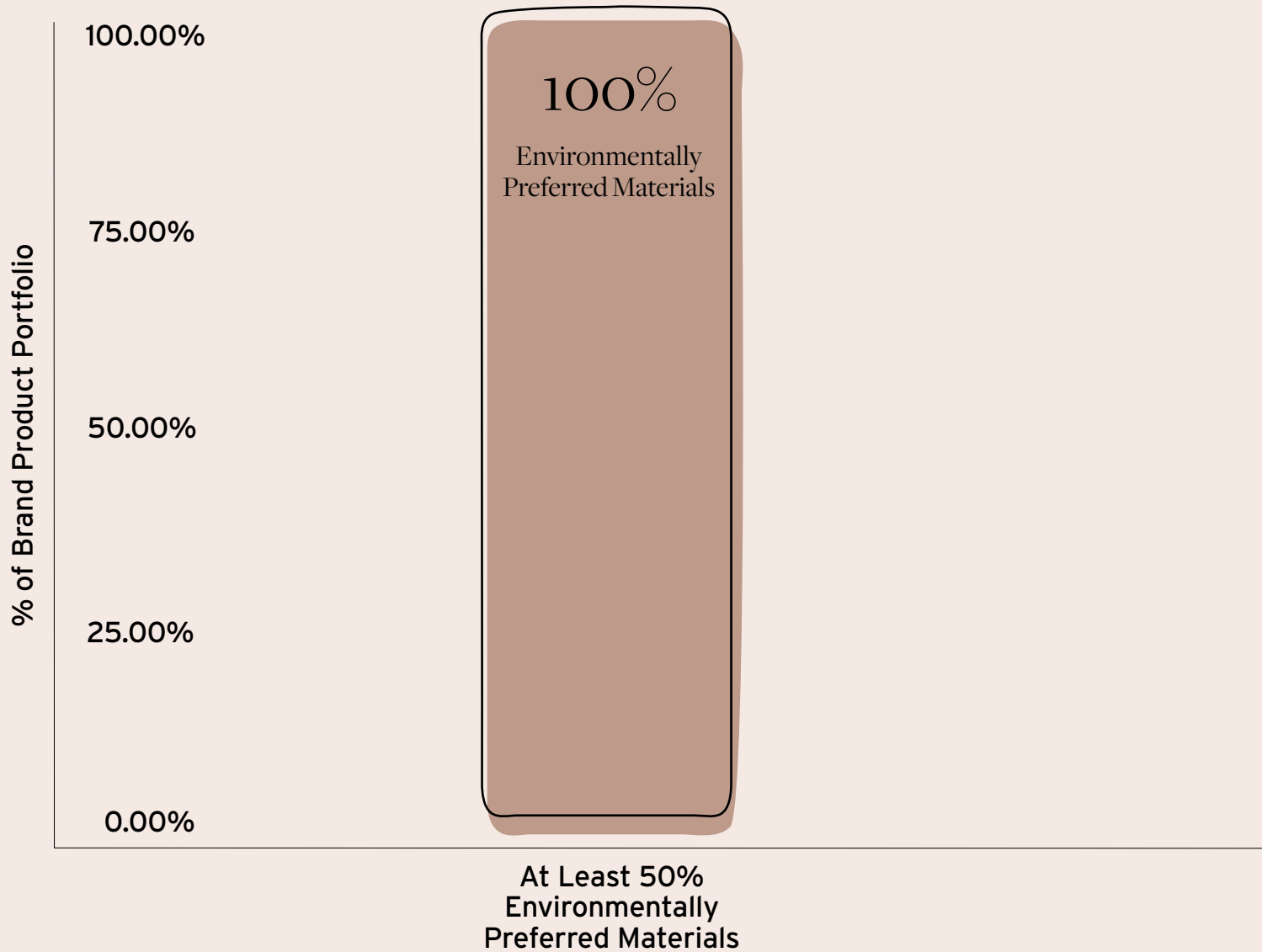
Where We Are

- 2024 –
- Completed the transition of the Wired collection to backcloths containing 65% recycled polyester and 35% FSC/PEFC-certified viscose backing.
 - All Ultrafabrics branded products sold to furniture, healthcare, recreational vehicle, marine, aviation, and accessories markets have at least 50% environmentally preferred materials – a year ahead of target!
 - Continued advancements in R&D for biobased alternatives.

Where We're Going

- 2030 –
- Uf Select portfolio and applicable transportation-grade materials will have at least 50% environmentally preferred materials.

Ultrafabrics Branded Product Portfolio Composition



Spotlight: Environmentally Preferred Materials

At Ultrafabrics, “Environmentally Preferred Materials” are defined as materials that are manufactured, processed, and/or sourced in ways that reduce their overall environmental impact compared to conventional alternatives. This includes minimizing greenhouse gas emissions, reducing energy and water consumption, lowering levels of toxic or hazardous substances, and conserving natural resources.

We Are Increasing the Use of Recycled Polyester in Our Backcloth

Recycled materials are certified to contain recycled content from pre-consumer (before a product has been used) or post-consumer (after a product has been used) feedstock sources. We use recycled polyester in the polyester-viscose backcloth of our **Promessa, Brisa Forecast, Brisa Frontier, Summit, Pumice, Wired, Brisa, Brisa Distressed, Tottori, Ellora, Coast, and Volar Bio** collections.

Ultrafabrics incorporates REPREEVE®, a branded recycled polyester fiber from Unifi, into its backcloths to support sustainability and waste reduction. Made from post-industrial waste and recycled plastic bottles – some collected within 50km of waterways in developing regions to prevent ocean pollution – REPREEVE® offers the same strength and durability as virgin polyester while using recycled inputs. Ultrafabrics’ REPREEVE® yarn blend contains 80% post-consumer and 20% pre-consumer recycled polyester, equating to approximately 8.3 recycled bottles per yard of fabric. This material conserves natural resources, diverts waste from landfills, and saves energy – 24,000 BTUs per pound, or about 0.2 gallons of gasoline – while maintaining full traceability and employing cleaner chemical processes. REPREEVE® is Global Recycled Standard (GRS), SCS Recycled Content, Oeko-Tex Standard 100, Ocean Cycle certified.

Another recycled polyester source Ultrafabrics began using in 2025 is Toray™. This high-performance fiber made from recycled PET bottles was developed to support sustainable production through clean recycling and full traceability. Its production process ensures minimal impurities and meets Global Recycled Standard (GRS) requirements through Toray’s proprietary identification system. Collected bottles are cleaned, filtered, and processed into high-purity pellets, then transformed into versatile, high-performance fibers using Toray’s exclusive technology.

A Continued Focus on Material Innovation

Building on the success of Volar Bio, our team is developing new biobased and fossil fuel alternative inputs for future collections, including materials like rice husks, scallop shells, and eggshells. We are also working on a solvent-free product and expanding our sourcing of backcloths containing environmentally preferred materials. Throughout this process, we ensure our products meet high aesthetic standards, maintain durability, haptics, and functionality, and deliver clear sustainability benefits.



We're Ensuring Our Backcloths Contain FSC or PEFC-certified Viscose

FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) ensure that wood, paper, and other forest products come from responsibly managed forests. These certifications uphold strict environmental and social standards to protect biodiversity, prevent deforestation, and support local communities.

We are enhancing the sustainability of our products by increasing our use of FSC/PEFC-certified viscose fibers in our backcloths. Choosing these materials helps protect forests and supports a more sustainable supply chain. We use FSC or PEFC-certified viscose in the polyester-viscose backcloth of our **Promessa, Brisa Forecast, Brisa Frontier, Summit, Pumice, Wired, Brisa, Brisa Distressed, Tottori, Ellora, Coast, and Volar Bio** collections.

One example is the addition of FSC-certified Daiwabo Corona to our supplier network in 2025. With a legacy of sustainability since 1934, Daiwabo has consistently delivered reliable rayon fiber products. Their commitment to people and earth-friendly practices aligns with our values and supports our shared goal of building a sustainable society.

Another example is ECOVERO™, a viscose alternative by Lenzing AG, made from wood sourced from FSC/PEFC-certified forests to protect ancient and endangered ecosystems. Its closed-loop process reduces waste, uses significantly less water, and generates lower CO₂ emissions compared to traditional viscose production. ECOVERO™ is EU Ecolabel and Oeko-Tex Standard 100 certified.

We also use FSC/PEFC-certified TENCEL™ Modal Rayon, a cellulosic fiber made by Lenzing AG from beech wood sourced from responsibly managed forests in Austria and nearby countries. It is produced using renewable energy, recovers byproducts as co-products, and is EU Ecolabel certified. TENCEL™ Modal is featured in the backcloth of our **Ultraleather, Pearlized, Ultraleather Anti-Static, and EcoTech** collections.

We're Supporting Measurable Impact by Sourcing Susterra®'s Biobased Resin for Volar Bio

Debuting in 2019, with year-over-year sales increases, Volar Bio reflects Ultrafabrics' sustainable vision with a 66% mix of environmentally preferred content. The collection's evolution includes recycled polyester, FSC/PEFC-certified viscose, and Susterra® biobased resin. Volar Bio showcases our commitment to high-performance materials that are both eco-conscious and innovatively designed.

Biobased products are derived from raw materials such as plants and other renewable agricultural, marine, and forestry materials. Biobased products generally provide an alternative to conventional petroleum-derived products and are considered more sustainable because they can be replenished relatively quickly and have a lower environmental impact. Volar Bio is certified by the USDA BioPreferred program to contain 29% biobased inputs.

In 2023, we began sourcing a biobased resin, Susterra®, for the Volar Bio collection to support measurable impact in our supply chain. All raw material feedstock used to make Susterra® is covered under the Truterra program, which is working to bolster sustainability on 1.5 million acres of U.S.-grown corn. Through the program, U.S. Midwest corn farmers can more effectively target and measure the impact of their efforts to protect the environment, including customized support to help drive measurable improvements in GHG emissions reduction and soil health.



Spotlight: Pioneering Sustainable Design With Volar Bio

Ultrafabrics is redefining sustainable design with a series of prestigious recognitions for Volar Bio that underscores our industry leadership. The collection earned the Interior Design Magazine HiP Award for its outstanding environmental impact in the hospitality product category and further showcased Ultrafabrics’ commitment to sustainability with accolades from the MetropolisLikes 2024 Awards. Additionally, receiving the Interior Design Magazine Best of Year Environmental Impact Award for Volar Bio reinforces Ultrafabrics’ dedication to sustainable innovation and transformative design practices.



Promoting Safe Chemistry



Delivering Safer Materials for Our Producers and Clients Alike

At Ultrafabrics, safer chemistry is a core priority. We are committed to reducing environmental and health impacts while advancing a more sustainable textile industry. Since 2018, our production system has recovered and recycled over 98% of manufacturing solvents. We have also maintained REACH SVHC compliance since 2020, assessing products twice a year to ensure they meet or exceed standards. Additionally, we publish Health Product Declarations (HPDs) for all collections to promote transparency.

Where We’ve Been

Where We Are

Where We’re Going

2023 –

- We reviewed the Living Building Challenge Red List, and as of 2023 Ultrafabrics products do not contain any Red List chemicals, with the exception of our outdoor products (Brisa Frontier, Brisa Forecast, Coast, Pumice, and Summit).

2022 –

- Transitioned entire branded product portfolio to be PFOA-free.

2018 –

- Updated systems to recover and recycle over 98% of solvents used in manufacturing.

2011 –

Established a restricted substance list that excludes the following from the Ultrafabrics branded product portfolio:

- Conflict Minerals
- Flame Retardants*
- Heavy Metal Stabilizers
- PFOA (Perfluorooctanoic Acid)
- Plasticizer Phthalates
- POPs (Persistent Organic Pollutants)
- PVC (Polyvinyl Chloride)

*Except for aviation, automotive, or when requested by customer.

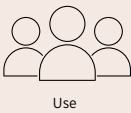
2024 –

- Launched a PFAS-free ink and stain-resistant product.
- Continued demonstrated progress in our exploration for DMF-free products.
- All Ultrafabrics branded products sold in the United States are now PFAS-free.

2027 –

- All products sold globally will be PFAS-free.

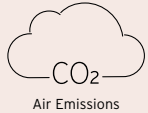
Quality Design for Longevity



Providing Long-Lasting Products That Surpass Customer Expectations

In line with circular economy best practices, Ultrafabrics is focused on creating long-lasting products so that the raw materials, energy, and environmental impacts embedded in them can spread over time. By designing for durability and performance, we help reduce waste and extend the lifecycle of our materials. Our commitment to longevity benefits customers and supports a more sustainable and responsible approach to resource use.

Energy Conservation & Climate Impact



Reducing GHG Emissions Throughout Our Owned Operations

At Ultrafabrics, we are committed to tackling climate change and reducing our greenhouse gas emissions in alignment with the Paris Agreement to limit warming to 1.5°C. Our products are 50-67% lighter than genuine leather or PVC (polyvinyl chloride), reducing the carbon impact of transportation and use. By prioritizing lightweight, high-performance materials, we help our customers lower their carbon footprint while ensuring superior durability and comfort.

Where We’ve Been

Where We Are

Where We’ve Been

Where We Are

Where We’re Going

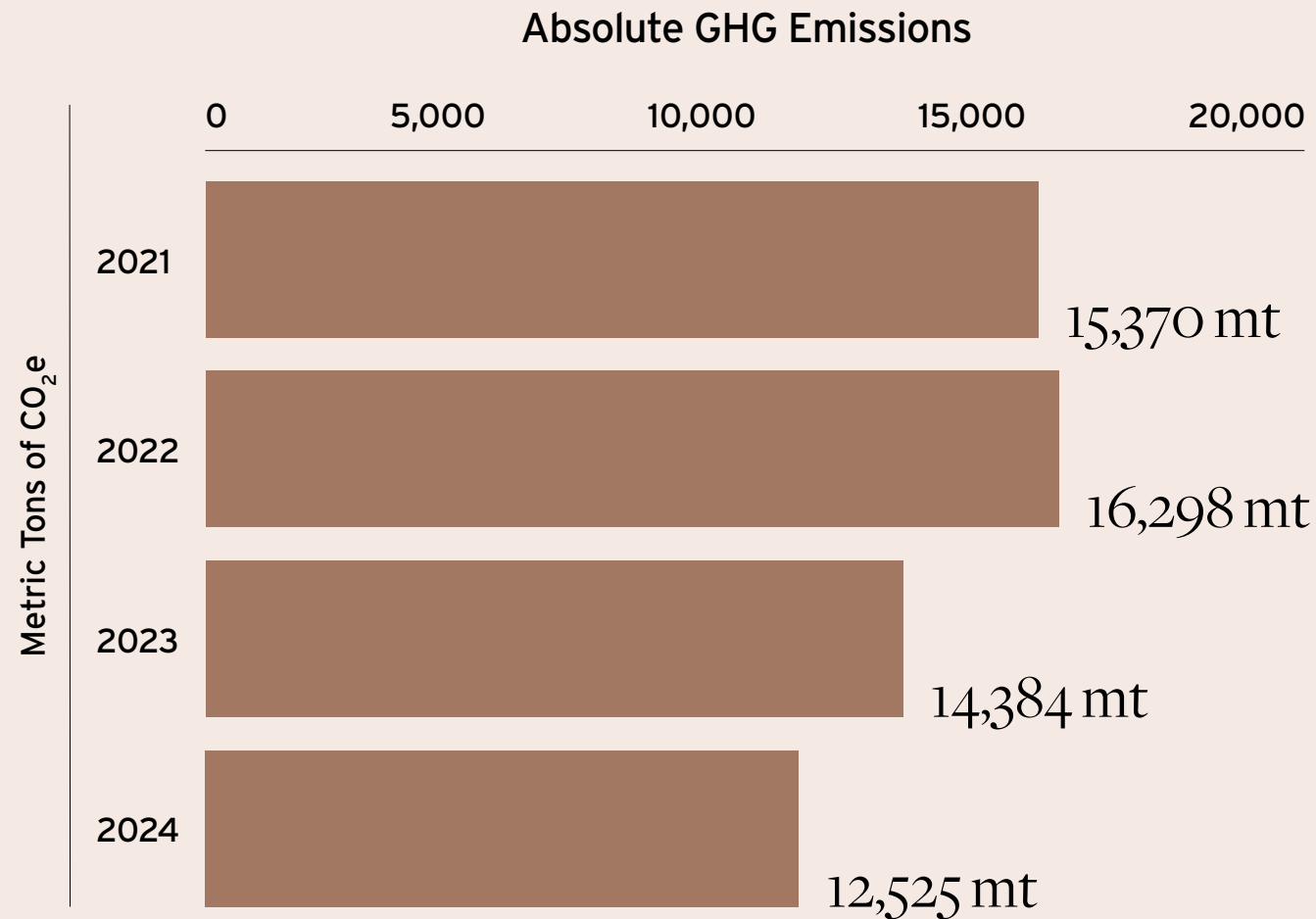
- 2023 –
- Updated **Quality Policy** and quality management system in line with IATF16949 and JIS Q 9001 to ensure product longevity and performance.
- 2022 –
- Improved performance of majority of Ultrafabrics branded product portfolio to meet 16 weeks hydrolysis, the highest in our product category.*
 - Extended product warranty period from 2 to 5 years from date of shipment.**
- * There is no direct correlation of testing weeks to years of service in the field. As with any fabric, multiple factors including environment, usage, abuse, and application type can contribute to longevity. Exceptions to 16 weeks hydrolysis include: Fusion and Fusion Shimmer achieves 14 weeks.
- ** Warranty covers any defects in materials or workmanship giving our customers even more peace of mind. Does not apply to Uf Select and specific applications, like marine and aviation. Please visit our website for complete warranty information. New warranty applied to purchase orders received after February 8, 2022.

- 2024 –
- Regularly gathered customer feedback and conducted supply chain quality assurances to drive product excellence.

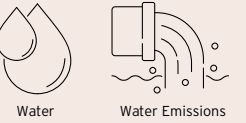
- 2023 –
- Achieved a 6.41% reduction in Scope 1 & 2 emissions from 2021 baseline and a nearly 6% reduction in emissions per yard of fabric produced compared to 2021.
 - Installed a new machine to efficiently deliver steam produced by boilers to the point of use, which resulted in a reduction in GHG emissions of approximately 1%.
 - Moved US-based warehouse from NY to CA to reduce impact from transportation.
 - Cut use of air freight by about 50% to reduce impact from transportation.
 - Calculating and reducing Scope 3 emissions based on the GHG Protocol.
 - Gunma Plant solar system generated 196,922 kWh of energy, reducing electricity needed at the plant by 7.19%.
- 2022 –
- The Science-Based Targets initiative (SBTi) approved our near-term science-based emissions reduction target to reduce Scope 1 and 2 emissions 42% from fiscal year 2021 through fiscal year 2030.
 - Gunma Plant solar system generated 175kW of energy, reducing electricity needed at the plant by 6.8%.
- 2013 –
- Introduced a boiler equipped with a three-stage combustion mode at the Gyoda Plant to reduce emissions.

- 2025 (Q1) –
- Opened new Chiyoda Plant (Jan. 2025), featuring a hydrogen boiler, solar power, and energy storage.
- 2024 –
- Achieved an 18.5% reduction in Scope 1 & 2 emissions from 2021 baseline.
 - Installed new solar panels at our Gunma Plant’s production facility and warehouse to reduce Scope 1 and 2 emissions.
 - Air freight made up just 8.6% of our monthly shipments to U.S. warehouses—down from 14% in 2023 and 31.3% in 2022.

- 2030 –
- Reduce Scope 1 and 2 emissions by 42% from a 2021 baseline.



Water Conservation & Recovery



Mitigating the Impacts of our Production Processes on Water Resources

Water is a vital and limited resource. At Ultrafabrics we are taking a proactive approach to minimize water consumption and pollution, mitigating the environmental and public health risks often associated with fabric manufacturing. Our commitment extends beyond compliance—we continuously seek new ways to optimize production processes. DKK's new state-of-the-art production plant (Chiyoda) features an advanced wastewater treatment system, allowing for the reuse of two-thirds of the water used on-site.

Where We've Been

2023 –

- Achieved 0.050 metric tons (mt) of water per yard produced, a 13.5% reduction from the 2020 baseline.

2022 –

- Achieved 0.046 metric tons (mt) of water per yard produced, down from the 2020 baseline of 0.058 mt.

Where We Are

2025 (Q1) –

- Launched operations of new Chiyoda Plant, increasing water recycling with its own wastewater treatment facility.

2024 –

- Reduced water use to 0.051 metric tons per yard – a 11.7% decrease from the 2020 baseline.
- Continued R&D to reduce solvent use.

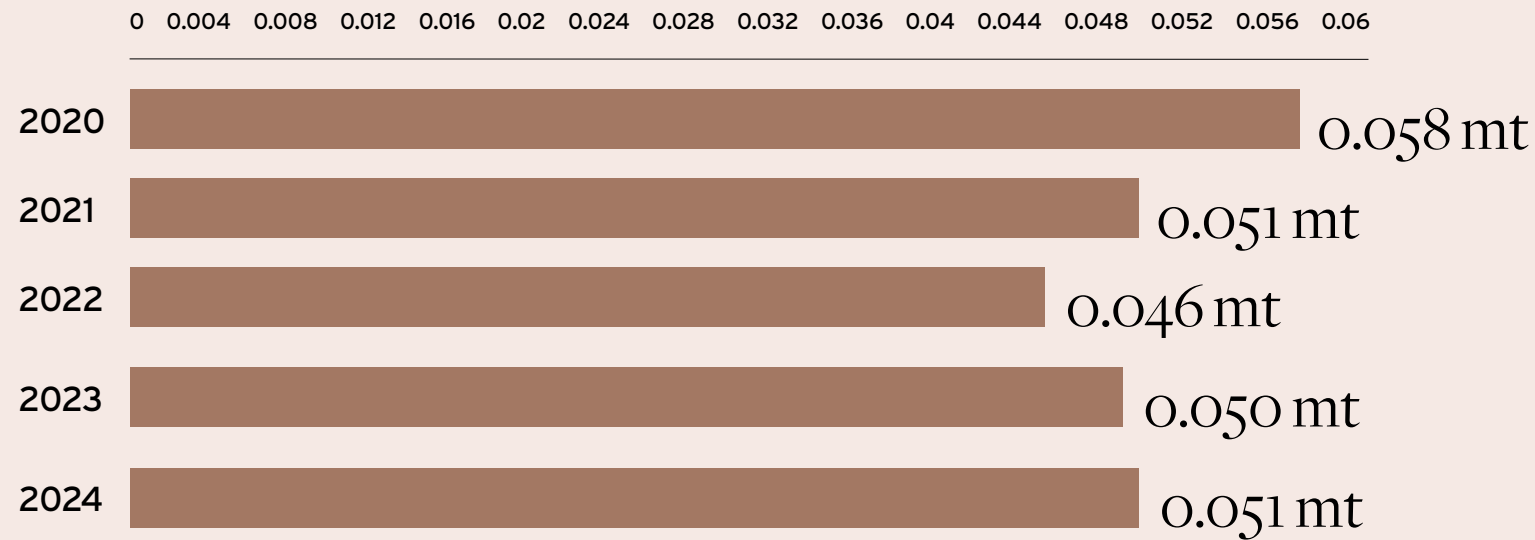
Where We're Going

2025 –

- Reduce water use by 20% from a 2020 baseline as percentage of yards produced.

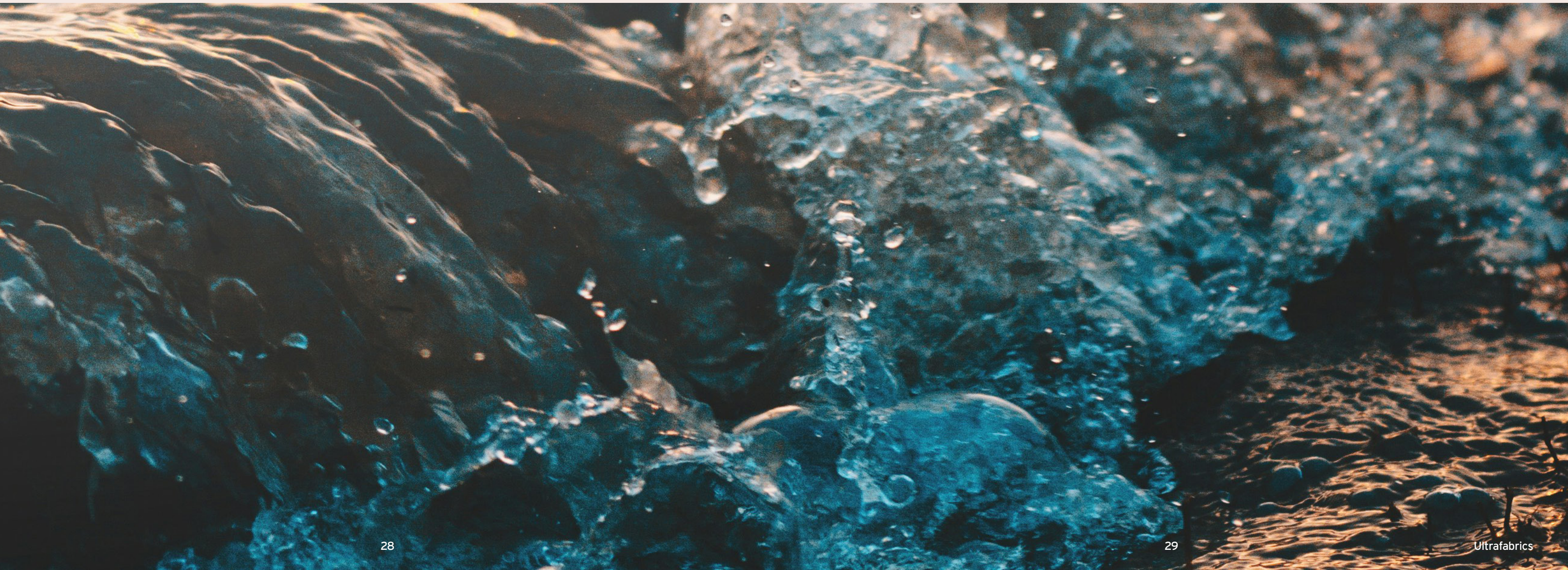
Water Intensity from Manufacturing

Metric Tons of Water per Yard Produced



Spotlight: State-of-the-Art Sustainability at the New Chiyoda Plant

Ultrafabrics' new Chiyoda mill represents the next generation of fabric production. Enhancing DKK's proprietary Takumi™ Technology, this facility improves process efficiency to significantly reduce our water footprint. The advanced wastewater treatment system will significantly reduce our consumption of water in the manufacturing of our fabrics by enabling the reuse of two-thirds of the water used on-site.



Material Conservation & Recovery



Reducing and Diverting Waste

Ultrafabrics is actively seeking ways to reduce and divert waste by embracing circular economy principles. This includes implementing sample return policies, efficiently managing inventory, and closely monitoring manufacturing waste and scrap ratios. At DKK, we are optimizing production efficiency to minimize waste generation and maximize material reuse. For the small portion of remaining waste, we prioritize donation or upcycling whenever possible, ensuring that every resource is used to its fullest potential.

Where We’ve Been

Where We Are

Where We’re Going

2023 —

- Achieved 1.52% waste intensity, which represents the percentage of yards produced in a year that become waste and aren’t diverted from landfill.
- Donated about 2,000 yards to various organizations including University of Iowa and Studio JLD.
- Launched pilot to sell product waste to a partner who can downcycle it.
- <REDOW> products became available for sale on the Ultrafabrics Holdings Company site.
- Began diverting defective products to be used as material for tarps.

2022 —

- Introduced electronic manifest system to track waste processes for forwarding companies to whom we have issued licenses and contracts.

2021 —

- Launched <REDOW>, a Japan-based upcycling brand that repurposes discarded materials into new products like bags and cushions.

2019 —

- Transitioned to FSC-certified packaging materials for sampling that contains a range of 20-75% post-consumer waste.

2018 —

- Implemented Mottainai community donation program.

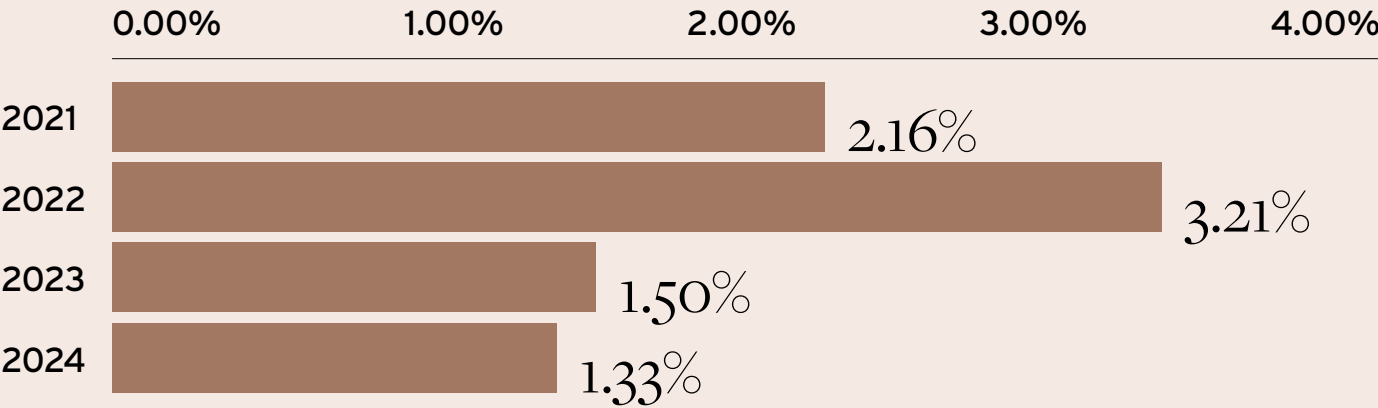
2024 —

- Achieved a 1.33% waste intensity, which represents the percentage of yards produced in a year that become waste and aren’t diverted from landfill.
- Reduced printed marketing materials by about 32% compared to 2023.
- <REDOW> transitioned to a B2B model, collaborating with designers to expand the product range and maximize the use of discarded materials to reach a broader audience.

Ongoing —

- Maintain 3% or less waste intensity - meaning that 3% or less of the yardage we produce each year goes to an external industrial waste company to be landfilled or incinerated for fuel.

Waste Intensity



Spotlight: Finding New Potential Through <REDOW>

Ultrafabrics is redefining waste through our <REDOW> program. In 2024, we transitioned <REDOW> to a B2B model, collaborating with designers to expand our product range and maximize the use of discarded materials, reaching a broader audience. As part of this shift, we are seeking partners to co-develop projects that advance upcycling, recycling, and circular design. Our goal is to extend the lifecycle of materials, minimize industry waste, and create solutions that support long-term sustainability. By working together, we can drive innovation, enhance resource efficiency, and contribute to a more sustainable future.



At Ultrafabrics, our people and communities are at the heart of our success. We are committed to fostering a workplace culture that prioritizes health, safety, well-being, and engagement while driving meaningful social impact. This year, we advanced workplace safety measures and expanded learning and development opportunities. Employee feedback led to work schedule improvements, and initiatives like Wellness Week and the Employee Assistance Program continue to support well-being. Beyond our workplace, we remain dedicated to community engagement, from tree-planting efforts to volunteer programs and in-kind donations. Through continuous investment in our people and communities, we are building a thriving, inclusive, and socially responsible future.



Employee Health & Safety

Creating a Safe Environment for Our Workers

At Ultrafabrics, we prioritize employee health and safety by maintaining a workplace free from accidents and health risks. At DKK, this commitment includes comprehensive training, proper equipment handling certifications, and regular health checks. Our proactive approach helps create a safer, healthier, and more supportive work environment.

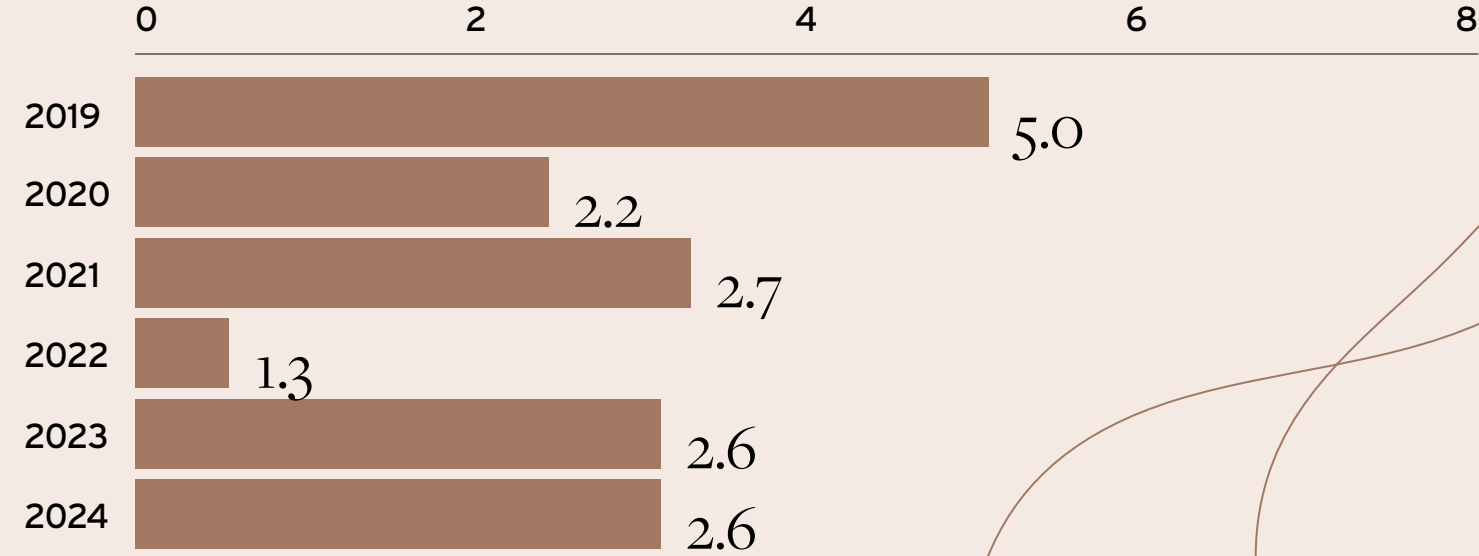
Where We’ve Been

- 2023 –
- 78% of manufacturing employees at DKK participated in health & safety trainings.
 - 100% of manufacturing employees at DKK received health checks.
- 2019 –
- Transitioned to SCS Indoor Advantage Gold certification for all current collections, ensuring that furniture products meet the strictest chemical emission limits for VOCs.
- 2017 –
- Installed air intake/exhaust systems at DKK.
 - Achieved Greenguard Gold certification for all products.
- 2016 –
- Installed thermal oxidizer to improve air emissions during manufacturing at DKK.
- 2010 –
- Achieved Greenguard certification for all products.

Where We Are

- 2024 –
- Improved ventilation and made workplace adjustments to reduce employee exposure to solvents and minimize health risks.

Lost Time Injury Frequency Rate
Injuries per 200,000 Hours Worked



Employee Engagement, Well-Being & Culture

Fostering an inclusive and collaborative work environment.

Achieving true sustainability requires expanding roles, platforms, and opportunities for all employees to drive meaningful progress toward a more inclusive industry. At Ultrafabrics, we strive to create a culture where everyone has equal opportunities to contribute, and diverse experiences, abilities, and ideas are valued. By fostering equity and empowerment, we encourage innovation, strengthen collaboration, and ensure every team member has the support and resources to thrive and grow.

Where We’ve Been

Where We Are

Where We’re Going



2023 –

- Launched Employee Engagement & Satisfaction Surveys covering all employees across Ultrafabrics Group to gauge job satisfaction and work / life balance.
- Relaunched Ultrafabrics Inc. Impact Squad, made up of employee volunteers who are tasked with addressing new initiatives to keep employees engaged.
- Rolled out trainings related to Diversity, Equity, and Inclusion for all employees in Japan.

2022 –

- Re-introduced Uf University, a monthly series of live and on-demand training sessions.
- Launched Ultrafabrics Inc. Wellness Week to all UFI and UFE employees.

2019 –

- Relaunched the confidential Employee Assistance Program (EAP) for all Ultrafabrics Inc. employees, offering support for well-being and professional growth.

2024 –

- 88% of UFI, UFE, and UFM employees participated in UF University, gaining insights into sustainability, products, and career growth.
- Forty-eight employees joined UFI's Wellness Week, engaging in stress-relief activities like massages, healthy lunches, sound baths, and self-care breaks.
- UFI, UFE, and UFM employees completed training on ethics, harassment prevention, and anti-corruption, strengthening workplace integrity.
- UFI and DKK conducted a bi-annual employee survey, resulting in work schedule improvements.
- Conducted a small group discussion for the first time between manufacturing employees and the DKK president.

2025 –

- UFI & DKK will conduct Diversity, Equity, and Inclusion training for all employees.
- UFI will implement a formal learning system for employee development and launch an employee rewards program.

Ultrafabrics Group
(UFI, UFE, DKK, UFH)

Total Number of Employees	326
% of Female Employees	29.54%
% of Employees with Disabilities	0.5%
% of Female Managers	22.70%

Empowering Our Team: Ultrafabrics Employee Engagement Programs

The Impact Squad is Keeping Our Team Engaged

Our Impact Squad is made up of a group of employee volunteers who plan events like lunches, organize quarterly Impact Squad/Employee of the Month awards, and dedicate time to improving company processes overall.

Impact Squad covers Ultrabrics Inc. and Ultrafabrics Europe.

Uf University Showcases the Value of Education Within Our Corporation

Through Uf University, we empower our employees by providing courses to further understand our company, learn more about their colleagues, and develop skills beyond our office walls. Courses range from Uf-specific topics (Product Testing & Specs, Sustainability Report, UKG Walkthrough, etc.) to creativity (Paper Marbling, Designing for the Senses, etc.) to career building (Microsoft Office Training, EQ at Every Level, etc.).

Uf University is available to all Ultrafabrics employees.

Wellness Week Demonstrates Our Commitment to Work/Life Balance

Wellness Week encourages employees to step away from work-related stress and explore new hobbies and relaxation. Programs in 2023 and 2024 included in-office massages, healthy lunches, outdoor walks or wellness breaks, and activities like yoga, tea blending, and sound baths.

Wellness Week is open to all Ultrafabrics Inc., Ultrafabrics Europe, and Ultrafabrics Mexico employees.

Community Engagement

Driving Positive Impact in Our Communities

We are committed to having a positive economic, social, and environmental impact in the communities in which we operate. Through continual engagement and strengthening of local community relationships, we ensure our success and our communities’ success are one and the same.

Where We’ve Been

Where We Are

Where We’re Going

2023 –

- Launched Uf Cares, our holistic CSR approach covering Ultrafabrics Inc., Ultrafabrics Europe, and Ultrafabrics Mexico.

2021 –

- Began participating in several local initiatives to further deepen our roots as long-standing members of the Westchester, New York community where our US headquarters is based. This includes supporting fundraisers for Feeding Westchester (2022) and toy drives (2021) during the holiday season.

2016 –

- Established partnership with Parquet Group, an organization that provides services to people with disabilities and illnesses to live richer lives. We purchase tote bags and other items for novelty goods from the Parquet Group, which they make from our donation of unsellable inventory.

2024 –

- Provided \$10,000 Ultrafabrics Scholarship to US-based design or engineering students committed to sustainability.
- Contributed nearly \$8,000 in additional financial donations and sponsorships.
- Awarded £4,000 in UK scholarships to design students and emerging designers focused on sustainable, future-oriented design.
- Held 2 sponsorships/volunteer days with Feeding Westchester through our Uf Cares program.
- Planted 200 more trees in our Treedom forest, bringing the Ultrafabrics total to 1,000 trees, supporting local communities across 9 countries (Madagascar, Malawi, Colombia, Haiti, Cameroon, Kenya, Tanzania, Ecuador, and Guatemala) with cocoa, coffee, cashew, and noni trees.
- Sponsored a Riverkeep Sweep Site in Sleepy Hollow, NY, cleaning up 885 lbs of debris from the Hudson River.

2025 –

- Establish new partnerships for Mottainai program.
- Continue Uf Cares investment and outreach.

Spotlight: Our First Full Year of Uf Cares

We launched Uf Cares to deepen our commitment to community impact and corporate social responsibility. This holistic initiative empowers our team to give back – both within and beyond the workplace – through financial contributions to sustainability initiatives, college scholarships for future-focused designers, and employee-driven donations of time and goods to local charities. Additionally, we are dedicated to diverting unusable materials from landfills, ensuring they are repurposed by organizations in need. Through Uf Cares, we strive to create a more compassionate world, leaving a lasting legacy that extends beyond traditional business success.

Uf Cares Pillars of Action 2024 Activities

O1
Financial contributions toward sustainability initiatives.

Treedom

Since 2019, we have planted trees through Treedom, a platform that allows individuals and companies to support environmental and social benefits for local communities across nine countries: Madagascar, Colombia, Tanzania, Ecuador, Guatemala, Haiti, Kenya, Malawi, and Cameroon.

We expand our forest annually, having added 200 trees in 2024. Ultrafabrics Forest now totals 1,000 trees, capturing CO₂ while supporting local economies with cocoa, coffee, cashew, and noni.

Learn more about our Treedom Forest [here](#).

Riverkeeper

In 2024, Ultrafabrics sponsored a Riverkeeper Sweep Site in Sleepy Hollow, NY, joining the largest shoreline cleanup in New York. 47 volunteers, including 9 Ultrafabrics staff, removed 885 pounds of debris, including 100 plastic bottles, Styrofoam, and microplastics. By collecting cleanup data, Riverkeeper advocates for stronger policies to reduce waste pollution in the Hudson River watershed.

O2
Creating college scholarships to support the next generation of future-focused designers.

Student Design Scholarships

We awarded a \$10,000 student design scholarship in the US and a £3,000 student design scholarship in the UK. Congratulations to Shivani Handa and Tinashe Sandy, the winners of our first Sustainable Design Scholarships!

Learn more [here](#).

New Designers Scholarship

We sponsored a £1,000 award at the prestigious New Designers, an annual showcase of the UK's most innovative, emerging design talent.

Learn more [here](#).

Donations & Sponsorships

We provided nearly \$8,000 in additional donations and sponsorships.

O3
Encouraging employee donations of time and goods to local charities.

Feeding Westchester

In February 2024, our team volunteered with Feeding Westchester, packing 750 bags of fresh produce for the Feeding United Home Deliveries program and 279 bags for the Food is Medicine initiative. In June 2024, we returned to assemble an additional 912 bags of dry goods for Food is Medicine.

In-office Drives

We partner with organizations like Soles4Souls, Elizabeth Seton Children's Center, One Warm Coat, and JoJo Joy Drive, making a meaningful impact in our community.

In 2024, our team collected over 100 pairs of gently worn shoes for Soles4Souls and holiday toys for both Elizabeth Seton Children's Center and JoJo Joy Drive.

O4
Partnering with organizations to divert our unusable materials from landfill.

Our Mottainai Program

Since 2018, we have donated over 30,000 yards to charitable organizations, keeping materials out of landfills. Despite a warehouse transition affecting donations this year, we contributed 117 yards and plan to restart the program in 2025.



Certifications & Compliance

Aligning Our Sustainability Performance With External Standards

At Ultrafabrics, our commitment to sustainability is at the core of everything we do. We are on track to continuously elevate our performance by aligning with esteemed third-party standards and undergoing rigorous external assessments. This proactive approach not only ensures that our practices meet the highest levels of environmental and social responsibility but also builds transparency and trust with our stakeholders.

Where We’ve Been

- 2020 –
- Achieved REACH compliance for all Ultrafabrics products.
- 2019 –
- Achieved ISO 14001 certification for the Ultrafabrics United States headquarters and Japanese manufacturing facilities.
 - Transitioned to SCS Indoor Advantage Gold low VOC certification for all current collections of the Ultrafabrics branded product portfolio.
 - Volar Bio was given USDA BioPreferred certification (29% biobased product).
 - Achieved IATF16949 certification for Ultrafabrics Inc. United States headquarters and DKK Head Office, Research Lab, and Japanese manufacturing facilities.
- 2018 –
- Began offering collections that meet the Healthcare Without Harm Health Interiors criteria: Brisa, Brisa Distressed, Fusion, Fusion Shimmer, Pearlized, Tottori, Ultraleather, Volar Bio, Eco Tech, and Wired.
- 1999 –
- Achieved ISO 9001 certification for Ultrafabrics Inc. United States headquarters and DKK Head Office, Research Lab, and Japanese manufacturing facilities.



Oversight & Corporate Codes

Creating Internal Systems and Policies to Drive Accountability

At Ultrafabrics, our journey toward excellence starts from within. We’re dedicated to building robust systems and policies that guarantee accountability to our high standards, serving as the backbone of our internal governance. Through comprehensive oversight and carefully crafted corporate codes, we empower every team member to uphold our ethical and operational benchmarks, fostering transparency, continuous improvement, and a culture of shared responsibility.

Where We’ve Been

- 2023 –
- Updated [Quality Policy](#) in line with the quality management system.
 - Updated [Ultrafabrics Group Global Human Rights Policy](#) to include land, forest, and water rights and access to remedies.
 - Updated [Ultrafabrics Group Code of Conduct](#) to include conflicts of interest, economic sanctions, and whistleblower protections.
 - Updated internal reporting system to include internal and external contacts to maintain confidentiality of individual reporting.
- 2022 –
- Established an [Ultrafabrics Group Global Human Rights Policy](#) covering discrimination, consideration for local communities, harassment, forced and child labor, workplace safety, working hours and wages, and freedom of association and collective bargaining.
 - Introduced pay for performance (incentive pay of directors includes considerations for sustainability performance).
 - Created an [Ultrafabrics Group Code of Conduct](#).
- 2019 –
- Created Sustainability Committee made up of leaders across Ultrafabrics Group representing key business functions to oversee, implement, and report on sustainability strategy.
 - Established [Environmental Policy](#).

Where We Are

- 2024 –
- Established an Ultrafabrics Group Sustainability Procurement Policy.
 - Established and implemented our company-wide Human Rights Policy.

Supply Chain Traceability & Transparency

Upholding Social and Environmental Standards in Our Supply Chain

The integrity of supply chains is a growing priority in the textiles industry, and Ultrafabrics is fully committed to meeting that demand through enhanced transparency and traceability. By conducting supplier assessments and maintaining ongoing monitoring protocols, we can continue to build trust among our stakeholders.

Where We’ve Been

- 2023 —
- Updated supplier self-assessment questionnaire to include biodiversity questions.
 - Established 2-year cycle for supplier self-assessments.
 - Completed second full cycle of supplier assessments. Assessed suppliers covering 95% of total purchases.
 - Conducted training for DKK employees in Japan including human rights topics.
- 2021 —
- Completed first full cycle of supplier assessments covering legal compliance and environmental and human rights management systems to understand suppliers’ alignment with responsible business practices. Assessed suppliers that account for over 99% of total purchases.
- 2018 —
- Began conducting regular human rights training for DKK employees in Japan to raise awareness of human rights issues throughout the supply chain.

Where We Are

- 2024 —
- Mapped first and second-tier suppliers.
 - Vetted new suppliers using a Self-Assessment Questionnaire.

Where We’re Going

- Ongoing —
- Continue optimizing our supply chain to reduce climate impacts.
 - Enhance visibility into supply chain impacts and risks.



Sustainability
Without
Sacrifice

Touch the
Future[®]



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