



2024

Sustainability
Report

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Introduction

Letter from our CEO and President

On April 1, 2024, Ultrafabrics celebrated its 25th anniversary. It's been an inspiring journey, where every step has been about harnessing the power of imagination to redefine comfort. Since the beginning, we've pushed the boundaries of design to blend durability and aesthetics, ultimately creating ground-breaking collections like Brisa, Promessa, and Ultraleather. Our fabrics are more than materials; they are milestones of innovation, pillars of performance, and touchstones of luxury that have stood the test of time.

At Ultrafabrics, we are committed to leading the market with viable PVC alternatives because we know the health effects of our built environments on our bodies. We proudly offer a selection of materials that support the goal of eliminating the use of harmful substances like PVC, POPs, PFOA, and PFAS stain resistant finishes, flame retardants, BPA, conflict minerals, heavy metal stabilizers, and plasticizer phthalates. We are committed to making our polyurethane materials as good for the planet and people as possible.

In pursuit of this goal, we perform extensive research and development into biobased resins, and in 2023 we began to source an improved biobased resin for the Volar Bio collection called Susterra®. 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.

Committed to effecting change amidst the climate crisis, companies in the transportation, furniture, healthcare, and fashion industries are announcing net zero GHG targets, making recycled or innovative material inputs and investments in lower impact production crucial to meeting these goals. With an exciting announcement from contract furniture manufacturer Steelcase, Ultrafabrics has been recognized as a Carbon Reduction Leader



for the work our team has put into setting and working toward science-based emissions reduction targets. Steelcase highlights suppliers for demonstrating climate leadership by reducing their carbon footprint, making responsible material choices, and designing for circularity.

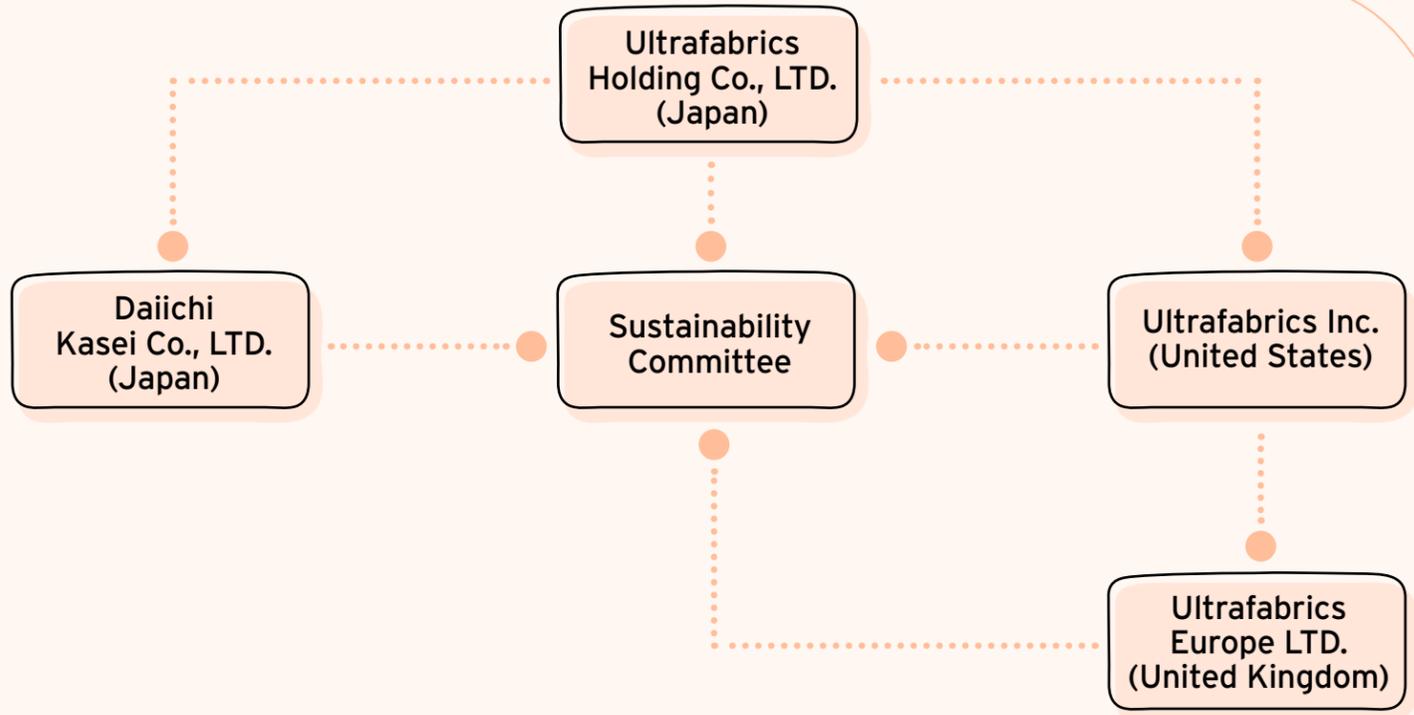
Ultrafabrics is wholeheartedly committed to sourcing recycled and renewable materials for the backings of our product portfolio. In fact, by the beginning of 2024, 100% of the Ultrafabrics branded portfolio contained at least 50% recycled and/or renewable materials. This is 1 year ahead of our target. Backings are made of 65% REPREVE® recycled polyester and 35% ECOVERO™ viscose, as well as 100% TENCEL™ Modal. With a growing Uf Select portfolio, we're also undertaking R&D with our partner mill to source recycled and/or renewable materials for Uf Select product backings.

We know waste and product end-of-life is a top priority for our customers across industries and are continuing to work toward solutions. We're excited to share that we've identified partners in Japan who will provide us with downcycling solutions for our manufacturing waste, and we continue to divert defective products and donate unused inventory to reduce waste to landfill.

As we look ahead, our commitment to evolving and creating new possibilities for a sustainable future remains steadfast. Thank you for your support in inspiring us to redefine comfort and push the boundaries of innovation.

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

About Ultrafabrics



The Ultrafabrics Group - Daiichi Kasei Co., Ltd. (DKK), Japan, Ultrafabrics Inc., USA, and Ultrafabrics Europe Ltd. - manufactures and sells a growing portfolio of hundreds of versatile high-tech performance fabrics that combine premium aesthetics, sensorial tactility, and functionality to deliver the highest quality material of its kind.

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 HD, 4 from UFI), meets every other month 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 and the Ultrafabrics Inc. and DKK Senior Leadership Team.

The Markets We Serve

Transportation

Auto — As global car manufacturers announce net zero targets, sustainable manufacturing and innovative material inputs become crucial to meeting these goals. Our products are made to reduce their environmental impact, using safer chemistry, recycled and rapidly renewable material inputs, and operations focused on reducing emissions, water consumption, and waste. Jaguar Land Rover and McClaren are just two automakers that are reimagining the concept of sustainable modern luxury by using Ultrafabrics interiors.

Aviation — The lighter weight of our products 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, American Airlines, and Gulfstream Private Jets.

RV/Marine — Ultrafabrics has been a longstanding choice for the Marine Industry, and in 2023 Princess Yachts committed to introducing 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." - Princess Yachts

Furniture

Ultrafabrics is honored to be named a Carbon Reduction Leader for Steelcase, who is "designing better futures for the well-being of the planet by reducing its carbon footprint, designing for circularity, and choosing and using materials responsibly." Our fabrics, which are SCS Indoor Advantage Gold certified and included in the mindfulMaterials and Design for Health by Mindlick libraries, support sustainably minded manufacturers and designers to reduce their environmental impact.

Healthcare

Healthcare offices require durable materials that also allow for transitioning away from vinyl 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



About This Report

This report has been developed by Ultrafabrics Inc. with the support of DKK and Ultrafabrics Holdings.

Recognizing that our biggest impacts come from our manufacturing activities, we have included ESG data covering manufacturing (DKK) along with sustainability goals, targets, and activities developed by DKK and Ultrafabrics Inc. (including Ultrafabrics Europe). This report covers the performance of products that are manufactured by DKK in Japan (Ultrafabrics branded product portfolio), unless otherwise noted.

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

Reporting Year: January 1, 2023, through December 31, 2023, unless otherwise noted.



ESG Overview

Environmental, Social, and Governance (ESG) is a framework used to evaluate a company's performance and impact in areas beyond just financial metrics. By considering ESG factors, we seek to mitigate risks, contribute to positive societal and environmental outcomes, and drive innovation and competitiveness in a rapidly changing world. In this report, we'll share more about what we're doing to impact issues across ESG.

Environmental

Environmental factors focus on our impact on the planet, including carbon footprint, energy efficiency, waste management, and use of natural resources.

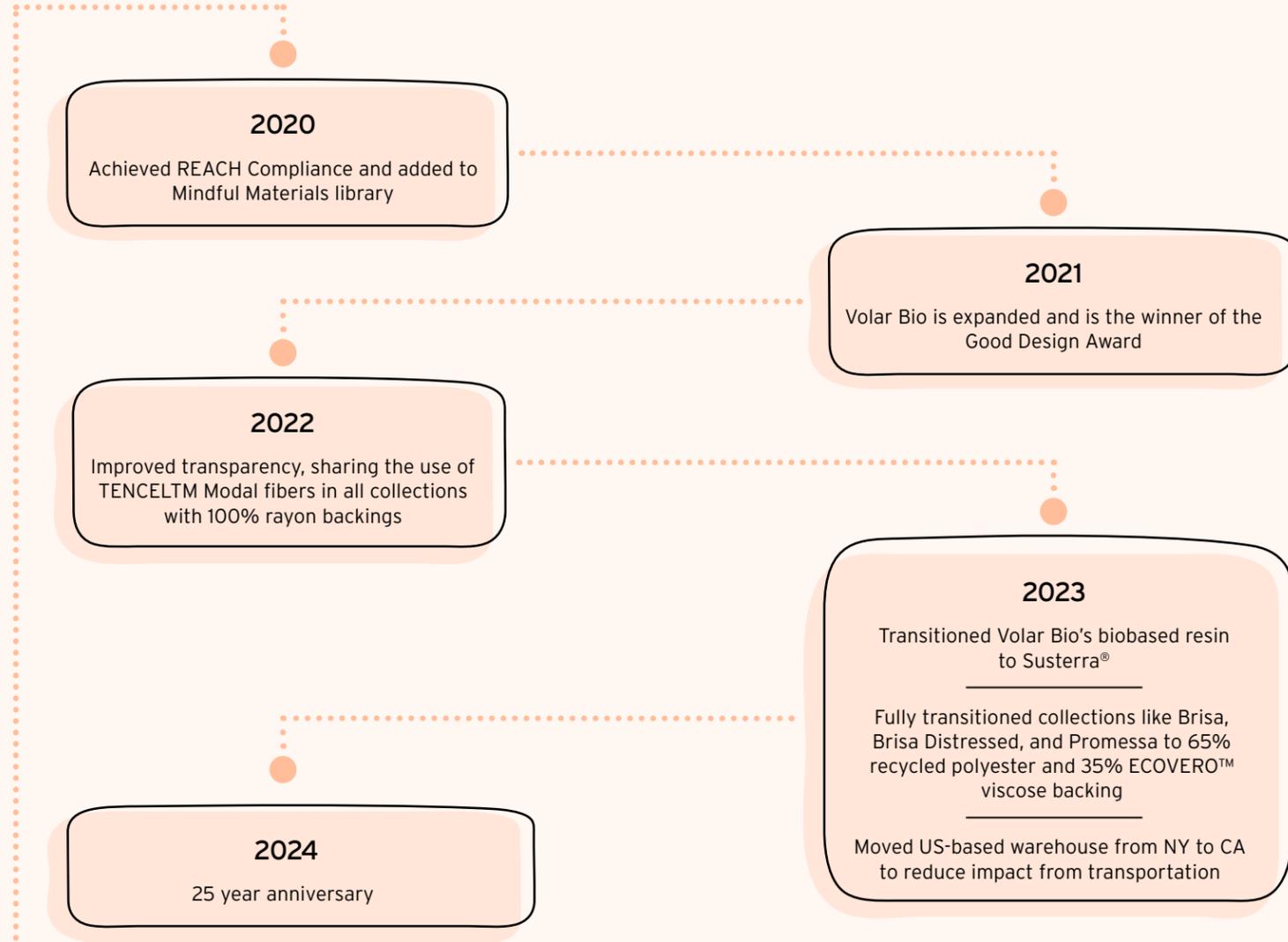
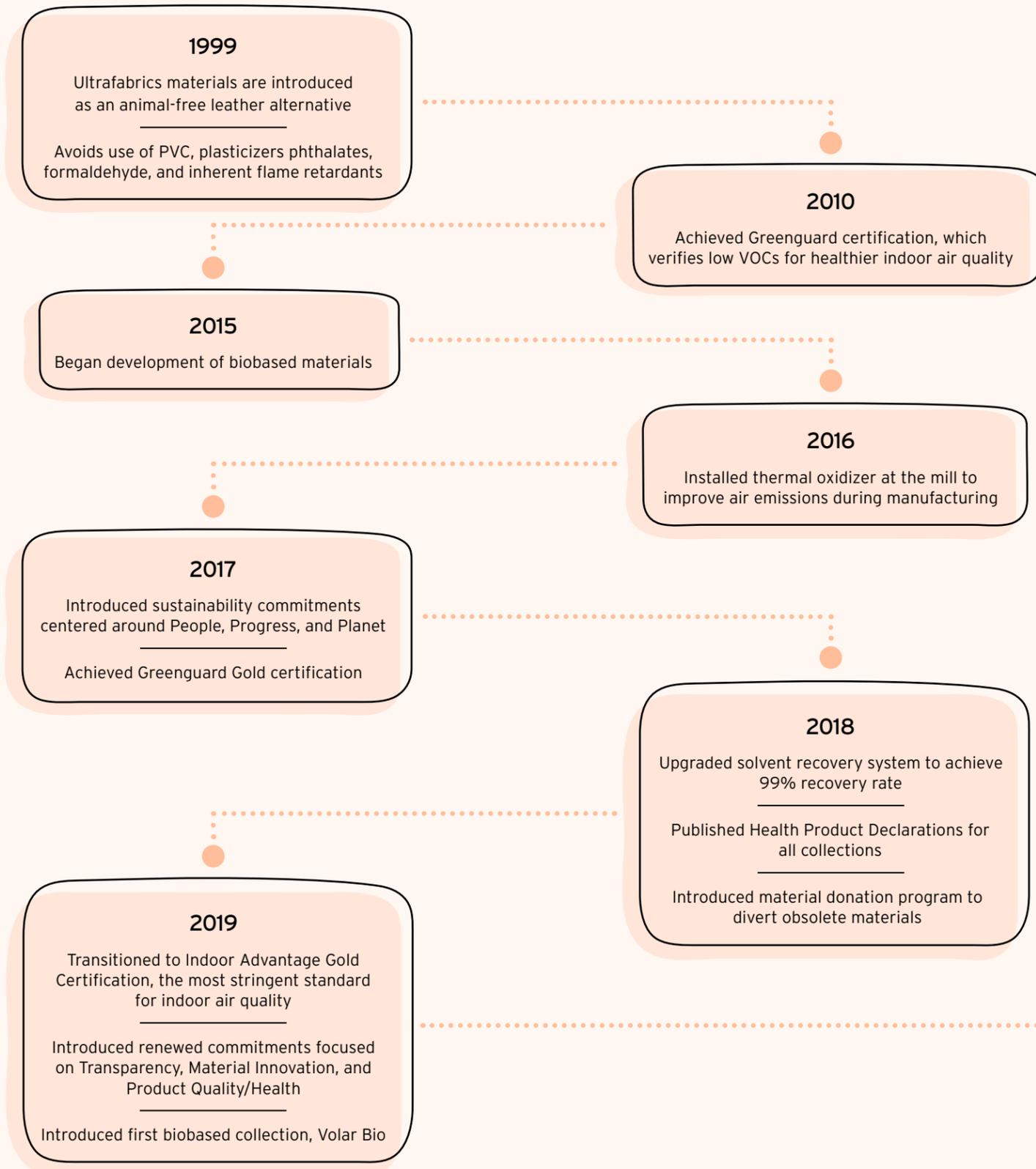
Social

Social factors look at how Ultrafabrics interacts with people, both within and outside the organization including labor practices, employee relations, diversity and inclusion, human rights, and community engagement.

Governance

Governance refers to the systems and structures put in place to oversee our operations and ensure accountability, transparency, and ethical behavior.

Ultrafabrics' Long-Term Commitments & Targets



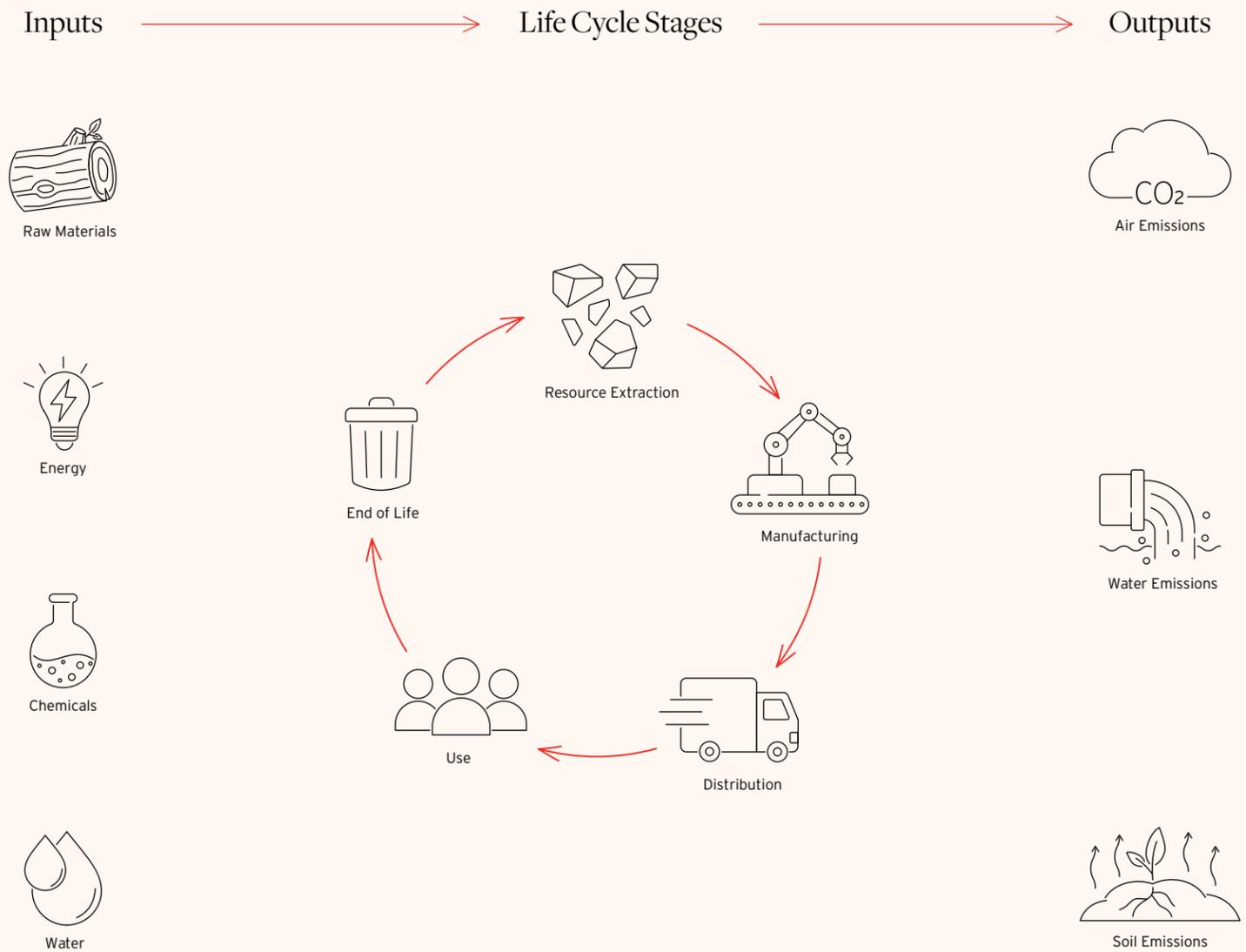
Goal	Target	2023 Progress
All products in the Ultrafabrics portfolio stored and sold in the US are PFAS-free.	2025	90%
All products in the Ultrafabrics portfolio sold globally are PFAS-free.	2027	90%
Reduce Scope 1 and 2 emissions by 42% from a 2021 baseline.	2030	6.41% reduction
All Ultrafabrics branded products sold to furniture, healthcare, recreational vehicle, marine, aviation and accessories markets have at least 50% rapidly renewable and/or recycled materials.	2025	93%
Uf Select portfolio and applicable transportation-grade materials have at least 50% rapidly renewable and/or recycled materials.	2030	Target set
Reduce water use by 20% from a 2020 baseline as percentage of yards produced.	2025	13.5%
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	1.52%

About Polyurethane Coated Fabrics

At Ultrafabrics, we're prioritizing 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, posing environmental risks and health hazards. Through our proprietary Takumi manufacturing technology, which takes its name from the Japanese word for artisan, we combine the principles of craftsmanship, state-of-the-art technology, and sustainably focused innovation to create polyurethane coated fabrics designed for ultimate comfort and durability. In this report, we'll share how we are shaping the future of high-tech performance materials, where sustainability is built-in.



Environmental



Sustainable Materials



Reducing our impact through recycled, rapidly renewable, & biobased materials.

We're working to increase our use of recycled, rapidly renewable, and biobased materials in our backings and resins to improve the sustainability of our 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 collections.

Where We've Been

2019 –

- Introduced first biobased collection Volar Bio.

Where We Are

2023 –

- 93% of the Ultrafabrics branded product portfolio contains at least 50% rapidly renewable and/or recycled inputs.
- Transitioned Brisa, Brisa Distressed, Promessa, and Fresco collections to 65% REPREVE® recycled polyester and 35% ECOVERO™ viscose backing.
- Transitioned Volar Bio collection to new biobased resin with full supply chain transparency.
- Transitioning the backings of 21 collections, including Volar Bio, to the 65% REPREVE® recycled polyester and 35% ECOVERO™ viscose backing.
- Undertaking R&D with a partner mill to source recycled and/or renewable materials for Uf Select product portfolio backings.
- Investing in R&D to produce more sustainable products (biobased inputs).

Where We're Going

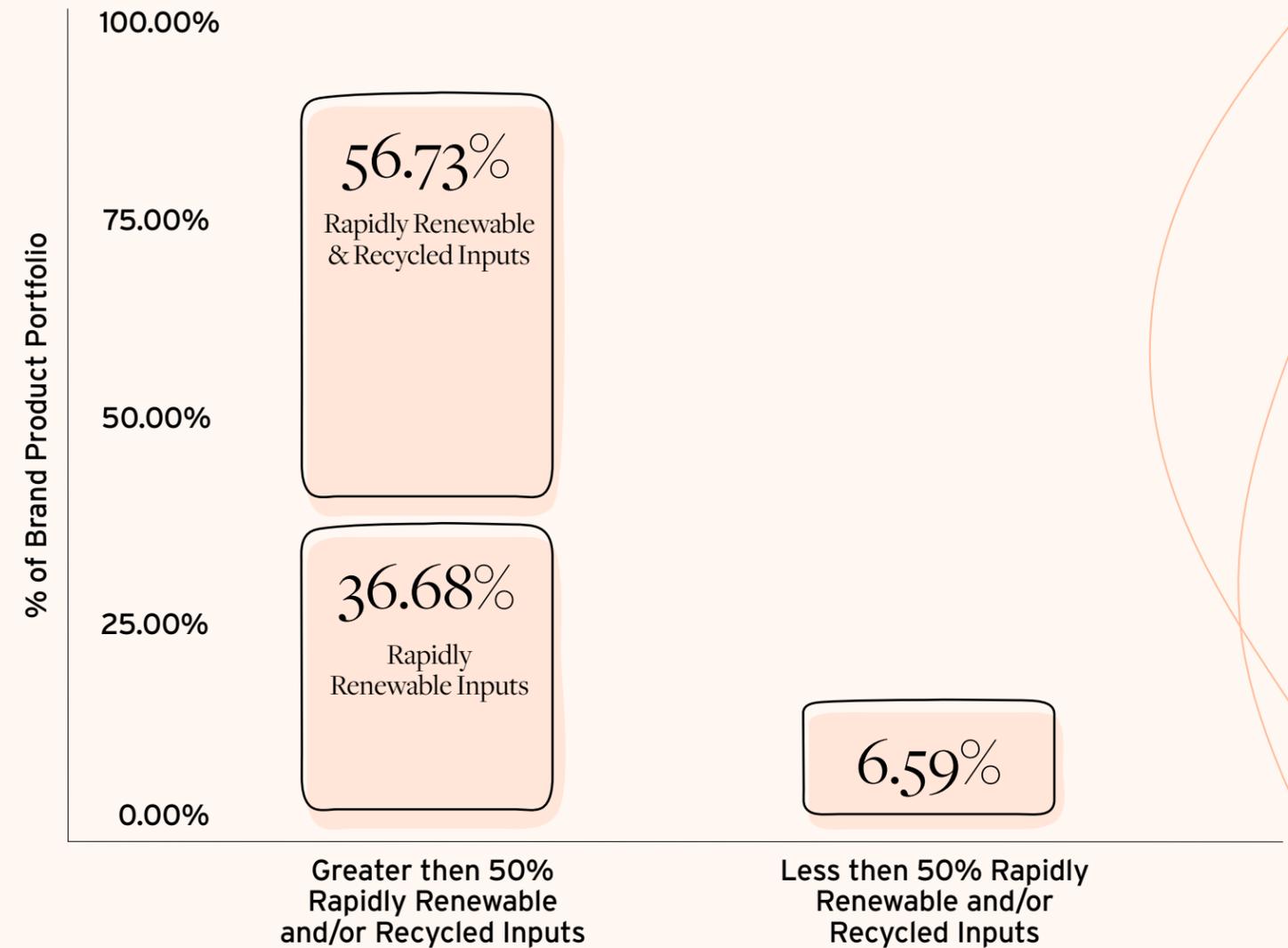
2024 –

- Completing transition of Fusion, Fusion Shimmer, and Wired collections to backcloths containing 65% REPREVE® recycled polyester and 35% ECOVERO™ viscose.
- All Ultrafabrics branded products sold to furniture, healthcare, recreational vehicle, marine, aviation, and accessories markets will have at least 50% rapidly renewable and/or recycled materials – a year ahead of target.

2030 –

- Uf Select portfolio and applicable transportation-grade materials will have at least 50% rapidly renewable and/or recycled materials.

Ultrafabrics Branded Product Portfolio Composition



Innovation is Core to Who We Are

Expanding on our work to create a biobased product, Volar Bio, our product team has been researching several options for new, locally sourced biobased inputs. This process involves adding a biobased component (like scallop or egg shells) and analyzing the effect on performance, haptics, and visual continuity. While not ready for commercial application, this experimentation is a testament to the progressive ideation and data gathering that is shaping the next generation of Ultrafabrics' biobased development.

We're increasing our use of recycled materials – transitioning to backcloth containing recycled polyester

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 our polyester / rayon backcloth for our Volar Bio, Fusion, Fusion Shimmer, Wired, Brisa, Brisa Distressed, Brisa Forecast, Brisa Frontier, Fresco, Promessa, Summit, Pumice, Tottori, Reef Pro, and Coast collections.

The recycled polyester fiber we source for our blended backcloths is REPREVE®, a branded fiber manufactured by Unifi that uses recycled plastic bottles, including those collected within 50 km of waterways and coastal areas in developing regions to ensure they don't enter the ocean, and post-industrial waste to create high-quality yarns. REPREVE® is as strong and durable as virgin polyester but uses recycled inputs instead.

Ultrafabrics uses REPREVE® polyester yarn with 80% recycled post-consumer polyester and 20% recycled pre-consumer polyester, utilizing an estimated 8.3 recycled plastic bottles per yard of fabric and supporting our use of recycled fibers.

The use of REPREVE® helps conserve natural resources, diverts waste from landfills, and uses less energy. For every 1 pound of REPREVE® polyester yarn, 24,000 BTUs are conserved, equivalent to .2 gallons of gasoline. The provenance of REPREVE® is fully traceable and it is made using cleaner chemical processes.



We're increasing our use of rapidly renewable materials – transitioning to backcloth containing rapidly renewable materials

Rapidly Renewable Materials are materials that can be replenished at a rate equal to or greater than the rate of depletion. These are typically agricultural and forestry products with a harvest cycle of 10 years or less, prioritizing feedstocks with strong country of origin traceability. Certification includes Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), Programme for the Enforcement of Forestry Certification (PEFC), and CanopyStyle audits.

ECOVERO™ is a branded viscose-alternative fiber produced by Lenzing AG that uses wood inputs from certified and controlled sources that meet strict sustainability requirements to ensure ancient and endangered forests are protected. We use ECOVERO™ in our polyester / rayon backcloth for our Volar Bio, Fusion, Fusion Shimmer, Wired, Brisa, Brisa Distressed, Brisa Forecast, Brisa Frontier, Fresco, Promessa, Summit, Pumice, Tottori, Reef Pro, and Coast collections.



TENCEL™ Modal is a cellulosic fiber manufactured by Lenzing AG from beech wood sourced from managed forests in Austria and neighboring countries. Beech wood forests are a natural and renewable source of raw material, supporting our use of rapidly renewable resources. The production of TENCEL™ Modal uses renewable energy and recovers remaining components as co-products. We use TENCEL™ Modal in the backcloth for our Ultraleather, Ultraleather Pro, Pearlized, and Eco Tech collections.



We're supporting measurable impact by sourcing a new biobased resin Susterra® for Volar Bio

Debuting in 2019, with year over year sales increases, Volar Bio reflects Ultrafabrics' sustainable vision with a 66% mix of recycled, rapidly renewable, and biobased content. The collection's evolution includes certified REPREVE® recycled polyester, ECOVERO™ 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 to source a biobased resin for the Volar Bio collection, Susterra®, 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.

TENCEL™ and ECOVERO™ are trademarks of Lenzing AG.
Susterra® is a registered trademark of Primient Covation LLC.
REPREVE® is a registered trademark of Unifi, Inc.

Promoting Safe Chemistry



Delivering safer materials for our producers and clients alike.

Safer chemistry is a key focus at Ultrafabrics, ensuring we're managing and mitigating possible environmental and health impacts and supporting a healthy future for the textiles industry.

Where We've Been

- 2022 –
 - Transitioned entire branded product portfolio to be PFOA-free.
- 2020 –
 - Achieved REACH SVHC compliance - assess products twice a year to ensure they meet and/or exceed the criteria.
- 2018 –
 - Updated systems to recover and recycle over 98% of solvents used in manufacturing.
 - Published Health Product Declarations (HPDs) for all collections.
- 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.

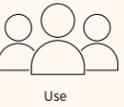
Where We Are

- 2023 –
 - 90% of our products are PFAS-free.
 - We have reviewed the Living Building Challenge Red List, and Ultrafabrics products do not contain any Red List chemicals, with the exceptions of Ultraleather Pro, Reef Pro, and collections suitable for outdoor.
 - Developing PFAS-free solution for Ultraleather Pro and Reef Pro products with partner mill.
 - Exploring options for DMF-free products including dry products.

Where We're Going

- 2024 –
 - Launch a PFAS-free ink and stain resistant product.
 - Continue exploring options for DMF-free products including dry products.
- 2025 –
 - All products stored and sold in the US will be 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, we're focused on creating long-lasting products so that the raw materials, energy, and environmental impacts embedded in them can be spread out over more time.

Where We've Been

- 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.

Where We Are

- 2023 –
 - Updated [Quality Policy](#) and quality management system in line with IATF16949 and JIS Q 9001 to ensure product longevity and performance.

Energy Conservation & Climate Impact



Reducing GHG emissions throughout our global operations.

We're working to reduce our greenhouse gas emissions in alignment with the Paris Agreement to limit warming to 1.5°C and do our part to slow the negative impacts of climate change. Ultrafabrics products are about 1/2 to 2/3 the weight of genuine leather or PVC (polyvinyl chloride). The lighter weight of our products reduces environmental loads for carbon-intensive transportation and use.

Where We've Been

Where We Are

Where We're Going

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 175 kW 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 with the intention to reduce emissions.

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.
- Cutting 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 197 kWh of energy, reducing electricity needed at the plant by 7.19%.

2024 –

- Installing new solar panels at the Gunma plant in Q1 to reduce Scope 1 and 2 emissions.

2025 –

- New mill is operational and will include new energy sources featuring a hydrogen boiler, solar power, and storage.

2030 –

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

Absolute GHG Emissions

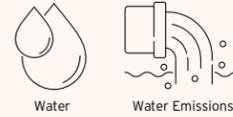


We've moved our US-based warehouse from New York to California to reduce our impact from product distribution.

In 2023, we began the transition to move our US-based warehouse from New York to California, which provides a more direct route for products coming in from Japan. We've calculated that this will save about 200,000 miles each year to bring our products into the United States for distribution to our customers.

We're excited to be partnering with a third-party logistics company who will be warehousing and shipping our products. This partner is engaged in emissions reduction efforts that support our climate impact ambitions, operating 100% from solar energy and having doubled their EV fleet for distribution in the last year.

Water Conservation & Recovery



Mitigating the impacts of our production processes on water resources.

As a finite and important resource, we're managing our water consumption and wastewater pollution to mitigate the environmental and public health risks associated with fabric manufacturing.

Where We've Been

Where We Are

Where We're Going

2022 –

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

2023 –

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

2024 –

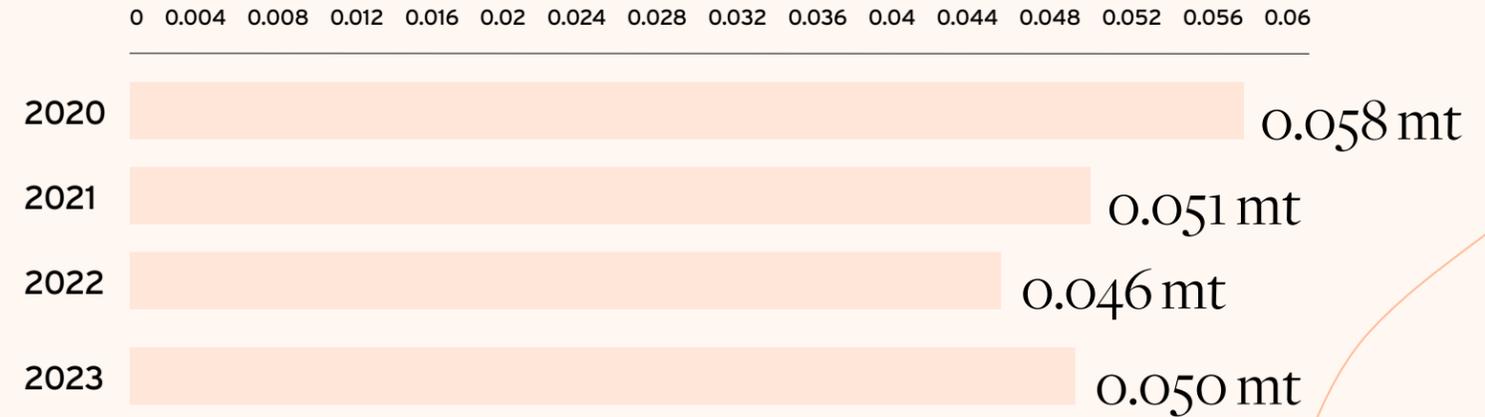
- Continue exploring options for products with reduced need for solvents.

2025 –

- Reduce water use by 20% from a 2020 baseline as percentage of yards produced.
- New mill will include a new water purification system for closed loop water use that will recycle wastewater and sustainably achieve our water reduction target.

Water Intensity from Manufacturing

Metric Tons of Water per Yard Produced



Material Conservation & Recovery



Reducing and diverting our textile waste.

We are actively looking for ways to reduce and divert waste by embracing circular economy principles including employing sample returns policies, efficiently managing inventory, actively managing manufacturing waste and target scrap ratio, optimizing efficiency to reduce waste and increase diversion, and donating or upcycling the small portion of remaining waste wherever possible.

Where We've Been

Where We Are

Where We're Going

2022 –

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

2021 –

- Launched Japan-based upcycling brand <REDOW> to use materials that must be scrapped to make 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.

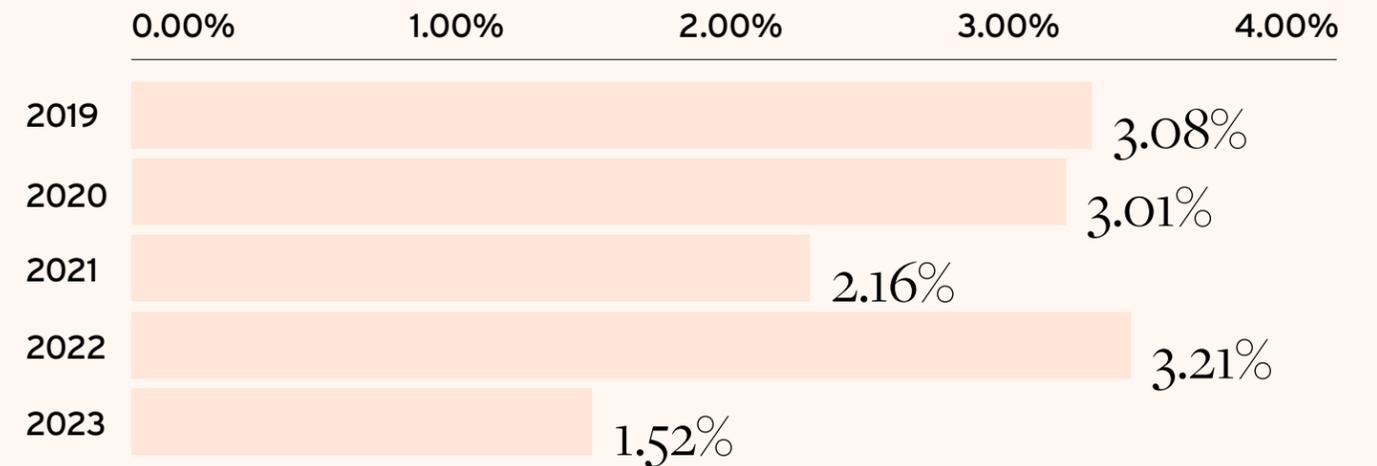
2023 –

- Achieved 1.52% waste intensity, meaning over 98% of our waste generated from manufacturing and quality returns was diverted.
- Donated about 2,000 yards to various organizations including University of Iowa and Studio JLD.
- Undertaking pilot to sell product waste to a partner who can downcycle it.
- <REDOW> products are now available for sale on the Ultrafabrics Holdings Company site.
- Began diverting defective products to be used as material for tarps.

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



We've initiated a pilot to repurpose our polyurethane products

We're excited to announce that this year we began working with partners in Japan to pilot end-of-life solutions for our products in an effort to divert as much of our waste as possible through downcycling. Our partners first cut our polyurethane products with a guillotine and then into small pieces with a shredder. The polyurethane is separated from the base fabric, mixed with rubber raw materials, and recycled into rubber sheeting which can be used in applications like load-carrying trays of trucks. This circular solution keeps materials cycling longer through multiple cascaded uses, harnessing the initial resources invested to create the first-life of our product.



Social

Employee Health & Safety

Creating a safe environment for the workers at our facilities.

We pay close attention to the safety and health of all employees and strive to create a comfortable work environment free from accidents and health hazards. We monitor indoor air quality in accordance with local law, provide health and safety trainings to all workers and manage qualifications for equipment handling, and conduct period health checks and medical examinations.

Where We've Been

2019 –

- Transitioned to SCS Indoor Advantage Gold certification for all current collections, the highest level of indoor air quality performance for furniture, ensuring that furniture products meet the strictest chemical emission limits for VOCs.

2017 –

- Installed air intake/exhaust systems.
- Achieved Greenguard Gold certification for all products.

2016 –

- Installed thermal oxidizer at mill to improve air emissions during manufacturing.

2010 –

- Achieved Greenguard certification for all products.

Where We Are

2023 –

- 78% of manufacturing employees participated in health & safety trainings.
- 100% of manufacturing employees received health checks.

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



Employee Engagement, Well-Being, & Culture

Fostering an inclusive and collaborative work environment.

To achieve true sustainability, expanding roles, platforms, and opportunities for all employees is necessary to move the needle toward an inclusive organization. We aim to create a culture in which Ultrafabrics employees have equal opportunities to participate in their work and the diverse experiences, abilities, and ideas of each employee are recognized and utilized.

Where We've Been

2022 –

- Re-introduced Uf University, a bi-weekly series of live and on-demand training sessions that include product, processes, and wellness topics.
- Launched Ultrafabrics Inc. Wellness Week to take on engaging and fun approaches to well-being, available to all Ultrafabrics Inc. and Ultrafabrics Europe employees.

2019 –

- Relaunched confidential Employee Assistance Program (EAP) covering all Ultrafabrics Inc. employees to support emotional and mental well-being. The program includes a host of benefits and opportunities to help our employees grow professionally, save money, improve their health, and enhance their personal lives.

Where We Are

2023 –

- 100% of DKK employees and 93% of UFI and UFE employees participated in training/professional development totaling over 2,500 training hours.
- Achieved 93% participation rate for Uf University - 113 employees participated in at least 1 course.
- Over 50 UFI employees signed up to participate in at least one event during Wellness Week.
- 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.

Where We're Going

2024 –

- Roll out trainings related to Diversity, Equity, and Inclusion for all employees.
- Develop a management system for Human Rights and Labor conditions in owned operations.



Ultrafabrics Group (UFI, UFE, DKK, HD)

- Total Number of Employees 328
- % of Female Employees 27.74%
- % of Employees with Disabilities 0.51%
- % of Female Managers 22.70%

The Impact Squad is keeping our team engaged.

Our relaunched Impact Squad is made up of a group of employee volunteers who plan events like holiday 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 Inc. and Ultrafabrics Europe employees.

Wellness Week is dedicated to showing our commitment to work/life balance.

Through Wellness Week, we're shifting focus away from the stressors of work and instead on new hobbies and stress relief. In 2023, programs offered included in-office massage, healthy lunch, an off-site yoga class, tea blending, and a team or individual walk outdoors.

Wellness Week is available to all Ultrafabrics Inc. and Ultrafabrics Europe 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 in the same.

Where We've Been

2022 –

- Began supplying local non-profit, Unshattered, with fabric for their handcrafted bags and accessories, which are made with upcycled, post-production materials by women recovering from addiction.

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.

2019 –

- Began planting trees in partnership with Treedom, an organization that works closely with local farmers to bring environmental, social, and financial benefits to their communities. Not only do these trees purify the air we breathe and sequester carbon, they also contribute to local biodiversity.

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.

Where We Are

2023 –

- Launched Uf Cares, our holistic CSR approach covering Ultrafabrics Inc. and Ultrafabrics Europe.
- Donated over \$5,000 to multiple organizations / efforts including Joy Collaborative, IIDA, American Heart Research, Cancer research, and more.

- Instead of sending traditional holiday gifts, focused a portion of our budget on giving back to those in need and donated \$5,000 to Feeding America and 1,500 GBP to Crises in the United Kingdom.

- Added 200 trees to our Treedom Forest - we've now planted 800 trees across 9 countries: Madagascar, Malawi, Colombia, Haiti, Cameroon, Kenya, Tanzania, Ecuador, and Guatemala.

- Through partnership with Feeding Westchester, donated the equivalent of 1,417 meals to the community.

- Donated coats, toys, food, and financial contributions to various drives throughout the year, including Elizabeth Ann Seton and One Warm Coat.

- Donated approximately 2,000 yards through the Mottainai program to various organizations including University of Iowa, Studio JLD and earthquake relief efforts in Morocco.

- Hosted local junior high school students at our facility in Japan to learn from employees' career paths and contribute to the students' vocational education.

Where We're Going

2024 –

- Launch Ultrafabrics Scholarship in **USA** and **UK**, awarded to Design or Engineering students committed to sustainability.
- Participate in first off-site volunteer opportunity through Uf Cares program with Feeding Westchester.
- Plant additional 200 trees in Treedom forest.

We launched Uf Cares to build on our efforts to positively impact our community.

Uf Cares is our holistic CSR approach that inspires our team to give back and make a positive impact both inside and outside the workplace. Through the program, we hope to help create a more compassionate world, leaving a legacy that extends beyond our professional accomplishments. Uf Cares is focused on four key activities:



01

Financial contributions toward sustainability initiatives.

02

Create college scholarships in USA and UK to support the next generation of future-focused designers.

03

Encouraging employee donations of time and goods to local charities.

04

Redirecting unusable materials away from landfill to organizations that can use it through our Mottainai program.

Our product donations supported earthquake relief in Morocco.

In September 2023, there was a large earthquake in the region to the south of Marrakech that left tens of thousands without homes, cost over 3,000 lives, and injured thousands. Our customer, Polydesign, traveled to the region around Taroudant, which had received less aid and assistance than the region south of Marrakech. With tents urgently needed due to cold evening temperatures, rain, and winter approaching, the Polydesign team designed a tent and approached Ultrafabrics to donate fabric to be used for the tents' interior seating. To support their efforts, we sent around 1,000 meters of Mottainai material, which was used for the tent interior outfitting as well as for bags containing gifts given by the Lalla Selma Cancer Foundation and Oncology Clinic in Tangier and the Al Balsamme Association to people undergoing cancer treatment.



Governance

Certifications & Compliance

Aligning our sustainability performance with external standards.

At Ultrafabrics we exemplify our commitment to sustainability and continually improve our performance by externally aligning with third party standards and assessments

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 Simmer, 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.

We're committed to creating systems and policies to ensure accountability to our standards

Where We've Been

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

- 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.

Supply Chain Traceability & Transparency

Upholding social and environmental standards in our supply chain.

The integrity of supply chains continues to be a growing demand in the textile industry. We are committed to driving more transparency and traceability throughout our supply chain to ensure social and environmental expectations are being met.

Where We've Been

Where We Are

Where We're Going

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.

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.

2024 –

- Develop a purchasing policy for raw materials sourcing.
- Develop responsible sourcing policy & approach.
- Map first and second tier suppliers.
- Assess supply chain risks.
- Conduct Human Rights trainings for UFI and UFE employees.



Sustainability
Without
Sacrifice

Touch the Future[®]

