



CORPORATE SOCIAL RESPONSIBILITY REPORT

**unfi**
united natural foods

2017



about this report

This is our 8th annual Corporate Social Responsibility Report. It covers our performance during the 2017 fiscal year, unless otherwise noted. We have used the Global Reporting Initiative (GRI) Standards as a reference in preparing this report. Our report includes Standard Disclosures from the GRI reporting framework, listed on page 22. For more information about our business performance, please see our 2017 [Annual Report](#).

governance

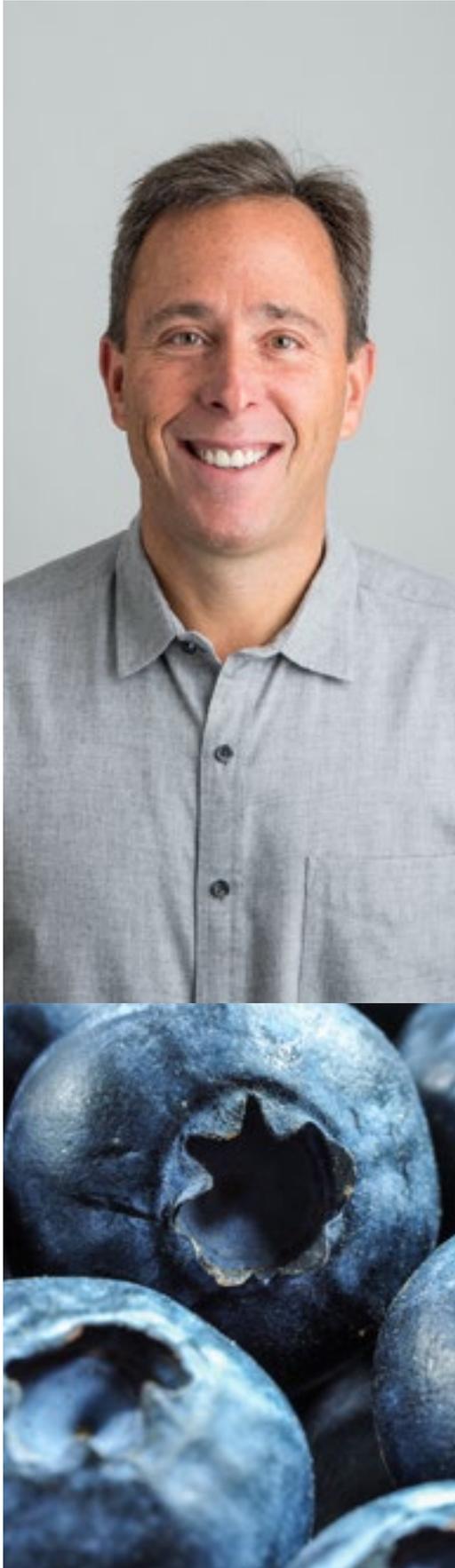
In early 2017, we formed the Corporate Social Responsibility (CSR) Steering Committee to help guide the development of a CSR strategy in alignment with our business objectives, mission and values. This team has membership from all critical functional areas, including: Branding & Communications, Finance, Human Resources, Information Technology, Investor Relations, Legal, Operations, Supply Chain, Real Estate, Safety, and Sales.

key responsibilities of the CSR steering committee:

- Monitoring our performance as it relates to sustainability, the environment, associates, communities, customers and other key stakeholders
- Overseeing the development of policies and procedures relating to our sustainability and philanthropy initiatives: to include internal and external reporting
- Guiding the development of an internal communication strategy to ensure transparency and associate engagement in CSR activities
- Serving as ambassadors for UNFI's mission and values

TABLE OF CONTENTS

	ABOUT US	1
	message from Steve	1
	who we are	2
	our mission	3
	our values	3
	our journey	4
	BETTER FOOD BETTER FUTURE	5
	sourcing	5
	food safety	5
	IN THE COMMUNITY	7
	local giving	7
	UNFI Foundation	9
	Associate Relief Fund	12
	PEOPLE FIRST	13
	culture of listening	13
	learning & development	14
	benefits	15
	workplace safety	16
	SUSTAINABILITY	17
	emissions	17
	waste & recycling	19
	transportation	21
	DISCOVERING WHAT'S NEXT	22
	GRI Index	22
	message from Tom	23



MESSAGE FROM STEVE

I've never been more excited or optimistic about the future. Every day, we are delivering more healthy foods to more people throughout North America. Together, we're a force for positive change, putting our expertise to work where it can do the most good.

I am particularly proud to report that we are making progress toward our social and environmental commitments. For example, we're increasing access to well-priced, high-quality food through our first organic farm in Racine, Wisconsin. Produce from the 10-acre farm will be offered to the community and UNFI associates through a Community Supported Agriculture (CSA) program.

The UNFI Foundation continues to support healthy communities through investments in organic agriculture, donating more than \$553,000 to nonprofits across the U.S. in 2017. Our support means more school-aged kids can see first-hand where their food comes from and farmers can learn to grow food in ways that are more economically viable and better for the environment.

We believe that with better food comes a better future. For over 40 years we have been at the center of the organic and natural food industry, making the connections that give families better access to healthier foods. We're supporting farmers, helping communities thrive and businesses grow.

We operate in a dynamic industry where it is critical to embrace change. As pioneers, we will continue to look for ways to reimagine, reinvent and raise the bar – all while doing what's right for people and our planet.

Sincerely,

Steve Spinner
Chairman, CEO & President

WHO WE ARE MOVING FOOD FORWARD



9,663 associates



\$9.27 billion in revenue



33 distribution centers



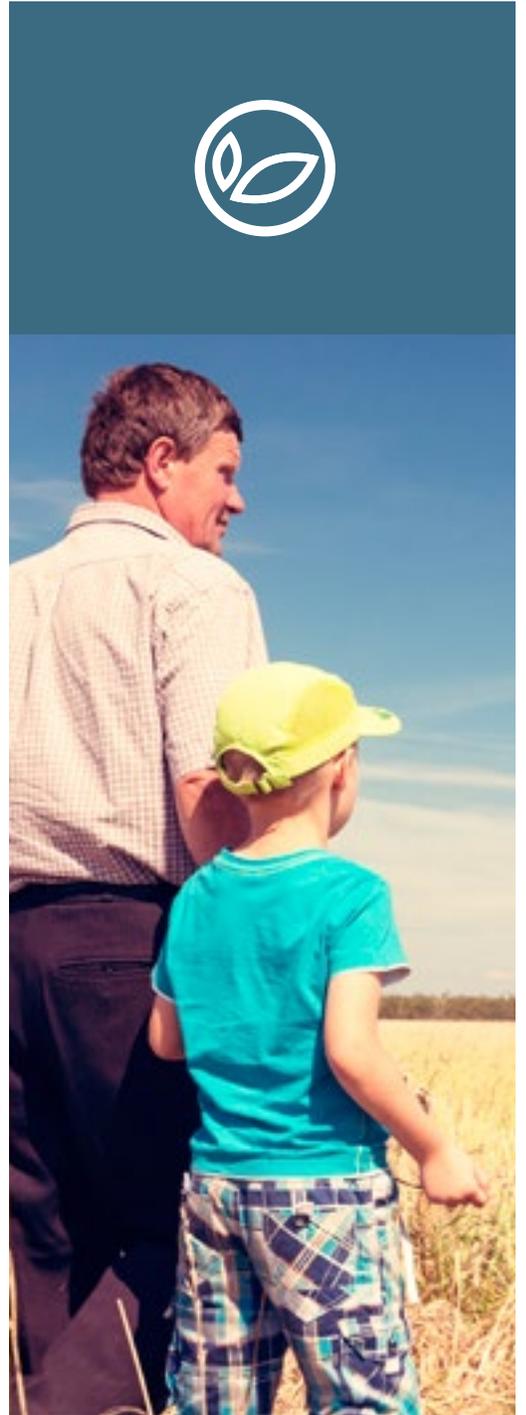
100,000+ products



10,000+ suppliers



43,000+ customer locations





our mission: connecting farms to families

what we do

We deliver more organic and natural food to more plates across North America. We connect food, people and the planet.

why we do it

Because everyone deserves to have healthier food options.

our values

passion for the planet

Seeing the big picture – doing what’s right for people and the earth.

adapt to serve

We embrace change to Discover What’s Next.

integrity comes naturally

Every day, we do the right thing.

many routes – one direction

We live our mission – bringing healthier food options to people every day.

together we’re better

Collaboration is our inspiration and delivers success for us all.

our journey

2008

York achieves LEED® certification.

2010

1st CSR report. Payroll Giving Program launched.
Hydrogen fuel cell project in Sarasota.
Lancaster achieves LEED® certification.

2012

UNFI Foundation established.
Water risk assessment conducted.

2014

Air tab pilot for fleet efficiency.
Hudson Valley achieves LEED® certification.
Operational recycling program initiated.
Lancaster solar array installed.
Racine achieves LEED® certification.

2016

Sustainability software launched.
Entered national waste agreement.
Gilroy solar array installed.

2007

1st solar arrays installed in Rocklin and Dayville. Ridgefield achieves 1st LEED® certification.

2009

Helping Hands Committees formed. Providence achieves LEED® certification. Hybrid Incentive program established. Providence solar array installed.

2011

Partnership formed with Feeding America®. Associate Relief Fund established.

2013

Increased use of rail for inbound loads. Aurora achieves LEED® certification. Moreno Valley solar array installed. Eco-flaps installed on fleet.

2015

25% improvement in diversion from landfill. Twin Cities achieves LEED® certification. Gilroy achieves LEED® certification.

2017

Earned spot on 2017 Food Logistics' Top Green Providers list. Reported 2016 climate impact to CDP.



FREEDOM OF FOOD CHOICE MATTERS



creating access to healthy and affordable food

Every day, we deliver healthier food options to more tables across North America because we believe everyone deserves access to good, nutritious food.

integrity matters

Consumers are eating more fresh, better-for-you foods than ever. They want to know what's in their food, where it comes from and how it was produced. We distribute many products with attribute labels to offer a high level of transparency.



10 million meals donated through Feeding America's network of food banks

sales by attribute

- USDA Organic = 44%
- Non-GMO Project Verified = 32%
- Fair Trade bananas = 33%



19 associates from the Pacific Sales Team spent 76 hours gleaning at Soil Born Farms. Last year, the organization gleaned 38,000 pounds for the Sacramento Food Bank.



Our Goal:
All UNFI poultry and egg suppliers meet Global Animal Partnership (GAP) guidelines by 2024



Our Goal:
All newly acquired businesses and remaining UNFI DCs SQF certified by 2019

animal welfare

We stand behind the internationally accepted “Five Freedoms” for animals and expect our suppliers to do the same:

- **freedom from hunger and thirst** by ready access to fresh water and food that maintains full health and vigor
- **freedom from discomfort** by providing an appropriate environment including shelter and a comfortable resting area
- **freedom from pain, injury or disease** by preventing or rapid diagnosis and treatment
- **freedom to express normal behavior** by providing sufficient space, proper facilities, and company of the animal’s own kind
- **freedom from fear and distress** by ensuring conditions and treatment that prevent mental suffering

To help us achieve our goal of all UNFI poultry and egg suppliers meeting the Global Animal Partnership (GAP) guidelines by 2024, we’re guiding our suppliers through the process with resources, a listing of 3rd party auditors, and target dates. Today, 98% of eggs distributed by UNFI are cage-free – meeting an important component of the GAP standard.

sustainable seafood

In 2017, we evaluated our marine species sourcing practices and found that roughly 85% of seafood sales are from a supplier carrying a sustainability-related certification, many of which are Marine Stewardship Council® (MSC) certified.

best-in-class food safety

We have adopted Safe Quality Foods (SQF) certification as our best practice to assure that product in our distribution centers is handled according to the highest standards of food safety. Today, all of UNFI’s broadline distribution centers (88% of all DCs) have achieved SQF certification. SQF goes above and beyond current regulations – and it’s the right thing to do. Under SQF, each distribution center is audited annually by an independent third party to maintain the certification.

UNFI's first farm in Racine, Wisconsin

we're growing organic produce on our very own farm

To give the community better access to well-priced, high-quality food.

converting conventional land to certified organic

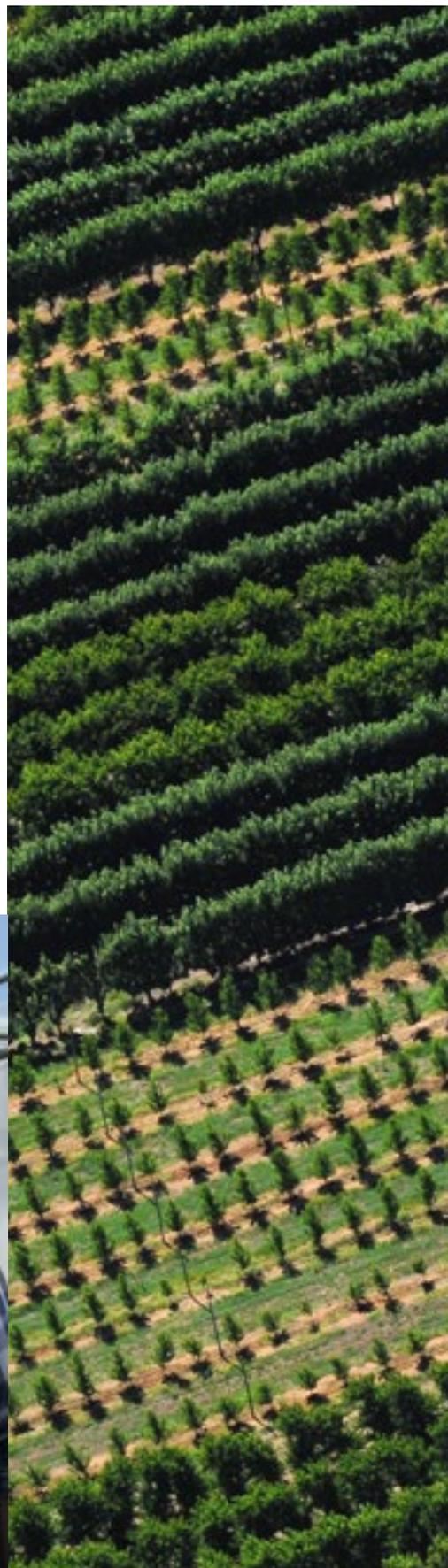
To make our food and planet more sustainable.

helping a local farmer learn organic farming practices

So he can expand his own business into the high-value organic market.

to offer the people of Racine healthy, local organic food

Better food. Better future.





WE'RE HERE TO CONNECT FOOD, PEOPLE AND THE PLANET

promoting healthy, organic food systems

Supporting the organic farmers who work tirelessly to grow healthier food options. More organic food means healthier soil, cleaner air, and more tasty, nutritious food for our families.

focused on:

- Increasing organic agriculture
- Fostering the next generation of organic farmers
- Providing research and science to develop organic farming practices
- Protecting the biodiversity of our seed supply
- Teaching organic farming practices

grantee spotlight:

Our 2017 grant to FoodCorps supported the placement of 4 Corps members with organizations that engage in organic farming education – connecting 3,935 children in 7 high-need schools to healthy food and the natural world.



\$553,107 donated to nonprofits in 18 U.S. states



Photo credit: FoodCorps



2,101,922
farmers impacted
by programming



1,826
new organic
farmers created



4,401,012
organic acres
impacted



197,446
pounds organic food
served or distributed



1,010
varieties of
seed protected

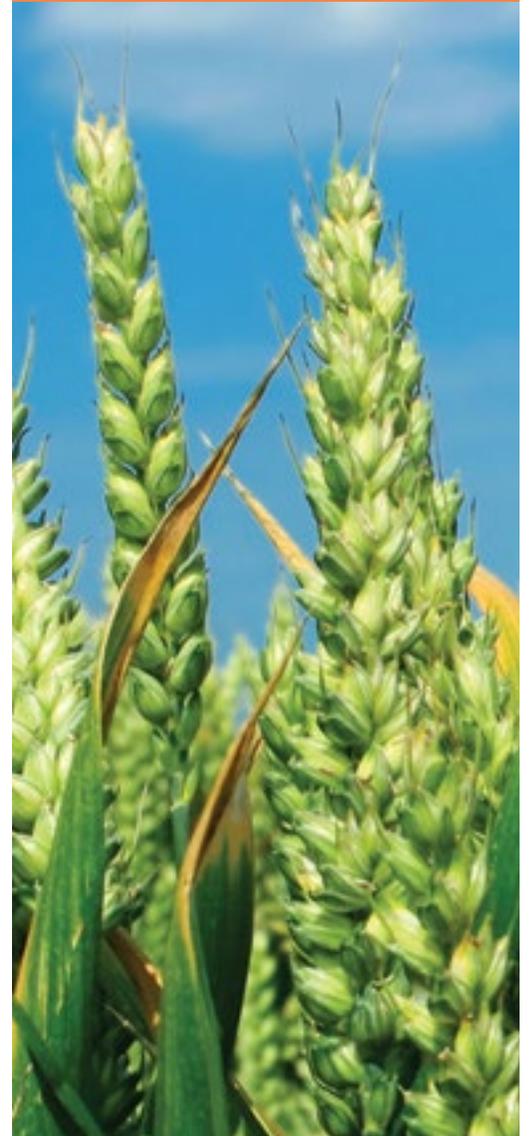


12,995
organic farms
impacted

Evaluating our impact

This year, our grant recipients made a big difference.

Here's a snapshot of their collective impact in 2017.

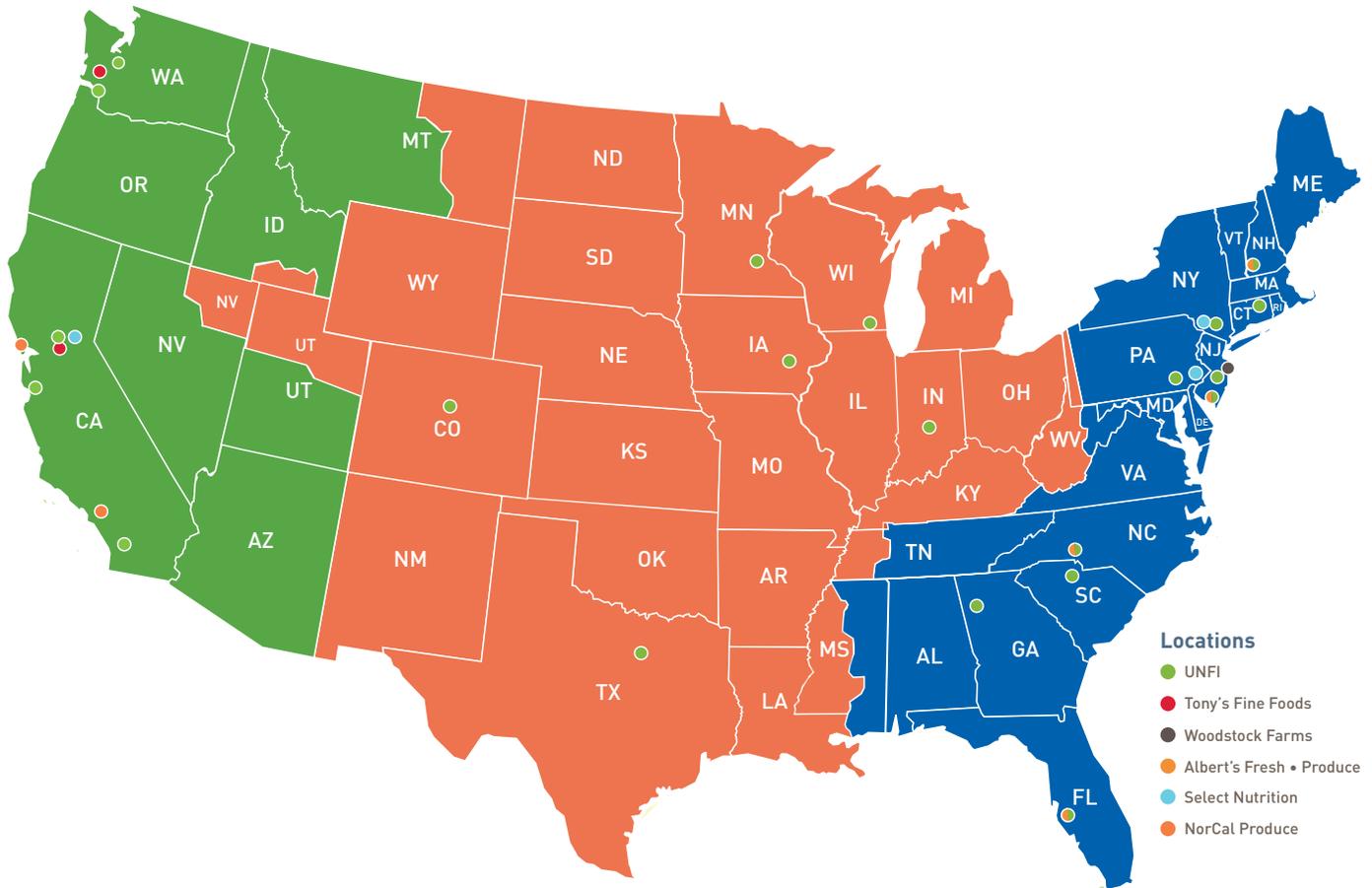


Regional review committees

PACIFIC

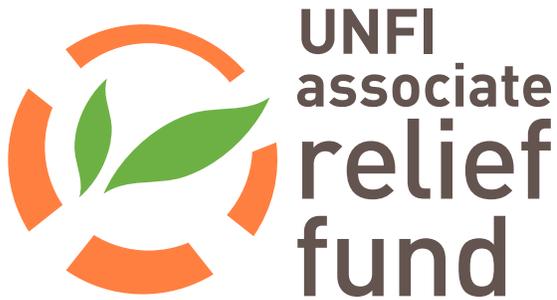
CENTRAL

ATLANTIC



we're getting closer to our nonprofit partners

In 2017, we reorganized our review committees to serve our Atlantic, Central and Pacific regions. This new structure will make it easier for us to connect with our grant recipients through volunteer projects and site visits.



SCALE DRIVES OUR ABILITY TO POSITIVELY IMPACT LIVES

caring for each other during hardship and disaster

associate relief fund

There for our associates during times of need, the UNFI Associate Relief Fund offers grants to cover unexpected expenses related to:

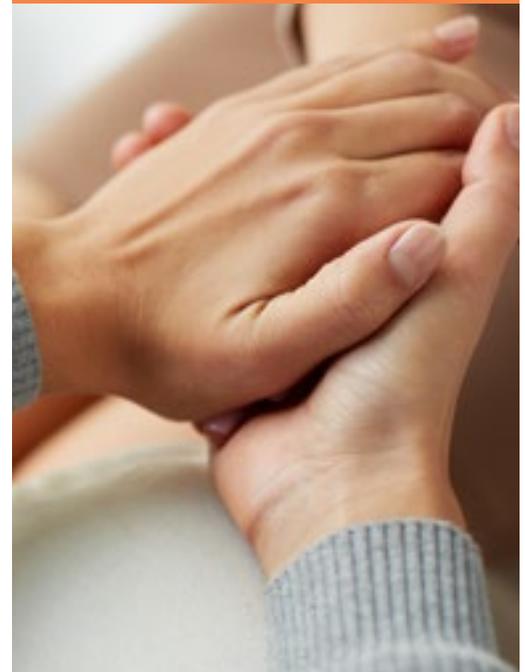
- Death in the family
- Natural disaster
- Medical situation
- Loss of housing or transportation
- Dangerous living situation

hurricanes and wildfire relief

2017 brought several consecutive natural disasters, leaving behind a wake of devastation in many of the communities where we operate. Our team immediately went into recovery mode, caring for each other, working hard and staying positive. UNFI matched \$16,000 in associate donations for a \$32,000 contribution to the American Red Cross. Another \$36,000 was granted to 38 associates to help them personally recover.



\$204,000 raised by associates for the Associate Relief Fund



“I greatly appreciate what you have done for my family. When I first started here and this program was explained to me, I thought it was a great way to help employees in need. I never thought I would be the employee in need.

Thank you so much.”

-Grant Recipient
UNFI Associate Relief Fund



\$156,000 granted to 134 associates in need



Record participation of 85%
in the 2017 engagement
survey

2017 highlights

1. Conducted annual engagement survey in spring 2017
2. Developed action plan program with 60+ formal action plans across the company
3. Developing organizational pulse check strategy to ensure for more frequent, timely touch points

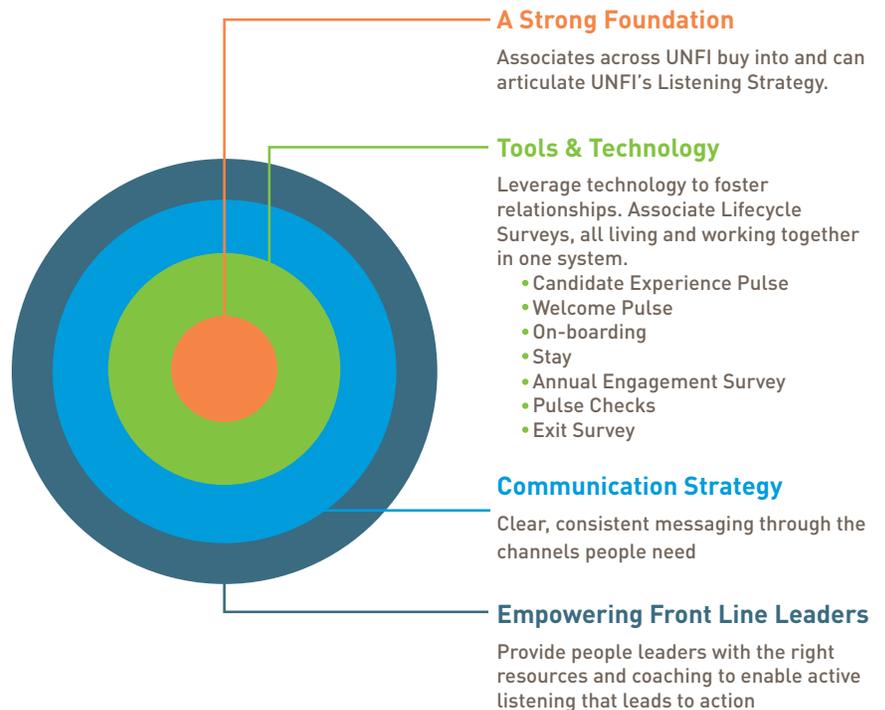
THERE IS NO LIMIT TO FRESH IDEAS

creating a culture of listening

We're fostering a culture where associates feel like their voice is heard – where they can share feedback through a variety of channels and we take action on it.

our vision

From day one, we listen to how associates feel and what they think because we are on a journey of continuous improvement that never ends.



your voice our future

This year, we founded the “Your Voice Our Future” engagement program.



learning and development

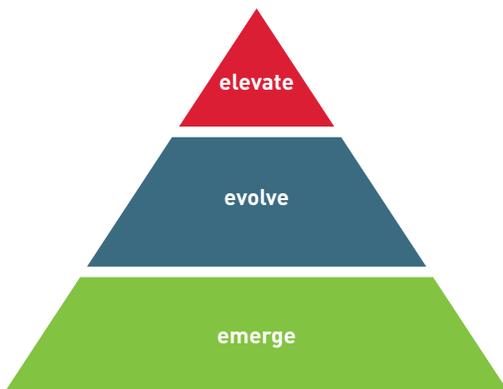
We're advancing the impact and maturity of our learning and development programs.

our vision

Every associate, no matter their title, level or location, understands where they are, where they can go and how we can help them get there.

our approach

We are designing a new leadership development program for 3 levels across the organization:



Intended for leaders who we expect to:

Influence the future strategy

Audience | Director+

Define the next phase of their leadership impact

Audience | Mid-Manager

Learn to model our people leadership brand

Audience | New Manager

diversity and inclusion

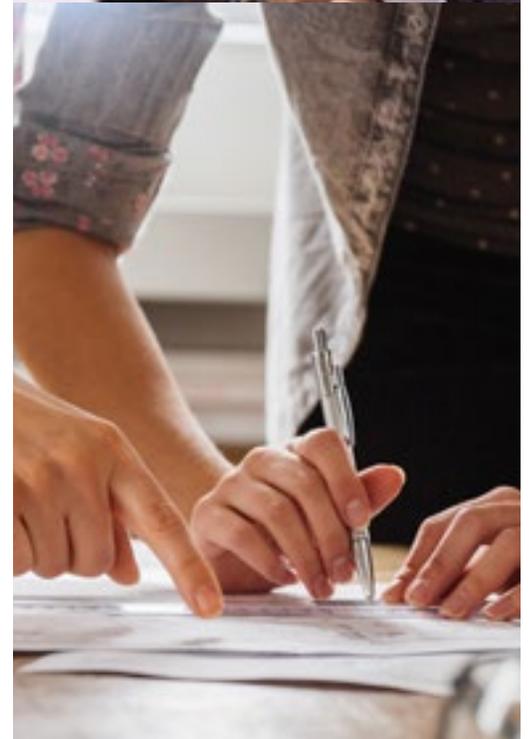
diversity by design

In 2017, we launched a Women's Leadership Network to provide a platform for female professionals to connect, build relationships and gain exposure to professional development resources and opportunities. Events held to-date include:

- Networking session
- Knowledge sharing workshop
- Personal branding workshop

board of director composition

We are proud to share that 50% (3 out of 6) of our independent (non-UNFI) members of our Board of Directors are female. This year, UNFI was recognized as a 2020 Women on Boards Winning Company for our commitment to board diversity for the 6th year in a row.





2017 wellness highlights

1. 73.6% associate participation rate in the 2017 Wellness Program
2. 16,305 collective pounds lost
3. 25.6% of associates eliminated at least one chronic health risk

benefits

We offer competitive benefits to full-time associates, including: comprehensive medical, dental and vision coverage, short term and long term disability plan, flexible spending accounts, life and accidental death and dismemberment insurance, a 401(k) retirement plan, discounts on UNFI products, a tuition reimbursement program and paid volunteer time. A comprehensive Employee Assistance Program (EAP) is offered to all associates and eligible dependents to assist with issues, such as personal stress and anxiety, work-life balance issues, legal and financial concerns, with counseling available 24/7. Other voluntary programs offered to our associates include supplemental life insurance, spousal life insurance, dependent life insurance, group auto, home, and pet insurance.

tools for well-being

Our Body & Mind Wellness program, now in its 4th year, gives associates the tools to achieve their health goals. From walking challenges to annual on-site health screenings, this program helps associates to save money on healthcare costs while improving our collective well-being.

adoption and maternity leave

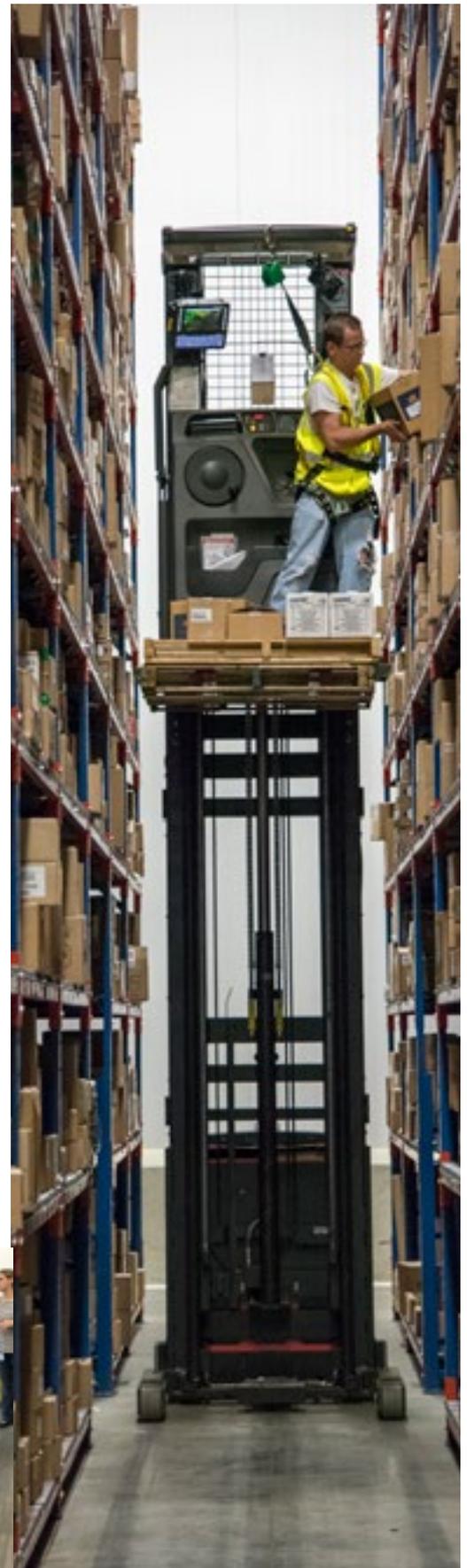
We know that family comes first. Supporting our associates when their family is growing is one of the most important things we can do. In 2017, we announced our new Adoption and Maternity Leave Policies. To bond with their new family after adopting a child, parents can take 1 week of paid adoption leave. New mothers can now take 3 weeks of paid maternity leave after giving birth to a child.



workplace safety

We strive for zero incidents and accidents. This year, we took several steps to help get us there:

1. Reorganized and rebranded our Risk & Safety organization
Now known as UNFI Safety, the team provides *Solutions that Protect*. Rather than acting as a police force, it is now a team of trusted advisors – providing training, education and state of the art tools and systems.
2. Adopted Key Performance Indicators to measure and track progress:
 - OSHA DART rate
 - Preventable Auto Accidents per Million Miles
 - Safe Quality Food (SQF) audit scores
3. Implemented best-in-class safety procedures and training
 - Focused on quality rather than quantity of training
 - Customizable by site
 - Conducted annually





SUSTAINABILITY IS OUR RESPONSIBILITY

climate change and greenhouse gas (GHG) emissions

Climate change is one of the most pressing issues of our time and businesses are uniquely positioned to make a difference.

We're committed to reducing our emissions by:

- Conserving energy and maximizing operating efficiencies
- Optimizing customer routes
- Investing in renewable energy
- Supporting organic agriculture

disclosing our climate impact

In 2017, we reported our fiscal year 2016 GHG emissions to CDP (formerly the Carbon Disclosure Project). Our full response can be viewed at the CDP website (www.cdp.net).

CDP Report Snapshot	
Reporting Period	Fiscal Year 2016
Base Year	Fiscal Year 2015
Methodology Used	GHG Protocol Corporate Accounting and Reporting Standard
Boundary	Includes all sites under our operational control
Gases included in calculation	carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O)
Score	C, awareness level

historical emissions: scope 1 & 2



Footnote: Greenhouse gas emissions can be categorized by source or scope. Scope 1 accounts for all emissions we own and control, whereas Scope 2 includes emissions from indirect sources such as electricity or heat purchased.

emissions reduction

While our sales have continued to grow year-over-year, our emissions intensity has steadily declined. We attribute this reduction to:

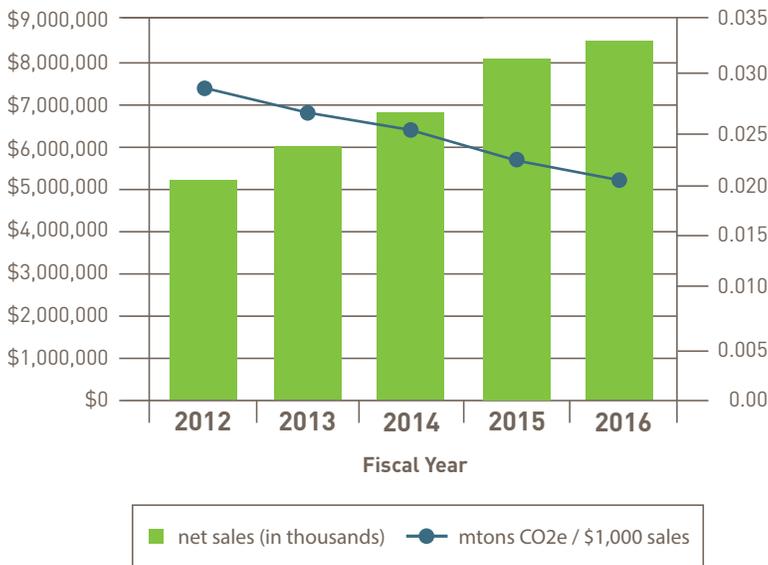
operating efficiencies

- New LEED® certified distribution centers in Hudson Valley and Gilroy – bringing us closer to our customers to reduce fuel and other transportation costs
- LED lighting upgrades at 5 of our distribution centers

renewable energy

- 10 electricity supplier contracts negotiated to include 25% green power
- Installation of new 792 kW solar array in Gilroy, CA, expected to generate approximately 1,692,800 kWh per year of renewable energy

emissions intensity trend



climate advocacy

In 2016, we signed the Business Backs Low-Carbon USA statement, re-affirming our deep commitment to addressing climate change through the implementation of the Paris Climate Agreement. And despite current events, “We Are Still In.”



2.5% reduction in absolute CO₂ emissions



712,000 MWh generated in on-site renewable energy





81% of waste
diverted from landfill

2017 highlights

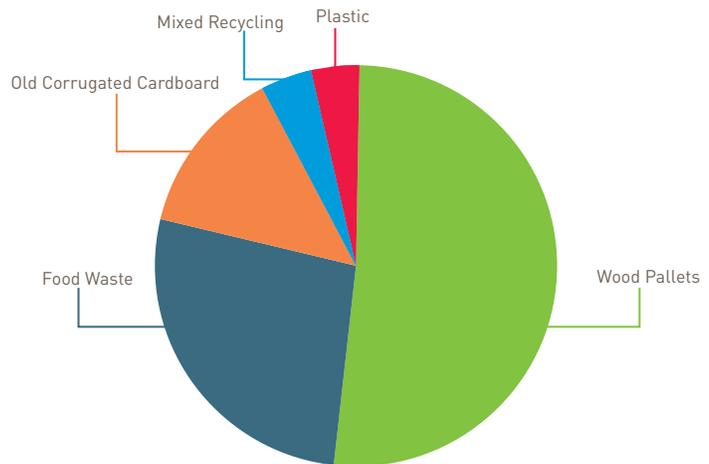
1. Centralized reporting
2. 5% improvement in diversion from landfill
3. 8% savings in waste per ton
4. 40% increase in revenue from recycling rebates



waste and recycling

Last year, we consolidated our waste management program to improve diversion from landfill and to save on waste costs. We've conducted a full evaluation of our waste streams and shared best practices across all sites.

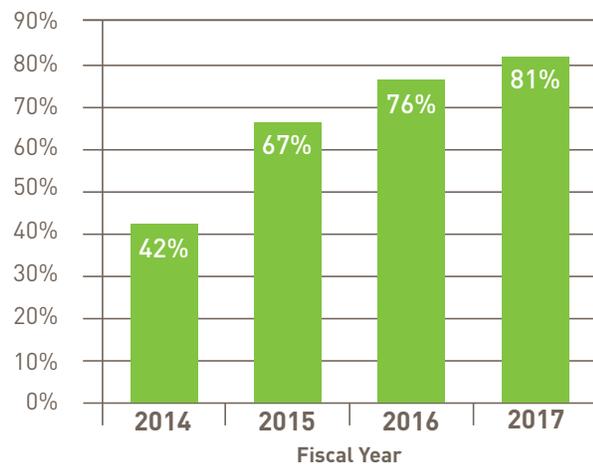
waste materials diverted from landfill



continuous improvement

Since we began tracking our waste and recycling in 2014, our diversion rate has improved by nearly 40%.

historical diversion rate



food waste

When it comes to food waste, prevention is our primary strategy, but when unexpected waste happens, our distribution centers have implemented effective strategies to avoid sending organic waste to the landfill:

donation to food bank

Our national partnership with Feeding America makes food donations easy.

on-farm compost

Some sites have partnerships with local farmers to take organic waste.

anaerobic digestion

UNFI Dayville and Chesterfield partnered with Quantum Biopower to divert 267 tons of packaged food waste in 2017 – converting it to clean renewable energy.

Our own anaerobic digester in Logan Township has processed 48 tons of food waste since it was installed in 2016.

During anaerobic digestion microorganisms break down organic materials in a system void of air and oxygen, called the digester. The result is a renewable fuel called biogas, and a material called “digestate” that can be used as a fertilizer for improving soil quality. Diverting our organic waste from landfills to anaerobic digestion helps reduce methane emissions that contribute to climate change, and provides a nutrient-rich product for farmers to use.





98% of waste
diverted from landfill
in Racine, WI



UNFI named to 2017 Food
Logistics' Top Green
Providers List



Our Goal:

Achieve 7.5 by July 2018

our most sustainable distribution center

Recognizing great leadership and commitment to sustainability.

All UNFI distribution centers are evaluated each quarter on 3 metrics:

- electricity usage intensity
- diversion rate
- and miles per gallon (MPG)

Our Racine, Wisconsin distribution center earned the #1 spot in electricity usage intensity and diversion in 2017, also ranking #3 in MPG for the year.

Great job, team Racine!



NEW ROUTES CAN TAKE US ANYWHERE

transportation

2017 brought many challenges, including transportation systems upgrades and the integration of new strategic business units into the UNFI family. As a result, our miles per gallon trended negatively with a decrease of 0.13 MPG.

We continue to invest in our fleet to make it as efficient as possible. Fleet initiatives to reduce diesel consumption include: cycling our fleet every 5 years, installing software to improve efficiency and optimize routes, transitioning to automatic transmissions, and upgrading trailer refrigeration units.

GENERAL STANDARD DISCLOSURES

Standard Disclosure	Standard Disclosure Title	Level of Disclosure	Location
Organizational Profile			
Disclosure 102-1	Name of the organization	Full	United Natural Foods, Inc. (UNFI)
Disclosure 102-2	Activities, brands, products, and services	Full	2017 Annual Report
Disclosure 102-3	Location of headquarters	Full	Providence, RI
Disclosure 102-4	Location of operations	Full	2017 Annual Report
Disclosure 102-5	Ownership and legal form	Full	2017 Annual Report
Disclosure 102-6	Markets served	Full	2017 Annual Report
Disclosure 102-7	Scale of the organization	Full	2017 Annual Report
Disclosure 102-9	Supply chain	Full	2017 Annual Report
Disclosure 102-10	Significant changes to the organization and its supply chain	Partial	2017 Annual Report
Strategy			
Disclosure 102-14	Statement from most senior decision-maker	Full	Page 1, Message from Steven L. Spinner
Disclosure 102-15	Key impacts, risks, and opportunities	Full	2017 Annual Report
Ethics and Integrity			
Disclosure 102-16	Values, principles, standards, and norms of behavior	Full	Page 3, Our Values
Governance			
Disclosure 102-18	Governance structure	Full	About this Report, inside cover
Disclosure 102-22	Composition of the highest governance body and its committees	Partial	About this Report, inside cover

SPECIFIC STANDARD DISCLOSURES

Economic			
Economic Performance			
Disclosure 201-1	Direct economic value generated and distributed	Full	2017 Annual Report
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Full	2016 CDP Report
Environmental			
Energy			
Disclosure 302-1	Energy consumption within the organization	Partial	Page 18, Emissions Reduction
Disclosure 302-3	Energy intensity	Partial	Page 18, Emissions Reduction
Disclosure 302-4	Reduction of energy consumption	Partial	Page 18, Emissions Reduction
Emissions			
Disclosure 305-1	Direct (Scope 1) GHG emissions	Full	Page 17, Climate Change
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Full	Page 17, Climate Change
Disclosure 305-4	GHG emissions intensity	Full	Page 18, Emissions Reduction
Disclosure 305-5	Reduction of GHG emissions	Full	Page 17, Climate Change
Effluents and Waste			
Disclosure 306-2	Waste by type and disposal method	Partial	Page 19-20, Waste & Recycling
Social			
Employment			
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Full	Page 15, Benefits
Training and Education			
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Partial	Page 14, Learning & Development
Diversity and Equal Opportunity			
Disclosure 405-1	Diversity of governance bodies and employees	Partial	Page 14, Diversity
Local Communities			
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	Partial	Addressed throughout

SPECIFIC STANDARD DISCLOSURES FOR THE FOOD PROCESSING SECTOR

Food Processing Sector Disclosures			
G40FP2	Procurement/Sourcing Practices	Partial	Page 5 Integrity Matters
G4-DMA	Healthy & Affordable Food	Full	Page 5, Creating Access
G4-FP10	Animal Welfare	Partial	Page 6, Animal Welfare
G4-FP5	Customer Health and Safety	Partial	Page 6, Best-in-Class Food Safety



A MESSAGE FROM TOM

2017 was a year for us to step back and take stock of where we were as a company on our social commitments. While we're proud of the progress we've made, we're even more inspired by what's next in the years ahead.

That's why we formed the Corporate Social Responsibility Steering Committee to help guide our strategy. To refine and improve our processes so that we can help drive more social and environmental good in our communities.

The key to our efforts will be to raise the bar in 2018. Next year, we will have our emissions data verified by an independent third party and establish emissions reduction targets in line with the Science-Based Targets Initiative. An ambitious move, for sure, but one that will help us to plan long-term for a future in which we can continue to find new ways to limit our carbon footprint.

I'm proud of all we're doing for people and our planet, evolving as the world transforms, while remaining true to the values that we were built on.

Discover What's Next,

Thomas A. Dziki
Senior Vice President, Real Estate & Sustainability

discovering
**what's
next**
keeps us
vital



