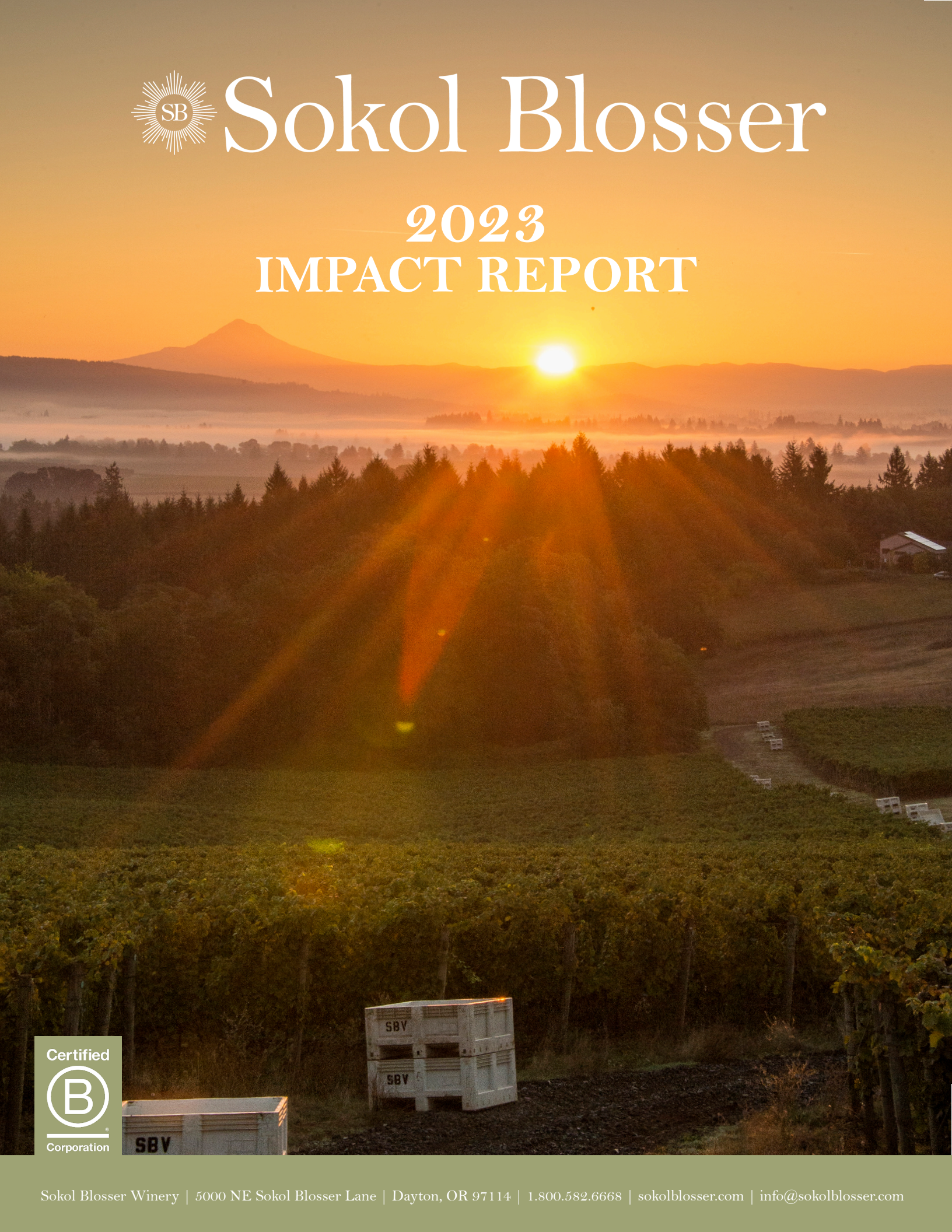




Sokol Blosser

2023 IMPACT REPORT



Welcome to our annual Impact Report, where we embark on a journey to illuminate our commitment to a better future for our planet and its inhabitants. As stewards of our vineyards, we recognize the imperative to operate responsibly, ethically, and sustainably in all facets of our business. In these pages, you'll discover the strides we've made, the challenges we've faced, and our ongoing efforts to integrate sustainability into every aspect of our operations.

At the heart of our approach is a profound understanding that business success and environmental stewardship are not mutually exclusive; rather, they are deeply interconnected. As such, our sustainability initiatives are not mere obligations, but opportunities for innovation, growth, and positive impact.

For over 50 years, as a family-run winery, we've cultivated a tradition of craftsmanship, integrity, and respect for the land. This legacy serves as the foundation of our sustainability journey, inspiring us to continuously improve and leave the world a better place for future generations.

Throughout this report, you'll find detailed accounts of our progress across key sustainability pillars, including conservation, social responsibility, and economic resilience. From reducing our carbon footprint to fostering diversity and inclusion, we're committed to fostering a culture of sustainability that extends beyond our organizational boundaries and into the communities we serve.

We invite you to journey with us through the following pages, as we share our achievements, challenges, and aspirations on the path to a more sustainable future. Together, let's continue to make meaningful strides toward a world where prosperity harmonizes with planetary health, leaving a legacy of sustainability for generations to come.

Sincerely,



Alex Sokol Blosser
Second Generation Winegrower
President



INTRODUCTION

We have developed goals in each of the three categories - people, planet and profit - that we will strive for and measure our progress each year. Some of these goals are long-term pursuits, and we will slowly chip away at them over time and perhaps never reach them in our lifetime. The importance of the goal and measurement cannot be overlooked, as it aligns our business interests and daily activities toward becoming a better, more sustainable company in the long run.

As recognition of our commitment to making an impact and to provide a framework to do more, we became B Corp certified on April 15, 2015. We went through recertification in 2017 and improved our score by 32 points, increasing from 80 to 112 out of a possible 200 points. Then in our April 2021 recertification, we increased our score by another 22 percent compared to our prior recertification. In 2017, 2018 and 2019, Sokol Blosser was honored Best for the World: Changemakers list. This award honors positive impact and behavior change among Certified B Corporations, awarded to B Corps with the largest increase in score between initial certification and recertification. Additionally, we are a 3-time winner of the “Best for The World: Environment” recognition.

PEOPLE

The first aspect of the triple bottom line is people. We support and encourage our employees as well as care for the community in which we do business. We have four primary goals in this area, which are listed below along with the results from 2023.

Employee retention rates year-over-year

Considering that we are in the hospitality industry, where turnover rates tend to be exceptionally high, we felt that a better reference point for us is average employee tenure. 17% of our employees have been with the company for 10 or more years, 21% of employees have been with the company for five or more years and 21% of employees have been with the company for two or more years. Current staff within their first year of employment is 27% for the year ending 2023. Our goal is to increase tenure percentages every year for those who have been with the company for more than two years.

Offer a comprehensive and generous benefits program for employees

We continue to offer a comprehensive and generous benefits program that includes:

- Up to 90% of premiums of our standard insurance plan with a \$1,500 deductible are paid by the company for medical, dental, and vision.
- Up to 80% of premiums of a buy-up insurance plan with a \$500 deductible are paid by the company for medical, dental, and vision.
- 100% of premiums are paid by the company for short-term disability and life insurance. A small premium for a long-term disability program is in place for all full-time employees.

- We offer enrollment in a 401(k) plan with a 4% match, which vests immediately.
- We offer generous paid time off, with hourly workers earning 13 days in their first year of employment and up to 28 days each year after six years of employment. Salaried workers participate in an unlimited PTO plan. In addition to PTO, we offer full-time employees 20 hours and part-time employees eight hours of paid time off to volunteer for a charity or school of their choosing. Currently, we offer (8) eight paid holidays.

We also offer additional benefits, such as an employee allocation of free wine, discounted wine purchases, professional development programs, and fun staff events.

Support local charities

Part of supporting our community is supporting non-profit organizations that help make our community a better place to live. In 2023, we gave a total value of \$63,607 through in-kind donations, cash donations, and certificates for VIP tastings. This was a 16% increase from our 2022 donations. Additionally, we offer our staff paid volunteer hours to support their favorite charities. Our staff volunteered 139 hours in 2023 and 118 hours in 2022, an 18% increase.

We direct our charitable contributions to support the local community where our stakeholders live and work, and in 2023 we donated over 165 cases of wine. Charities and non-profit organizations supported through paid employee volunteer time, board of director service and/or in-kind and cash donations included:

- B Lab (B Corp)
- Chehalem Cultural Center
- Children’s Cancer Association
- Dundee Hills Winegrowers Association
- Feral Cat Coalition
- Friends of the Children
- Girls Inc
- Literary Arts
- Make-a-Wish Foundation

- Oregon Ballet Theater
- Oregon Historical Society
- Portland State University
- Prescott Bluebird Recovery Project
- Salud!
- Tualatin Valley Ducks Unlimited
- WaterWatch of Oregon
- Willamette Valley Wineries Association
- Women in Wine
- Yamhill Community Action Partnership (YCAP)
- Yamhill Enrichment Society
- And numerous other environmental, arts, and education charities



Value and promote a diverse work environment

Annually, we conduct voluntary diversity surveys to track and report on the ethnic makeup of those employees who wish to disclose it. Our 2023 workforce was made up of 88.9% white (not Hispanic or Latino), 3.2% Hispanic or Latino, 6.3% two or more races, and 1.6% Native Hawaiian or Pacific Islander. We know we do not have the most diverse workforce, and it is something we desire to change. We have started working on a DEI strategic plan to develop tactics to ensure our company is first and foremost inclusive so that we can then attract and retain more diversity.

We are proud of the strong female leadership at Sokol Blosser, which started with our co-founder, Susan Sokol Blosser. Our executive team is made up of 60% females and 40% males, and our board of directors is made up of 40% females and 60% males. Our overall employee breakdown is 66.7% females and 33.3% males.

PLANET

Being good stewards of the land to leave it in as good or better shape for the next generation is a key part of being sustainable at Sokol Blosser. We have made many strides in this area over the past twenty years, namely:

- USDA Organic certification for our vineyard in 2005
- U.S. Green Building Council LEED-certified barrel cellar in 2002; we were the first winery in the world to achieve this certification
- Salmon Safe Certified
- Onsite 25kW solar panel system
- Renewable wind power purchased from PGE
- 50% biodiesel in vineyard tractors and trucks
- Member of the Prescott Western Bluebird Recovery Project
- Brochures and copy paper are made from as much post-consumer waste recycled content as possible. When working with printers, we always request the most sustainable options – both in paper and ink – and weigh out the decision based on what’s sustainable for the environment and balance it with sustainable decisions for the business.
- Packaging is heavily integrated with our sustainability efforts. These include lighter glass weight for Evolution wine bottles, wine labels printed on paper utilizing recycled/post-consumer waste, composite natural corks, kraft case boxes, FSC-certified wood boxes, FSC-certified paper for 2-bottle bags, and reusable 4-bottle and 6-bottle bags.
- Electric vehicle charging station onsite

We have many goals as it relates to caring for our planet. Some of these goals are quite lofty and may take a generation to reach.

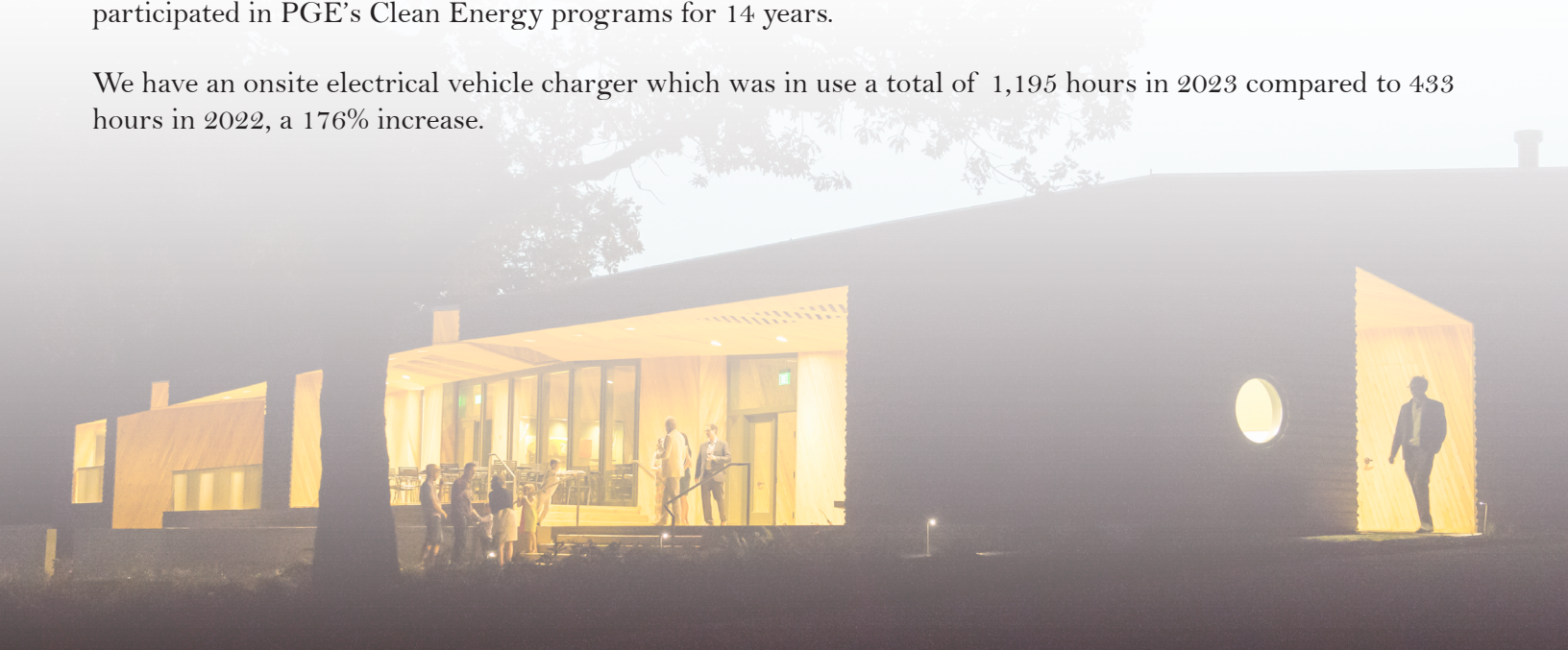
Energy usage

Our short-term goal is to reduce energy use by 5% per year through conservation, education about actual energy usage, and converting to more energy efficient appliances and lighting. Our long-term goal is to achieve net zero energy.

- In 2023, we increased our total energy usage by 9% compared to the previous year. Our total kWh usage in 2023 was 484,908 compared to 445,644 in 2022.
- Tasting Room: 101,280 kWh energy used; this is an increase of 7,440 kWh or 7.9% compared to the prior year.
- Winery/Offices: 95,120 kWh energy used; this is a decrease of 6,640 kWh or -6.5% compared to the prior year.
- Refrigeration/Barrel Cellar: 234,160 kWh energy used; this is an increase of 22,240 kWh or 10.5% compared to the prior year.
- Vineyards: 10,302 kWh energy used; this is an increase of 803 kWh or 8.5% compared to the prior year.
- Harvest & Orchard House: 21,486 kWh energy used; this is a decrease of 179 kWh or -0.8% compared to the prior year.
- Warehouse: 22,560 kWh used; this is an increase of 15,600 kWh or 224.1% compared to the prior year. The warehouse opened in August 2022 and had five months of energy usage in 2022 compared to 12 months in 2023.

Additionally, for the energy that we cannot produce onsite, 54% was renewable energy purchased through PGE's Clean Energy Programs. In 2023, we purchased 259,704 kWh through these Clean Energy Programs offsetting 181 metric tons of CO₂, and is equivalent to 36 homes' energy use for one year. We have participated in PGE's Clean Energy programs for 14 years.

We have an onsite electrical vehicle charger which was in use a total of 1,195 hours in 2023 compared to 433 hours in 2022, a 176% increase.



Eliminate hazardous waste sent to the landfill

We want to completely eliminate hazardous waste through recycling and lower the amount of waste we send to the landfill. In 2016, we implemented a battery and lightbulb recycling program. We provide containers on-site where employees can recycle batteries and lightbulbs they use at the office and at home. We send these containers to a third party to be properly recycled, which keeps the hazardous waste out of landfills. We continued collecting batteries and lightbulbs in 2023 and they will be sent to the recycler once the containers are filled. Our goal is to eliminate 100% of hazardous battery and lightbulb waste by recycling these items.

Reduce water usage

Production is still assessing the data of water usage and wastewater generated and how best to generate useful and applicable results from that information. Since 2019 we have been monitoring the quantity of wastewater produced and starting in 2022, we have been more diligently monitoring the monthly quantity of water pumped out of our well. We are attempting to tie the numbers between water in (recorded in the pump house) and water out (wastewater pump recording) to associate water consumption and be able to pinpoint high use procedures to determine if improvements can be made. The value associated with the water pumped out is for water both used in the facility and to irrigate our landscaping.

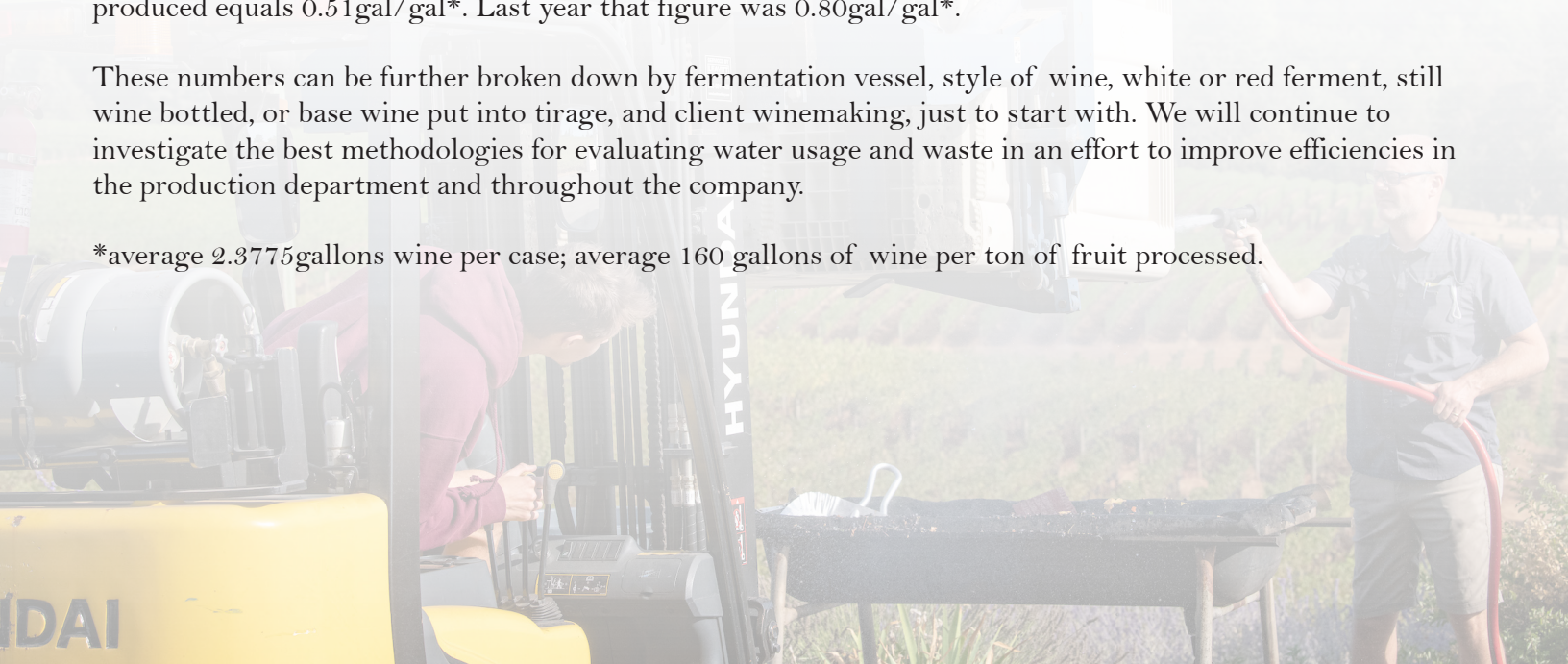
From April 2022 through March 2023, we pumped out 117,600 gallons of wastewater into the field. This was a significant drop from our wastewater pumped out last year over the same period and in line with data from the previous year’s time period of April 2021 through March 2022.

In total 146,420 gallons of water was pumped both into the facility and used for irrigation of the landscaping.

Key values relative to water consumption are the quantity of cases produced and tons processed during harvest. The number of cases bottled over that same period on the property was 97,500 cases, and the tons processed on the property were 920 tons. Our total wastewater gallons generated per gallon of wine produced equals 0.51gal/gal*. Last year that figure was 0.80gal/gal*.

These numbers can be further broken down by fermentation vessel, style of wine, white or red ferment, still wine bottled, or base wine put into tirage, and client winemaking, just to start with. We will continue to investigate the best methodologies for evaluating water usage and waste in an effort to improve efficiencies in the production department and throughout the company.

*average 2.3775gallons wine per case; average 160 gallons of wine per ton of fruit processed.



Engage in good practices that help to protect our environment

As certified organic farmers, we constantly look for new ways to take care of our land in a more sustainable way. We want to source all organic fruit that we farm ourselves (or control the farming of) for our Sokol Blosser wines.

Sokol Blosser has worked with the Prescott Western Bluebird Recovery Project for over 20 years. Susan and Russ are “bluebird monitors.” They maintain 11 birdhouses located around the winery and vineyard. This was a good year for bluebirds. More babies survived to leave the nest, or fledge. Russ keeps a spreadsheet with information about each of the boxes with a lot of detail, which he sends to the Prescott Western Bluebird Recovery folks. To summarize, though, here is a comparison of the last 3 years.

In 2021: 41 eggs laid, 26 hatched, and only 9 fledge

In 2022: 36 eggs laid, 25 hatched, and 24 fledge

In 2023: 58 eggs laid, 44 hatched, and 36 fledge

The excessive heat during the season took its toll. All the babies at the Cattail Pinot Gris box died. It was a second clutch and all eggs had hatched and were healthy. They were a week away from fledging. It was very sad to lose them all.



BEES

Susan worked with Matt Getsinger, a local experienced beekeeper who tends bees for a number of people, including Red Ridge up the hill.

This was the first year that our hives survived the winter. We wrapped them for insulation and made sure they had sufficient food, which could be their honey or, if there wasn't enough, sugar syrup.

Starting in April we checked the hives every week or 10 days, looking at each frame to make sure the queen is there and she is laying eggs. Also to make sure the bees are not building swarm cells, and that the hive seems healthy. We watch the bees bringing in pollen, little bits of color attached to their legs.

From our six hives, Matt extracted four gallons of honey in early August which Susan delivered to Chef Jonathan. We will probably not take any more honey, but leave it for the bees to eat over the winter. The bees survived the excessive heat by fanning their wings to keep their hive cool. The energy this took caused them to eat more of their honey reserves, so we will need to supplement their food this winter.

Predators for the hives include Yellow Jackets and mites. We put up two big yellow jacket traps and treated each hive for mites twice a season. Occasionally a mouse gets into a hive but if the hive is healthy it doesn't last long. We only found one this season which had been stung to death.

The winery is also part of Oregon State University's Bee Project to educate about pollinators, not just honey bees. They are monitoring pollinator activity in our vineyard and have found we have at least 60 varieties of bees. We are working on planting as much pollinator-friendly landscaping as possible.



PROFIT

Running a profitable business is perhaps the most important element to having a long-term viable and sustainable company. As a small, closely held company owned by the Sokol Blosser family, we do not disclose our financial statements, yet take great pride in being in business for the last 52 years. The company is governed by a Board of Directors which includes five family members and one non-family member. Running the company in such a way as to build it to stand the test of time is incredibly important to all stakeholders. In 2015, Sokol Blosser amended its corporate Articles of Incorporation to become a benefit company, as defined by Oregon Statute 60.750. Electing this status was, and remains, the best way to ensure that the values of our company are maintained over time and the Board of Directors considers all stakeholders (current and retired employees, suppliers, customers, communities and societies in which the business operates, the environment, and the economy of the state, region, and nation) in decision making, rather than solely on shareholders.

In 2023, we received an accolade related to our commitment to sustainability and employment. We were voted #31 for the Best Green Companies to Work for in Oregon, by *Oregon Business Magazine*; this was the eleventh year in a row that we were honored on this list.

Through Yelp, Google, and Trip Advisor our winery has more than 750 customer reviews with an average rating of 4.3. On Instagram, we have over 16.7K followers and have enjoyed collaborating with Hyland and Knudsen as we all celebrated our 50th anniversaries in 2021. Our winery also earned write-ups and accolades from notable wine reviewers and traditional media. Our wines have been well received and scored by notable wine publications:

2021 Orchard Block Pinot Noir

92 points – Wine Spectator
93 points – Decanter
91 points – Vinous

2021 Big Tree Block Pinot Noir

91 points – Wine Enthusiast
92 points – Vinous

2021 Temperance Hill Pinot Noir

94 points – Decanter

2021 Dundee Hills Pinot Noir

93 points – James Suckling
92 points – Wine Spectator
91 points – Wine Enthusiast
90 points – Vinous
92 points – Decanter
92 points – Jeb Dunnock

2021 Redland Pinot Noir

90 points – Wine Enthusiast

2022 Kalita Vineyard Pinot Noir

92 points – James Suckling
92 points – The Tasting Panel
94 points & Publisher’s Pick –
The Somm Journal
94 points & Critic’s Choice –
Northwest Wine Report

2022 Willamette Valley Pinot Gris

90 points – Wine Enthusiast

2021 Dundee Hills Chardonnay

90 points – Wine Spectator
90 points – Wine Enthusiast
91 points – Decanter

2022 Croft Vineyard Sauvignon Blanc

90 points & Top 30 Sauvignon Blancs
of 2023 – VinePair

2018 Sparkling Rosé of Pinot Noir

92 points & Editor’s Choice – Wine
Enthusiast

2021 Bluebird Cuvée Sparkling

90 points – James Suckling
90 points – Jeb Dunnock

2022 Evolution Willamette Valley Pinot Noir

92 points – James Suckling

2021 Evolution Lucky No.9 White

91 points & Best Buy – Wine
Enthusiast

2022 Evolution Riesling

89 points & Best Buy – Wine
Enthusiast

2021 Evolution Chardonnay

91 points & Best Buy – Wine
Enthusiast
92 points – James Suckling

Contributors: Alex Sokol Blosser, Julie Bensel, Jennifer Clark, Nicole Jung, Robin Howell, Susan Sokol Blosser, Russ Rosner, Christina Collins, Caitlin Shawver.