

# 2019 SUSTAINABILITY REPORT SOKOL BLOSSER WINERY







## INTRODUCTION

Sustainability plays a critical role in how we measure our success at Sokol Blosser. Our definition of sustainability, and therefore how we measure our success each year, is based on doing good as measured through the triple bottom line. Simply put: it is using our business as a force for good across all aspects of people, planet and profit. Our long-term viability and success as a company is dependent on how we treat our staff and the community around us, how we care for the environment on a local and global scale, and running a profitable, well governed business. Running our business through these lenses aligns with our passion which is connecting people to each other through our story.

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 sustainability and to provide a framework for becoming even more sustainable, 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. 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.





## 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 2019.

### 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, which was 4.31 years in 2019. 13% of our employees have been with the company for 10 or more years, 10% of employees have been with the company for five or more years and 37% of employees have been with the company for two or more years. Current staff within their first year of employment is 40% for the year ending 2019. Our goal is to increase tenure percentages every year for those who have been with the company more than two years, and that tenure rate remained flat from 2018 to 2019.

### Offer a comprehensive and generous benefits program for employees

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

- 80% of premiums of a platinum level 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 match 100% of the first 3% of an employee's salary and 50% of the next 2% for our 401(k) plan 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 seven 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 those non-profit organizations that help make our community a better place to live. In 2019, we gave a total value of \$76,098 in in-kind donations, certificates for VIP tastings, and cash donations. This was a 19% increase over our 2018 donations. Additionally, we offer our staff paid volunteer hours to support their favorite charities.

We support and direct our charitable contributions to the local community where our stakeholders live and work, and in 2019 we donated almost 200 cases of wine. Charities supported through paid employee volunteer time, board of director service and/or in-kind donations included:

- Yamhill Enrichment Society
- Yamhill County Public Schools
- Portland Public Schools
- Association of Oregon Technology
- French American International School
- Yamhill Community Action Partnership (YCAP) – \$430 was raised to donate to YCAP which is equivalent to 1,720 pounds of food! Our staff also volunteered at the food bank.
- Portland State University
- Edison High School
- Literary Arts
- Classic Wine Auction
- Arbor School of Arts & Sciences
- Sove Green Gala
- Cystic Fibrosis Foundation
- Solve
- The Blosser Center for Dyslexia Resources
- ¡Salud!
- Feral Cat Coalition
- Women in Wine: Fermenting Change in Oregon
- And numerous other environmental, arts, and education charities



### Value and promote a diverse work environment

Annually, we conduct voluntary diversity surveys in order to track and report on the ethnic makeup of those employees who wish to disclose it. Our 2019 workforce was made up of 75% white (not Hispanic or Latino), 10% Hispanic or Latino, and 4% two or more races.

Our executive team is made up of 50% females and 50% males, and our board of directors is made up of 34% females and 66% males. Our overall employee breakdown is 61% females and 39% males.

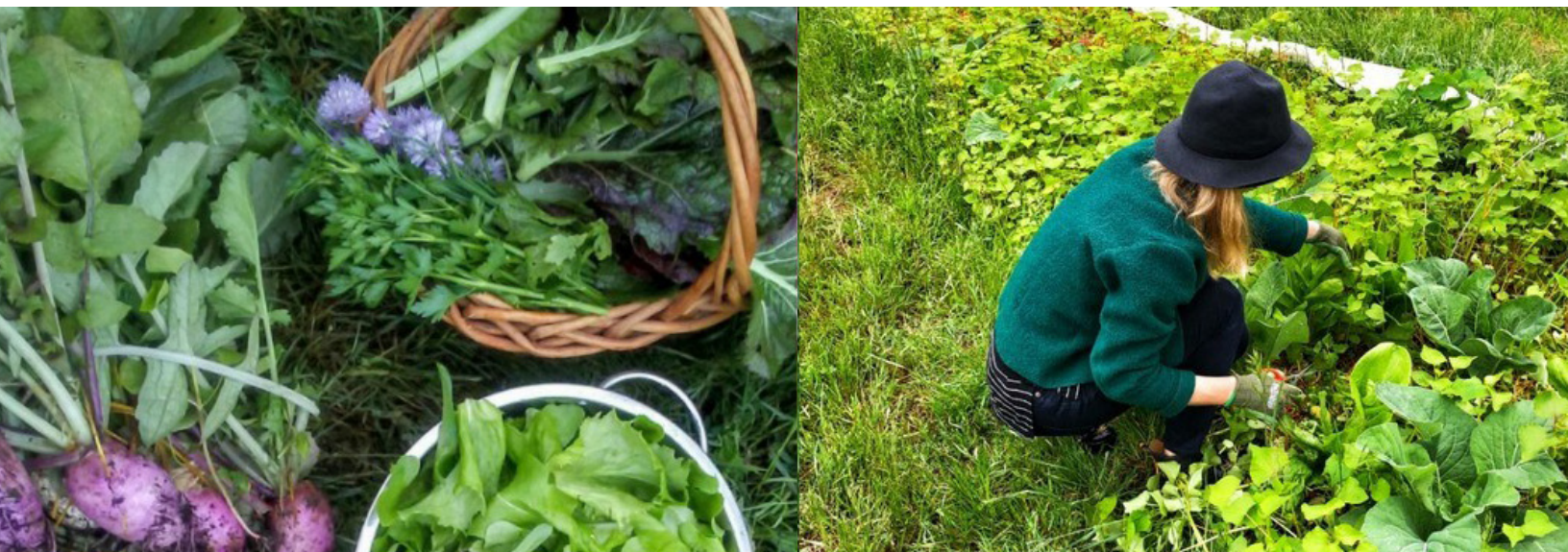


## PLANET

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 for 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

Short-term, we want to reduce energy use by 5% per year through conservation, education about actual energy usage, and converting to more energy efficient appliances and lighting. Long-term, we want to achieve net zero energy.

In 2019, we increased our total energy consumption by 4% compared to the previous year. Our total kWh usage in 2019 was 397,847 compared to 381,235 kWh in 2018.

- Tasting Room: 85,800 kWh energy used; this is a 1,880kWh difference, or 2% increase. We saw an increase in visitor traffic and events from 2018 to 2019 which we believe accounts for the modest increase in energy use.
- Offices/Winery: 100,241 kWh energy used; this is a 9,761 Wh difference, or 11% increase. We are honestly uncertain why there was such a significant increase in energy usage in the office. We have a couple hypothesis that we are testing in 2020 to see if there is an impact.
- Refrigeration/Barrel Cellar: 187,280 kWh energy used; this is a -4,000kWh difference, or 2% decrease.
- Vineyard: 5811 kWh energy used; this is a 614 kWh difference, or 12% increase. We are unsure why there was such a significant increase in energy usage, although the base is small.
- Orchard House, an onsite home the Sokol Blosser family uses: 5649 kWh energy used; this is a 1,033kWh difference, or 22% increase. This was because the family spent more time staying on property during 2019.
- Harvest House/Ship Shop: 15,907 kWh energy used; this is a 9,706kWh difference, or 156% increase. We only used these facilities for half of 2018 versus the entire year in 2019, which accounts for the energy usage increase.
- Solar Panels: we generated 17,826 kWh energy with our onsite Photovoltaic (PV) system; this is an increase of 19%, or 2,913 kWh from 2018. This is roughly 20% of our TR energy usage.

Additionally, we have an onsite electrical vehicle charger and its usage increased by over 45% from 2018 to 2019. This displaced 407.61 gallons of fuel and offset 7907.61 lbs. of CO<sub>2</sub>.



### 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, so the hazardous waste doesn't end up in a landfill. In 2019, we recycled 35 pounds of batteries and 12 pounds of lightbulbs, roughly equal to what we did in 2018. Our goal is to eliminate 100% of hazardous battery and lightbulb waste by recycling these items.

### Reduce water usage

It has been challenging to establish a conservation plan or even understand how we are using water as a company. So with 2019 we re-evaluated the approach to monitoring our water usage and instead broke it down to look at the quantity of waste water generated. Specifically we wanted to look at the waste water generated by the production department. It is our assumption that the production department would be the greatest user of water and could be the first department to take measures to significantly impact the amount of waste water generated. It is also easiest to isolate the production department because it has its own waste water pump. While this is not a perfect analysis because not every gallon of water used in the department goes through the waste water pump, we know that any adjustments made to water efficiency will certainly impact our overall efficiencies.

In total 238,885 gallons of waste water was pumped out of the winery during the year. Highlighting specifically the quantity of cases bottled on the property, 91,564 cases, and tons processed on the property, 920 tons, our total waste water gallons generated per gallon of wine produced in 2019 equals to 0.65gal/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. This information is now being tracked on an internal scorecard. Our first initiative for the production department is to improve our tank washing equipment. This decision was initially made for safety and quality assurance reasons but upon further research, a byproduct of this change should also be water conservation.

We will continue to investigate 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 160gallons 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. We helped a vineyard that we farm and manage in the Eola-Amity Hills, Blossom Ridge, undergo a transition to organic farming several years ago. That vineyard achieved organic certification in December 2017. Additionally, in 2019, we leased Thistle Vineyards in the Dundee Hills which is also certified organic.

As members of the Prescott Western Bluebird Recovery Project, we maintain 11 birdhouses located around the winery and vineyard. In 2019, resident bluebirds had successful nest building, egg laying, and chick raising in only six of them (violet-green swallows used most of the others). After a difficult start to the season due to the interference of invasive house sparrows (also known as English sparrows), it turned out to be a pretty good and successful year. House sparrows will either claim the boxes and lay their eggs or invade and destroy nests in boxes with bluebirds, killing the parents and the young. We did a fair amount of intervention to prevent this from happening.

We had twelve successful bluebird nestings. Three of those were second nestings in the same boxes by the same pair of parents as the first nesting. There was a total of 47 eggs laid. Of those, 41 hatched and 32 survived to fledge. This was a pretty good percentage and number considering we only had 20 hatch and survive to fledge in 2018.



There was no capturing and/or banding of either parents or chicks this year. The Bluebird Recovery Project has decided it isn't essential to do that and they are lacking the resources to continue with that part of the program. However, we remain active participants in the program to help grow the population of Western Bluebirds.

In April 2019 we acquired three new colonies of bees. They are thriving in their new home down by our vegetable garden. We did not harvest any honey from them in their first season as we wanted them to build up their home. Hopefully next year we will be able to get lots of honey to use in our culinary program at the winery.

In 2013, we planted a small fruit orchard below our vineyard shop, and finally in 2015 it started to bear fruit that we harvested and used primarily in our culinary program. In 2019, the cherry harvest was almost nothing, and we decided to remove all the peach trees as they have been perennially prone to contracting disease. Both the apple and pear harvests were bountiful, and the fruit was either used in our culinary program or given to employees. Some of the fruit was left on the trees for the birds. In December the orchard was pruned and made ready for another season in 2020. Every year the trees get bigger, and we are hopeful that in the coming year both the plum and cherry trees will also thrive and produce.

In 2019, we planted a large vegetable garden that featured many crops such as salad greens, heirloom tomatoes, edible flowers, and beans. The harvest from the garden was used entirely in our culinary program. Based on the success in 2019, we are expanding the garden for 2020. We also have fifteen chickens that we take care of onsite. These chickens lay eggs which are also used in our culinary program. The goal with our culinary program is to highlight what we can grow or forage on our own property as well as what we can source from local farms.





## 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 48 years.

In 2019, we received an accolade related to our commitment to sustainability and employment. We were voted the number 25 Best Green Company to Work for in Oregon by *Oregon Business Magazine*; this was the eighth year in a row that we were honored on this list.

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:

**2016 Orchard Block Pinot Noir**

92 points – Wine Enthusiast

**2016 Big Tree Block Pinot Noir**

93 points – James Suckling

92 points – Wine Enthusiast

**2016 Peach Tree Block Pinot Noir**

92 points – Wine Enthusiast

**2016 Blackberry Block Pinot Noir**

91 points & Editors' Choice – Wine Enthusiast

**2016 Watershed Pinot Noir**

92 points – Wine Enthusiast

**2016 Old Vineyard Block Pinot Noir**

92 points – Wine Enthusiast

**2016 Dundee Hills Pinot Noir**

91 points – James Suckling

90 points – Wine Spectator

**2018 Estate Rosé of Pinot Noir**

88 points – Wine Spectator

**2017 Dundee Hills Chardonnay**

93 points – James Suckling

89 points – Wine Spectator

89 points – Wine Enthusiast

**2017 Evolution Willamette Valley Pinot Noir**

92 points – James Suckling

**Evolution Big Time Red**

88 points (7<sup>th</sup> Edition) – Wine Enthusiast

**Evolution Lucky No 9 White**

90 points & Best Buy (22<sup>nd</sup> Edition) –  
Wine Enthusiast

**2017 Evolution Chardonnay**

89 points – Wine Spectator

**2017 Evolution Riesling**

Cellar Selects – Oregon Wine Press

