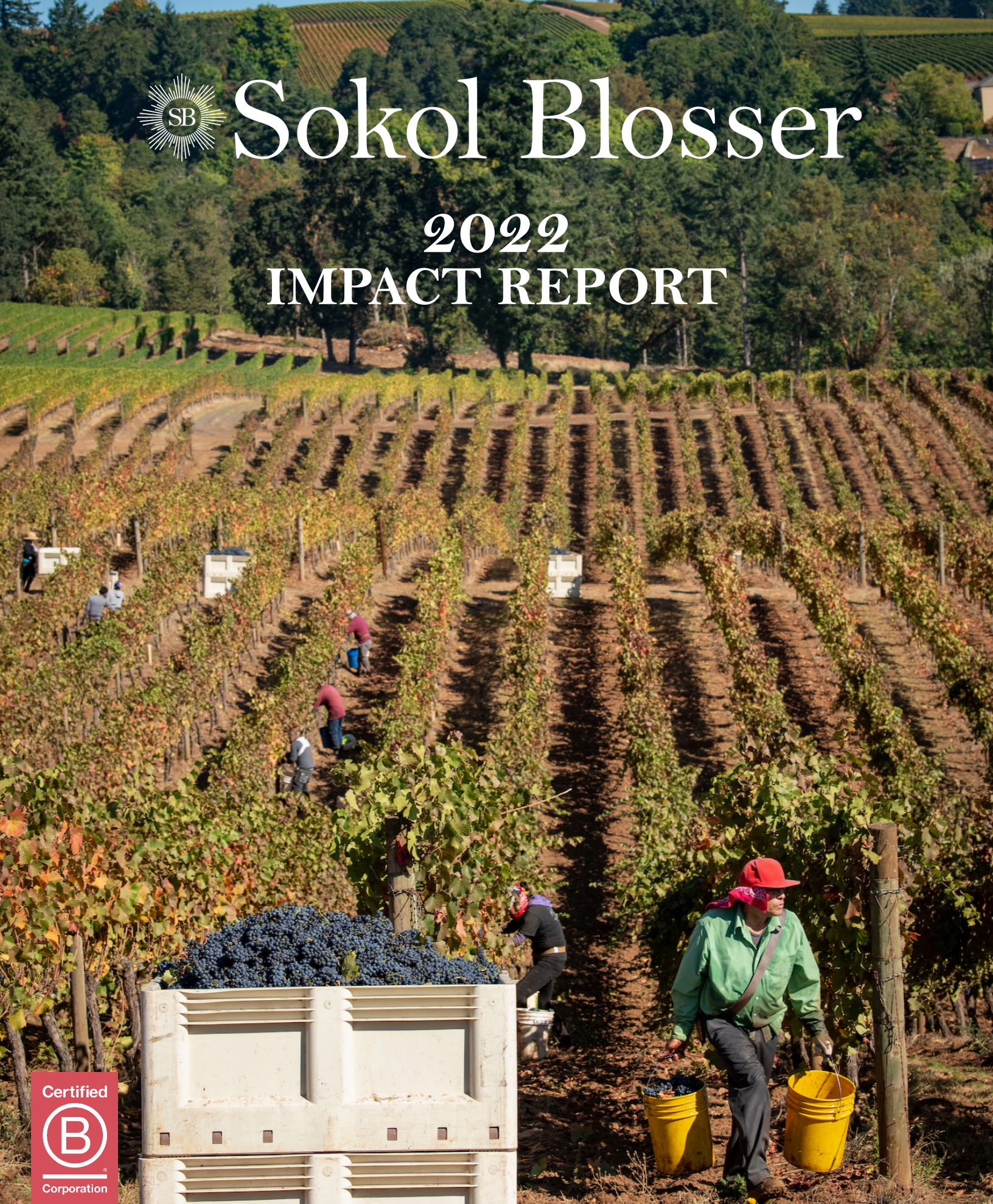




# Sokol Blosser

## 2022 IMPACT REPORT



Certified



Corporation



April 22, 2023

Fifty-two years ago, when my parents, Susan & Bill, planted our first grapevines, they thought of themselves as environmentalists, doing the right thing for the environment before the concept of sustainability became mainstream. Over the past half century, as the definition of sustainability continued to evolve, their commitment, and thus my commitment, to it deepened.

Susan wrote our first Sustainability Report nearly 17 years ago that focused on our successes and setbacks related to our impact on the environment. Then, in 2014, we started including more than just our impact on the environment as our definition of sustainability expanded beyond just being good to the earth. We realized we needed to look at the entire impact we made in our community because the impact we make being a sustainable company and a good corporate citizen plays a critical role in how we measure our success at Sokol Blosser. Simply put: our ultimate success 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.

The way I talk about it with our team is that not only do we make good shit, but we truly do give a shit. I present to you our 2022 Impact Report which covers all the ways we care.

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. In 2022 we were awarded “Best for The World: Environment” for the 4th time.

## 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. 19% of our employees have been with the company for 10 or more years, 26% of employees have been with the company for five or more years and 19% of employees have been with the company for two or more years. Current staff within their first year of employment is 35% for the year ending 2022. Our goal is to increase tenure percentages every year for those who have been with the company 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 2022, we gave a total value of \$54,942 through in-kind donations, cash donations, and certificates for VIP tastings. This was a 35% increase from our 2021 donations. Additionally, we offer our staff paid volunteer hours to support their favorite charities. Our staff volunteered 118 hours in 2022 and 111 hours in 2021, a 6% increase. We participated in Earth Day Oregon by donating 6% of net tasting room and online sales on April 22, 2022 to SOLVE and the Oregon Environmental Council.

We direct our charitable contributions to support the local community where our stakeholders live and work, and in 2022 we donated over 194 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)
- Blanchet House
- Chamber Music Northwest
- Chehalem Cultural Center
- Children's Cancer Association
- Dundee Hills Winegrowers Association
- Feral Cat Coalition
- Girls Inc

- Latino Network
- Literary Arts
- Oregon Ballet Theater
- Oregon Environmental Council
- Oregon Historical Society
- Portland State University
- Prescott Bluebird Recovery Project
- Salud!
- SOLVE
- Tualatin Valley Ducks Unlimited
- WaterWatch of Oregon
- Willamette Valley Wineries Association
- Wine Country Pride
- 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 in order to track and report on the ethnic makeup of those employees who wish to disclose it. Our 2022 workforce was made up of 91.2% white (not Hispanic or Latino), 5.3% Hispanic or Latino, and 3.5% two or more races. 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 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.



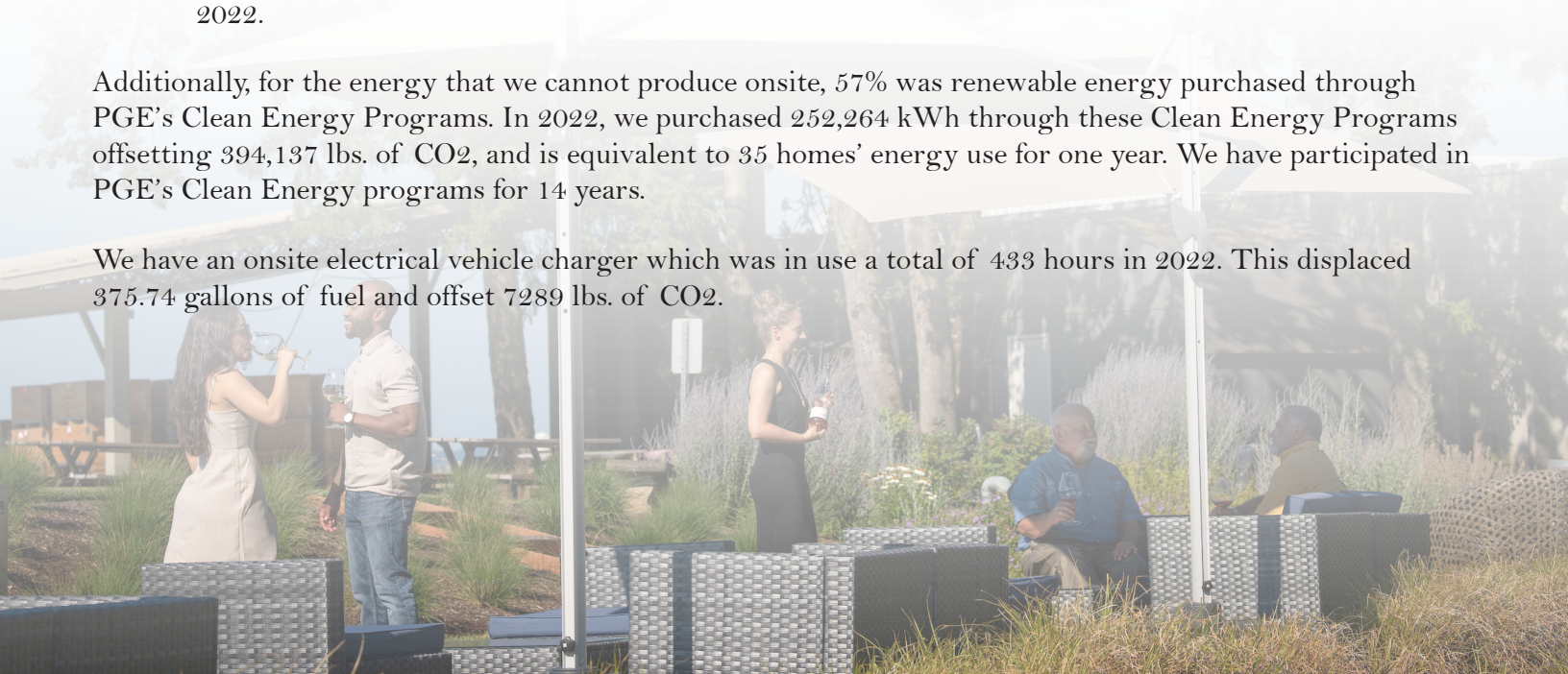
## Energy usage

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 2022, we increased our total energy usage by 10% compared to the previous year. Reasons for this increase include the purchase of Kalita Vineyard in August 2021, opening our new on-site warehouse in August 2022, and increased use of heaters to maintain wine temperatures in colder months. Our total kWh usage in 2022 was 445,644 compared to 404,961 in 2021.
- Solar Panels: we generated 12,731 kWh energy with our on-site Photovoltaic (PV) system; this is a decrease of 54%, or 14,820 kWh from 2021. This is already excluded from the kWh total above.
- Tasting Room: 93,840 kWh energy used; this is a decrease of 1,120 kWh or -1.2% compared to the prior year.
- Winery/Offices: 101,760 kWh energy used; this is a decrease of 400 kWh or -0.4% compared to the prior year.
- Refrigeration/Barrel Cellar: 211,920 kWh energy used; this is an increase of 33,360 kWh or 18.7% compared to the prior year, or an increase of 3.6% over 2020. Increased usage of heaters in the winery accounts for some of this increase.
- Vineyards: 9,499 kWh energy used; this is an increase of 1,809 kWh or 24% compared to the prior year. The increase is from our new Kalita Vineyard that we purchased in August 2021.
- Harvest & Orchard House: 21,665 kWh energy used; this is an increase of 74 kWh or 0.3% compared to the prior year.
- Warehouse: 6,960 kWh used. We completed construction of this new on-site warehouse in August 2022.

Additionally, for the energy that we cannot produce onsite, 57% was renewable energy purchased through PGE's Clean Energy Programs. In 2022, we purchased 252,264 kWh through these Clean Energy Programs offsetting 394,137 lbs. of CO<sub>2</sub>, and is equivalent to 35 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 433 hours in 2022. This displaced 375.74 gallons of fuel and offset 7289 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, which keeps the hazardous waste out of landfills. We continued collecting batteries and lightbulbs in 2022 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 waste water generated and how best to generate useful and applicable results from that information. Since 2019 we have been monitoring the quantity of waste water 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 (waste water pump recording) to associate water consumption and be able to pin point 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.

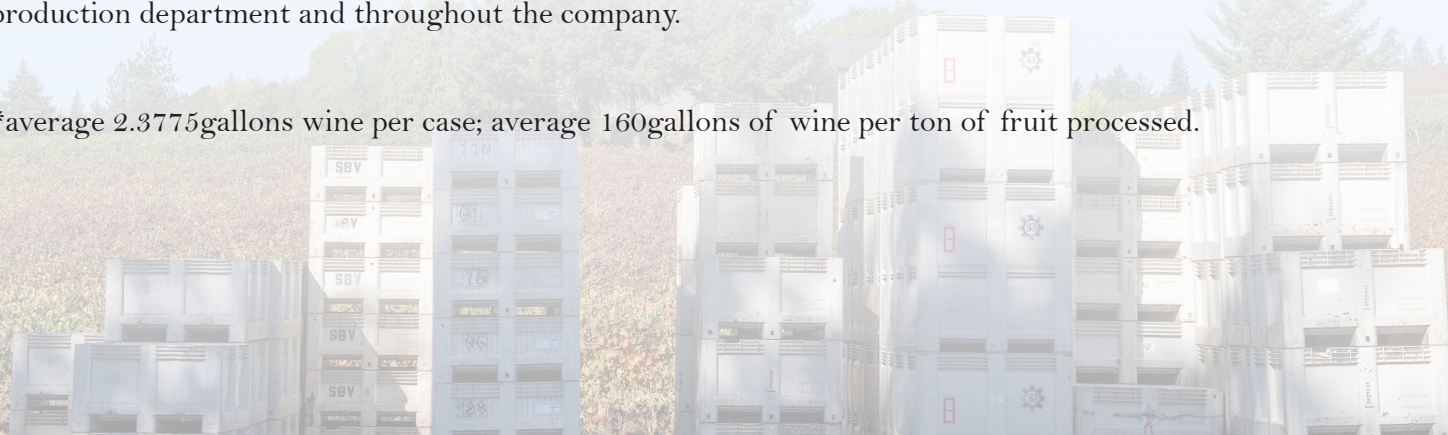
From April 2022 through March 2023 we pumped out 117,600 gallons of waste water into the field. This was a significant drop from our waste water pumped out last year over the same time period and in line with data from the previous year time period of April 2021 through March 2022.

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 is the quantity of cases produced and tons processed during harvest. The quantity of cases bottled over that same time period on the property, 97,500 cases, and tons processed on the property, 920 tons. Our total waste water gallons generated per gallon of wine produced in equals to 0.31gal/gal\*. Last year that figure was 0.80gal/gal\*, a significant improvement. However, the year prior was 0.35gal/gal, which is more in line both in total gallons of waste water produced and the rate at which it is generated.

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 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

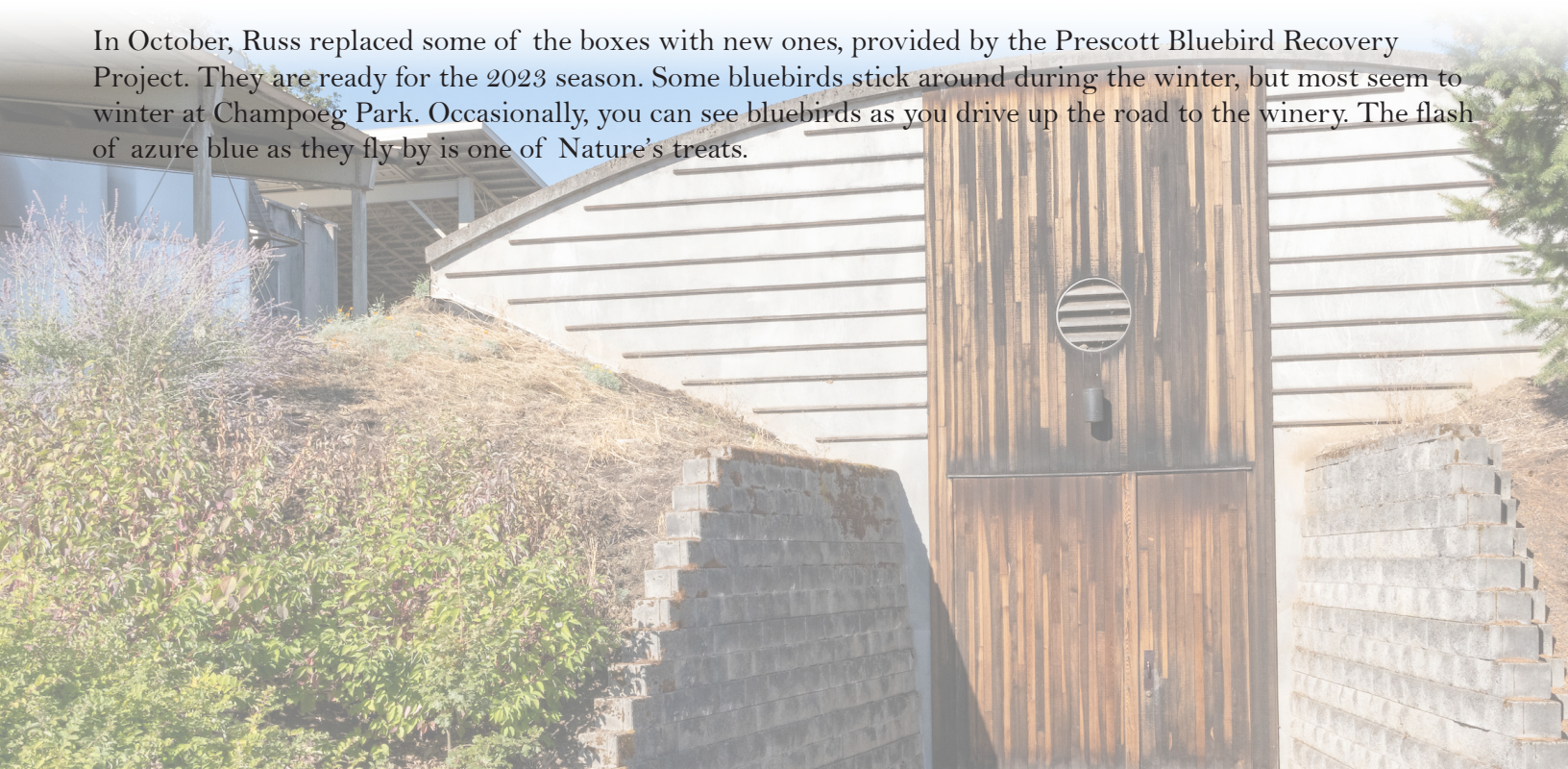
As certified organic farmers, we constantly look for new ways to take care of our land in a more sustainable way. We want to source all organic fruit that we farm ourselves (or control the farming of) for our Sokol Blosser wines.

Sokol Blosser has worked with the Prescott Western Bluebird Recovery Project for over 20 years. Susan Sokol Blosser and Russ Rosner are “bluebird monitors.” We maintain 11 birdhouses located around the winery and vineyard. The cold spring of 2022 made for a late nesting season for our bluebirds. They were just starting to nest in Mid-May, which is about a month late. Many of the bluebird pairs return to nest every year and have learned to know us. When we walk up the hill with our dogs, we call for them and watch them fly in. They’ve learned that we might have live mealworms for them, and they are ready. They sit on a vineyard post or trellis wire and watch while we put a few mealworms on the top of the nest box. We watch as we walk away. As soon as we’re ten or more feet away and they feel safe, they fly to the box. We often stop to watch them scarf up the worms.

We feed mealworms to lure them to the boxes to nest, then continue while they have chicks just to help out, especially in cold or rainy weather. In 2022 season, which lasted May through July, our bluebird pairs laid 36 eggs, of which 25 hatched and 24 fledged (left the nest).

There is always quite a bit of drama during the nesting season. It’s not as simple as building a nest, laying eggs, and hatching chicks. Predators abound. One nest took 3 tries before success. On the first two tries, eggs were laid and then destroyed. We think a swallow went into the nest and actually took the eggs out and dropped them. We found them on the ground. But the bluebird pair didn’t give up and on the third try she laid and incubated 3 eggs, which hatched and fledged.

In October, Russ replaced some of the boxes with new ones, provided by the Prescott Bluebird Recovery Project. They are ready for the 2023 season. Some bluebirds stick around during the winter, but most seem to winter at Champoege Park. Occasionally, you can see bluebirds as you drive up the road to the winery. The flash of azure blue as they fly by is one of Nature’s treats.





## Bees

We start spring 2022 with 8 new hives, each with worker bees and a Queen. Susan is the winery beekeeper and works with mentor/consultant, Matt Getsinger. Together, they checked the hives every 10 days all spring and summer to make sure the bees are healthy and to prevent swarming activity. Each frame is checked to make sure the Queen is doing her job, laying eggs, and that the bees are bringing in nectar and making honey. By the fall of 2022, we were able to supply the winery culinary team with about 8 gallons of honey.

The honey produced by the bees is not organic since it is impossible to keep bees in one place, they may travel up to 3 miles sourcing nectar. While some of their nectar sources may be organic, others may not. The USDA has not adopted criteria for certifying honey as organic.

In 2013, we planted a small fruit orchard below our vineyard shop, which started to bear fruit in 2015. Every year we harvest and use the fruit primarily in our culinary program. We have apples, pears and plums. The challenge we faced in 2022 is that we are produced more fruit than we can use or eat, and most of the apples and pears fell on the ground and became compost. Sad to see that the fruit is not being all used up and will try to use it all in 2023.

In 2022 we planted a kitchen garden that is located below the new tasting room. This garden was successful and was used for our culinary program. The team really got behind it and it was well taken care of and produced a lot of great veggies.



## 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 50 years. The company is governed by a Board of Directors which includes four family members and two non-family members. 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 that 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 2022, we received an accolade related to our commitment to sustainability and employment. We were voted #33 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 650 customer reviews with an average rating of 4.3. On Instagram we have over 12.3K followers and have enjoyed collaborating with Hyland and Knudsen as we all celebrated our 50<sup>th</sup> 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:

|  |  |   |
|--|--|---|
| 2018 Orchard Block Pinot Noir<br>92 points – Wine Spectator<br>93 points – James Suckling  | 2020 Redland Pinot Noir<br>90 points – Wine Spectator<br>89 points – Wine Enthusiast   | 2021 Dundee Hills Chardonnay<br>90 points – Wine Spectator<br>90 points – Wine Enthusiast |
| 2018 Big Tree Block Pinot Noir<br>93 points – Wine & Spirits<br>90 points – Wine Spectator | 2020 Dundee Hills Pinot Noir<br>90 points – Wine Spectator<br>90 points – Wine Enthusiast                                    | 2017 Sparkling Rosé of Pinot Noir<br>92 points – VinePair<br>90 points – James Suckling   |
| 2018 Old Vineyard Block Pinot Noir<br>92 points – James Suckling                           | 2021 Kalita Vineyard Pinot Noir<br>93 points – James Suckling  | 2021 Evolution Willamette Valley Pinot Noir<br>91 points – James Suckling                 |
| 2018 Twelve Row Block Pinot Noir<br>92 points – James Suckling                             | 2021 Willamette Valley Gamay Noir<br>90 points – Wine Enthusiast   | 2020 Evolution Big Time Red<br>91 points – James Suckling                                 |
| 2019 Goosepen Block Pinot Noir<br>92 points – Decanter                                     | 2022 Rosé of Pinot Noir<br>90 points – James Suckling  | 2020 Evolution Lucky No 9 White<br>91 points – James Suckling                             |
| 2019 Watershed Block Pinot Noir<br>92 points – Decanter<br>92 points – James Suckling      | 2021 Willamette Valley Pinot Gris<br>91 points – James Suckling<br>92 points – Wine & Spirits<br>92 points – Wine Enthusiast |   |

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

Green Team Committee: Alex Sokol Blosser, Julie Bensel, Jennifer Clark, Lauren Kawasaki, Alyssa Rademacher, Caitlin Shawver, Emily Zegar, Robin Howell.