

# 2020 SUSTAINABILITY REPORT

CELEBRATING  
**50**  
YEARS

1971 - 2021

## Sokol Blosser

ONWARD TO THE NEXT FIFTY YEARS

## 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 craft delicious wines and compelling wine country experiences rooted in people, place and time for today's wine consumer.

We have developed goals in each of the three categories - people, planet and profit - for which we strive and to which we 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. We were scheduled to go through re-certification in 2020, but due to the pandemic, the process was extended into 2021.



## 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 2020.

### Increase average employee tenure

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, 22% 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 40% for the year ending 2020. Our goal is to increase tenure percentages every year for those who have been with the company more than two years. 2020 impacted employment tenure due to the restrictions of the Covid-19 pandemic requiring us to close our business which resulted in layoffs. 52% of our turnover for 2020 employees was a direct result of the pandemic. Of the 52% of those laid off for Covid reasons, 32% were rehired and 20% chose another career path.

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

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

- 90% of premiums of our standard insurance plan with a \$1,500 deductible are paid by the company for medical, dental and vision. Prorated for dependents.
- 80% of premiums of a buy up insurance plan with a \$500 deductible are paid by the company for medical, dental and vision. Prorated for dependents.
- 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 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 2020, we gave a total value of \$35,049 in in-kind donations, certificates for VIP tastings, and cash donations. This was a 54% decrease from our 2019 donations. The COVID-19 pandemic and related mandated closures and canceled charity events were the primary reason for the decrease in in-kind donations. The amount of cash donations made in 2020 increased 16% over our 2019 cash 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 2020 we donated almost 120 cases of wine. Charities supported through paid employee volunteer time, board of director service and/or in-kind donations included:

- Yamhill Enrichment Society
- ACLU
- Yamhill Community Action Partnership (YCAP) – \$351 was raised to donate to YCAP which is equivalent to 1,400 pounds of food! Our staff also volunteered at the food bank.
- Portland State University
- Women in Wine: Fermenting Change in Oregon
- Edison High School
- KairosPDX
- Project Access NOW
- Latino Network
- Girls Inc.
- Congregation Beth Israel
- Willamette Valley Wineries Association
- NAACP
- Smithsonian
- Arbor School of Arts & Sciences
- SOLVE
- Growing Gardens
- Forward Stride
- Homeward Bound Pets
- Oregon Environmental Council
- 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 2020 workforce was made up of 87% white (not Hispanic or Latino), 10% Hispanic or Latino, and 3% 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 67% females and 33% 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.
- We launched two new boxed wines in 2020. Evolution boxed wines have a reduced impact on the environment, packaged in recyclable cardboard boxes that also equate to reduced carbon emissions. According to a 2010 Life Cycle Assessment study commissioned by the alcohol monopolies in Sweden and Norway, a 1.5L boxed wine product will generate about 1/3 of the overall environmental impact throughout its lifecycle, as compared to a 750ml glass bottle.
- 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.



### Reduce 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.

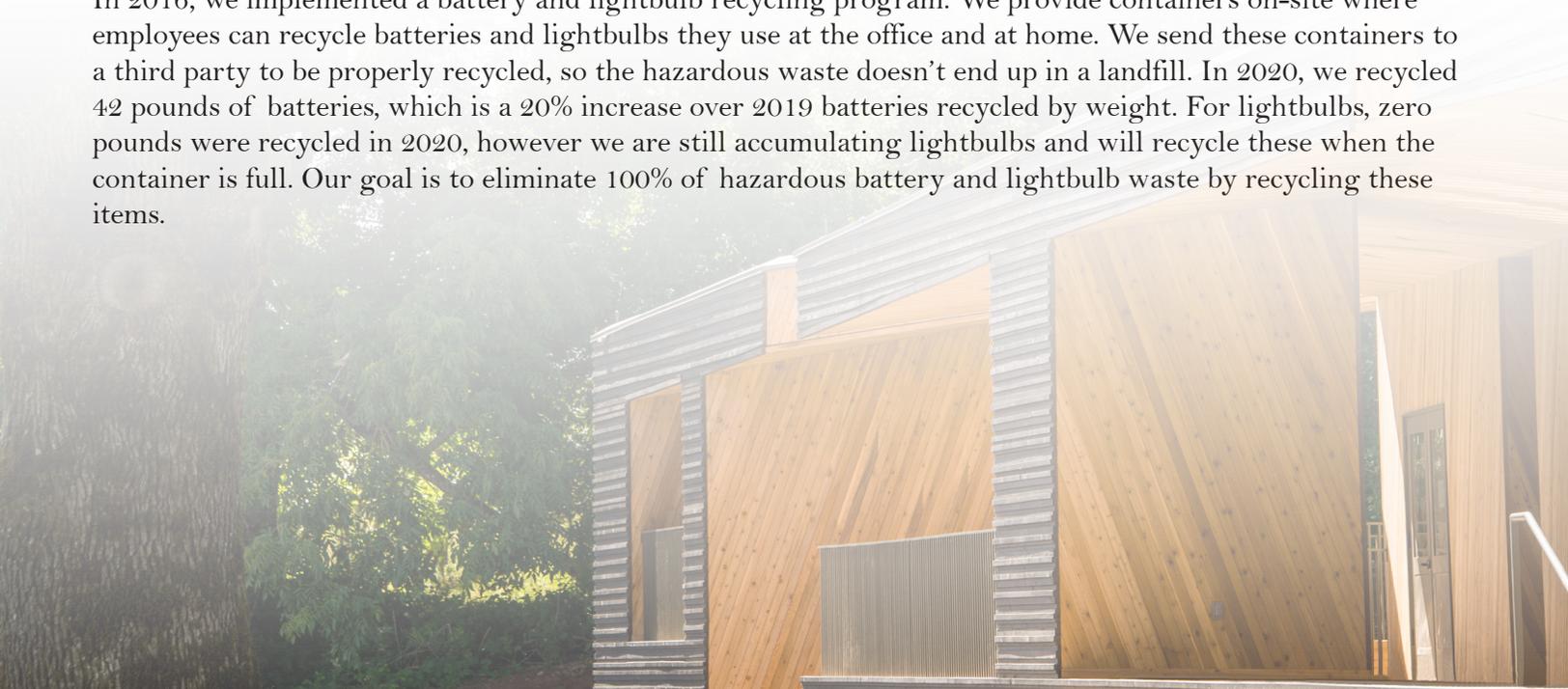
In 2020, we decreased our total energy usage by 4% compared to the previous year. Our total kWh usage in 2020 was 385,444 compared to 400,688 in 2019.

- Tasting Room: 77,760 kWh energy used; this is an 8,040kWh difference, or 9% decrease.
- Offices/Winery: 75,680 kWh energy used; this is a 24,561 kWh difference, or 25% decrease.
- Refrigeration/ Barrel Cellar: 204,560 kWh energy used; this is an 17,280 difference, or 9% increase.
- Vineyard: 5,927 kWh energy used; this is a 116kWh difference, or 2% increase.
- Orchard House: 7,560 kWh energy used; this is a 1,911kWh difference, or a 34% increase.
- Harvest House/ Ship Shop: 13,957 kWh energy used; this is a 1,950kWh difference, or a 12% decrease.
- Solar Panels: we generated 16,172 kWh energy with our onsite Photovoltaic (PV) system; this is a decrease of 9%, or 1,654 kWh from 2019.

### 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 2020, we recycled 42 pounds of batteries, which is a 20% increase over 2019 batteries recycled by weight. For lightbulbs, zero pounds were recycled in 2020, however we are still accumulating lightbulbs and will recycle these when the container is full. Our goal is to eliminate 100% of hazardous battery and lightbulb waste by recycling these items.



### Reduce water usage

Starting in 2019 we took a different perspective on our water usage by monitoring the volume of waste water produced. 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 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 98,143 gallons of waste water was pumped out of the winery during in 2020, over half of the volume generated in 2019. Highlighting specifically the quantity of cases bottled on the property, 75,652 cases, and tons processed on the property, 647.5 tons, our total waste water gallons generated per gallon of wine produced in 2020 equals to 0.35gal/gal\* compared to 0.65gal/gal in 2019.

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. In addition to processing 2/3rds the tonnage of the previous vintage there were 2 significant changes made in 2020 that could explain the nearly 50% decrease in waste water production. 1-We invested in new tank cleaning equipment and associated pump that was touted as being much more water efficient, 2- This vintage was the first time in 3 years that we did not have a custom crush client in the facility.

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.

### Reduce carbon emissions

In 2020, a significant number of employees made the transition to working remotely. This either reduced or eliminated commuting for these employees resulting in 81,257 fewer miles driven. These miles saved are equal to reduced CO2 emissions of almost 33 metric tons or the equivalent of seven fewer cars on the road for an entire year.

## 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.

As members of the Prescott Western Bluebird Recovery Project, we maintain 11 birdhouses located around the winery and vineyard. In 2020, 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. Four of those were second nestings in the same boxes by the same pair of parents as the first nesting. There was a total of 55 eggs laid. Of those, 36 hatched and 26 survived to fledge. This was not quite as good as in 2019 but better than 2018.

There was no capturing and/or banding of either parents or chicks again 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.

2020 was a tough year for winery bees. The hives did not survive the winter of 2019 and the new ones we ordered died or swarmed. A large swarm ended up in the eaves of Susan and Russ's home

and, in the process of removing them, Susan got interested and was willing to take on beekeeping. Syndie bequeathed her the bee suit and equipment to learn to be a beekeeper, Susan worked with a local one with experience, Matt Getzinger, who helped her establish 3 hives, although warning that it was late in the season. The risk was that the colony might not expand enough to keep themselves warm through the winter. The hives were checked every ten days throughout the summer and fall. Susan decided not to harvest the honey but to leave it for the bees for the winter. The bees were healthy but, in the end, there were not the substantial numbers needed to overwinter. In February, when it was discovered that the bees had died, Matt took the honey frames, harvested the honey, and Susan took it to Travis, the winery chef, to use in his culinary program.

2021 will be a new start, with optimism based on a year of learning. Two new hives arrived in early April and were located in a new place near the winery orchard. We expect to have happy bees which will start early to fill the hives with new bees and lots of honey.

In 2019, we planted a large vegetable garden that featured many crops such as salad greens, heirloom tomatoes, edible flowers, and beans. In 2020 the garden yielded 80+ pounds of potatoes, 20 pounds of zucchini, 100+ pounds of tomatoes, 20 pounds of kale, 30 pounds of collards, five pounds of salad greens, 15 pounds of fava beans, 25 pounds of peas and several types of edible flowers. The harvest from the garden went to our culinary program and our staff.



## 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. Especially with the challenges brought about by the pandemic and wildfires in 2020, we are especially proud of our steadfastness and performance during 2020, and we look forward to what 2021 brings.

In 2020, we received an accolade related to our commitment to sustainability and employment. We were voted in the top 25 Best Green Company to Work for in Oregon by Oregon Business Magazine; this was the ninth 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:

### **2017 Orchard Block Pinot Noir**

91 points – Wine Enthusiast  
92 points – Wine Spectator  
96 points – James Suckling

### **2017 Big Tree Block Pinot Noir**

94 points – James Suckling

### **2017 Goosepen Block Pinot Noir**

93 points – James Suckling

### **2017 Peach Tree Block Pinot Noir**

94 points – James Suckling  
91 points – Wine Spectator  
92 points – Wine Enthusiast

### **2017 Blackberry Block Pinot Noir**

92 points & Editors' Choice –  
Wine Enthusiast  
90 points – Wine Advocate

### **2017 Old Vineyard Block Pinot Noir**

91 points – Wine Spectator  
93 points – James Suckling

### **2017 Twelve Row Block**

**90 points – Wine Enthusiast**  
92 points – James Suckling

### **2017 Dundee Hills Pinot Noir**

90 points – Wine Spectator  
91 points – Wine Enthusiast  
91 points – Wine Advocate  
93 points – James Suckling

### **2019 Estate Rosé of Pinot Noir**

87 points – Wine Enthusiast

### **2018 Dundee Hills Chardonnay**

90 points – Wine Spectator  
90 points – Wine Enthusiast

### **2018 Evolution Willamette Valley Pinot Noir**

90 points – Wine Enthusiast  
92 points – James Suckling

### **Evolution Big Time Red**

90 points & Best Buy (9th Edition) –  
Wine Enthusiast

### **Evolution Lucky No 9 White**

90 points & Best Buy (23rd Edition) –  
Wine Enthusiast

### **Evolution Sparkling**

84 points (5th Edition) – Wine Spectator  
88 points & Best Buy – Wine & Spirits

### **2019 Evolution Chardonnay**

90 points – Wine Enthusiast

### **2018 Evolution Riesling**

91 points & Best Buy – Wine & Spirits

