

2018 SUSTAINABILITY REPORT SOKOL BLOSSER WINERY



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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 and 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 September 2017, 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 and recertification.





PEOPLE

The first leg 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 2018.

Employee turnover and retention rates year-over-year

After not hitting our turnover goal of 10% for the past three years we felt that we needed to reevaluate our goal since national employee turnover rates hover around 22%. 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. 15% of our employees have been with the company for 10 or more years, 9% of employees have been with the company for five or more years and 36% 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 2018. 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:

- 80% of premiums of platinum level insurance (\$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. Employees have an option to participate in long-term disability.
- 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 6 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 to volunteer for a 501c3.
- We 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 2018, we gave a total value of \$63,944 in in-kind donations, certificates for VIP tastings, and 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 by donating at least 75 cases of wine per year. Charities supported through paid employee volunteer time, board of director service and/or in-kind donations included:

- Yamhill Enrichment Society
- Yamhill County Public Schools
- Cleveland High School
- French American International School
- Yamhill Community Action Partnership (YCAP) – \$979 was raised to donate to YCAP which is equivalent to 3,916 pounds of food! Our staff also volunteered at the food bank.
- Save the Bee - we donated \$1 from every bottle of our 2015 Dundee Hills Pinot Noir sold in our Tasting Room to Save the Bee for a total of \$3,394.
- Big Brothers Big Sisters
- Portland State University
- Oregon Historical Society
- American Cancer Society
- Edison High School
- Literary Arts
- Portland Children’s Museum
- Cystic Fibrosis Foundation
- The Blosser Center for Dyslexia Resources
- ¡Salud!
- Feral Cat Coalition
- Boys and Girls Club
- 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 2018 workforce was made up of 75% white (not Hispanic or Latino), 11% Hispanic or Latino, 2% Black or African American, 2% Asian and 10% two or more races.

Our executive team is made up of 60% females and 40% males, and our board of directors is made up of 1/3 females and 2/3 males. Our overall employee breakdown is 60% females and 40% 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 fifteen years, namely:

- USDA Organic certification for our vineyard in 2005
- U.S. Green Building Council LEED-certified barrel cellar in 2002; first winery in the world to achieve this
- 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 wines, eliminated foil capsules of our still wines, wine labels printed on paper utilizing recycled/post-consumer waste, composite natural corks, majority 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 2018, we actually increased our total energy consumption by 35% compared to the previous year. Our total kWh usage in 2018 was 381,235 compared to 282,416 kWh in 2017.

- Tasting Room: 83,920 kWh energy used; this is a 7,560kWh, or 10% increase.
- Offices/ Winery: 90,021 kWh energy used; this is a 4,261 kWh, or 5% increase.
- Refrigeration/ Barrel Cellar: 191,280 kWh energy used; this is a 79,600 kWh, or 71% increase
- Vineyard: 4,722 kWh energy used; this is a 475 kWh, or 10% increase.
- Orchard House: 4,616 kWh energy used; this is a 722 kWh, or 19% increase.
- Harvest House/Ship Shop: As of August 2018, 6201 kWh energy used. This is a new facility addition to the property.
- Solar Panels: we generated 14,913 kWh energy with our onsite Photovoltaic (PV) system; this is a decrease of 48%, or 13,921 kWh from 2017. Installed in 2007, our now 11 year old solar panels require replacement parts to generate the maximum amount of energy. We're working on a solution.
- We have an onsite electrical vehicle charger and its usage increased by over 44% from 2017 to 2018. This displaced 315.04 gallons of fuel and offset 6111.9 lbs. of CO₂. We suspect this was another contributing factor to the increased energy consumption in our Tasting Room.

Additionally, for the energy that we cannot produce onsite, 43% was renewable energy purchased through PGE's Clean Wind and Green Energy Programs. In 2018, we purchased 158,424 kWh through the Clean Wind Program offsetting 241,581 lbs. of CO. We have participated in PGE's Clean Wind program for ten years.





Reduce 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 2018 we shipped back 38 pounds of batteries. Our goal is to eliminate 100% of hazardous battery and lightbulb waste by recycling these items.

We are continuing to track the amount of garbage generated, and are in the process of evaluating the amount of garbage generated, and patterns as it relates to seasons or events. We can then establish goals of reduction and target sources of unnecessary waste.

Water Usage

Our goal is to reduce water use by 5% per year. We believe we can accomplish this goal through conservation, only steaming barrels to remove tartrates, removing lees by hand rather than forcing out with water, recycling water during tank cleaning, and more consistent watering at the beginning of the day. The industry standard is that it takes 2.9 gallons of water to produce each single gallon of wine.

We are now tracking water usage on a monthly basis and have been able to have consistent readings and timing of those readings. Our consistent data starts in April of 2016. We saw a significant decrease from 2016 to 2017 of 37% however from 2017 to 2018 we saw a small increase of 6.5%. We'll be incorporating water conservation training for future interns to combat this issue.

The greatest increase in water usage was seen during the harvest time month of October. So fortunately we are decreasing our water usage outside on the landscaping, we will need to work on our water usage inside the cellar during harvest. Our general trend since we have been recording data is decreasing water usage in the cellar.

Also, as we learn more about water conservation as it relates to winemaking we will re-evaluate how we assess usage and be better able to associate it with the gallons of water needed to produce each single gallon of wine.





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. That vineyard achieved organic certification in December 2017. Additionally we lease the Thistle Vineyard in the Dundee Hills which is certified organic.

As members of the Prescott Western Bluebird Recovery Project, we maintain about 11 birdhouses located around the winery and vineyard. In 2018, resident bluebirds laid 32 eggs and 20 of those survived and hatched. All 20 of the baby bluebirds were banded for future tracking and survived to fledgling.

In 2018 we relocated our hives further down the hill. We added a fourth hive as well, giving us a total of four hives. Unfortunately, the hives did not do well this year and all 4 hives were lost to either flight or mites. Due to this and other factors, the honey production was significantly lower than 2017, about half as much. We yielded approximately 4 gallons of honey, which we used primarily in our culinary program.

As a monoculture, we grow only one thing: wine grapes. 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.





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 47 years.

In 2018, we received an accolade related to our commitment to sustainability and employment. We were voted the number 29 Best Green Company to Work For in Oregon by *Oregon Business Magazine*; this was the eighth year in a row that we were honored in this list.

Our winery also earned write-ups and accolades from notable wine reviewers and traditional media. Highlights include:

- Featured in Forbes “Pinot Noir Finds Favor in Oregon’s Willamette Valley” (July 27, 2018)
- Our sparkling wine featured in Food & Wine “8 Oregon Sparkling Wines That Rival Champagne” (November 19, 2018)
- Our wine on The Today Show “Try These Bubbly Drinks for Your New Year’s Eve Party” (December 28, 2018)
- Additionally, our wines have been well received and scored by notable wine publications:

2015 Orchard Block Pinot Noir

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

2015 Big Tree Block Pinot Noir

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

2015 Goosepen Block Pinot Noir

91 points – Wine Enthusiast

2015 Peach Tree Block Pinot Noir

90 points – Wine Spectator

2015 Estate Whole Cluster Pinot Noir

91 points - Wine Spectator

2015 Watershed Pinot Noir

90 points & Editors’ Choice - Wine Enthusiast

2015 Old Vineyard Block Pinot Noir

90 points – Wine Advocate

2015 Dundee Hills Pinot Noir

92 points – James Suckling
92 points – Anthony Dias Blue
92 points – Tasting Panel
90 points – Wine Spectator
90 points – Vinous

2015 Blackberry Block Pinot Noir

90 points - Wine Spectator
90 points – Wine Enthusiast

2017 Estate Rosé of Pinot Noir

91 points & Editors’ Choice – Wine Enthusiast
90 points – Anthony Dias Blue
90 points – Tasting Panel

2016 Dundee Hills Chardonnay

93 points – James Suckling
91 points – Wine & Spirits
90 points – Wine Enthusiast
90 points – Wine Advocate

2016 Evolution Willamette Valley Pinot Noir

90 points – Wine Enthusiast

2017 Evolution Willamette Valley Pinot Noir

92 points – James Suckling

Evolution Big Time Red

90 points & Best Buy (6th Edition) -- Wine Enthusiast

Evolution Sparkling

Best Buy & Year’s Best Summer Sparklers -- Wine & Spirits

2016 Evolution Chardonnay

Best Buy – Wine Enthusiast

2017 Evolution Riesling

Cellar Selects – Oregon Wine Press