

IT'S MORE THAN A BOX OF HOPS



**CORPORATE SOCIAL
RESPONSIBILITY REPORT 2021**

Operating for more than 30 years, we have become more than a hop supplier.

We are leaders of innovation, quality and customer service. We are a resource for brewers, providing solutions-based products and research. We are advocates of sustainability and meaningful social causes, working to support the environment and communities around us.

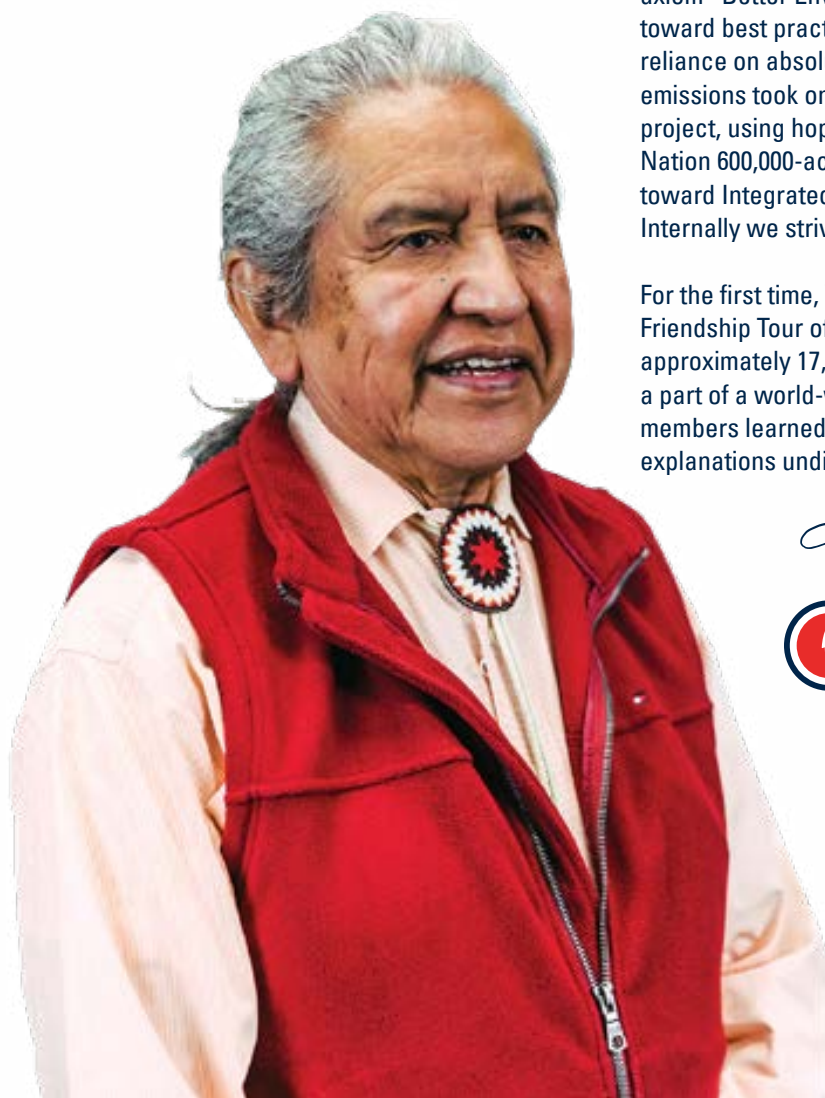


**YAKIMA
CHIEF**
-HOPS-

WHAT'S INSIDE

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FOR REVIEW ORD



The environmentally sound practices of growing and processing hops remains the most important aspect of corporate social responsibility. The simply stated axiom “Better Environment equals Better Crops” provides the reason for striving toward best practices. Green Chief® plays a big role in managing hop farms with reliance on absolute respect for water, land, light, and air. Reducing carbon emissions took on a new emphasis with the initiation of a carbon digester project, using hop residue, cattle waste, and forest biomass off the Yakama Nation 600,000-acre commercial forest. Our growers keep blazing the trail toward Integrated Pest Management, Salmon Safe, ISO14000, and many others. Internally we strive toward diversity and inclusion with people friendly practices.

For the first time, Yakama Nation tribal leaders and staff participated in the Friendship Tour of Yakima Chief Hops this past summer and learned how approximately 17,000 acres of hops grown on the Yakama Reservation became a part of a world-wide sales and marketing of beverages. More important, tribal members learned that hops were a food group and had no alcohol. Simple explanations undid long standing misconceptions and mistrust.

A handwritten signature in black ink, appearing to read "Ted Strong".



TED STRONG
VP, CORPORATE SOCIAL RESPONSIBILITY



MISSION

Our Mission is to connect family hop farms with the world's finest brewers, providing the highest quality hop products and uncompromising service for the ultimate benefit of our customers, employees and growers.



VISION

Our Vision is to be the global hop supplier of choice. We want our passion for preserving the planet, treating people with respect and dignity, and our commitment to healthy communities to be reflected in every beer brewed with our hops.



VALUES

PASSION

For people, product, planet & process

RESPECT

Teamwork & collective responsibility

INTEGRITY

Transparency & accountability in all we do

DEDICATION

To safety, quality and sustainability

EXCELLENCE

An emphasis on innovation & continuous improvement

The core values contained within our PRIDE statement are more than just words; they are the cornerstone of our approach to providing our valued customers with super-premium hops. Inspired by the work being done at our family farms, these values demonstrate our focus and outline our priorities as a team from production to customer service.

AMERICAN HOPS FROM THE PACIFIC NORTHWEST®

MEET OUR GROWER OWNERS



**CHARLIE
DAVIDSON**

3D & BC HOP FARMS
4th Generation
Woodburn, OR



**ED
ST. MARY**

BLACK STAR RANCHES
5th Generation
Moxee, WA



**REGGIE
BRULOTTE**

BRULOTTE FARMS
6th Generation
Toppenish, WA



**MIKE
SMITH**

B.T. LOFTUS RANCHES
3rd Generation
Yakima, WA



**KEITH
HOUSER**

C & C HOP FARMS
3rd Generation
Moxee, WA



**CRAIG
CARPENTER**

CARPENTER RANCHES
5th Generation
Granger, WA



**JOHN
COLEMAN**

COLEMAN AGRICULTURE
6th Generation
St. Paul, OR



**KEVIN
RIEL**

DOUBLE R HOP RANCHES
5th Generation
Harrah, WA



**PATRICK
GASELING**

GASELING RANCHES
4th Generation
Wapato, WA



**BRENTON
ROY**

OASIS FARMS
4th Generation
Prosser, WA



**STEVE
PERRAULT**

PERRAULT FARMS
3rd Generation
Toppenish, WA



**RICK
SAUVE**

SAUVE & SON FARMS
3rd Generation
Mabton, WA



**DOUG
WEATHERS**

SODBUSTER FARMS
3rd Generation
Salem, OR



**RICH
VAN HORN**

VAN HORN FARMS
2nd Generation
Moxee, WA

PROUD TO BE 100% GROWER OWNED



CHIEF COMMITMENTS

REFLECTING ON 2021

Resiliency. This continues to be the mantra expressed around the globe as we persevere through all the challenges faced from the global pandemic, climate change, and social unease. These challenges have only strengthened our commitment to our people, our planet, and our communities. We continue to prioritize the health, safety, and well-being of our employees and lend a hand to our neighbors when they need it the most. And we, along with our hop growers, continue to show up with both tenacity and grit to ensure we are here to provide our brewers with their favorite ingredient for many years to come.

WHAT ARE CHIEF COMMITMENTS?

As an agriculture company, Yakima Chief Hops is committed to advancing positive impacts for both people and our planet, and to create more resilient global systems. This is why we have established a list of Chief Commitments, which builds upon our long history of social responsibility.

Our Chief Commitments include both initiatives and tangible goals to keep us accountable and on track with the progress we want to make. The goals address land and water management, renewable energy, carbon reduction, community enrichment, and circular packaging. They challenge us to do more to reduce our

environmental impact and preserve our natural resources.

These commitments also help us to drive meaningful change throughout our supply chain. Rooted in agriculture, we believe that progress starts in the field with sustainable growing practices and equitable treatment of farmworkers. We also partner with local non-profits to make a positive impact on the communities in which we work, serve, and play.

ENVIRONMENTAL SOCIAL GOVERNANCE

To accomplish our goals, we are building an Environmental Social Governance (ESG) framework, which is a set of standards that evaluates our performance and guides our decisions to create more resilient, equitable and sustainable systems. We strive to lead responsibly across all components of our business, integrate ESG accountability and derive financial value in opportunities that create a more sustainable future for all.

DO IT RIGHT

The past year was a series of defining moments during which we put our values in action, focused on our collective humanity, and continued to live by three words: Do It Right. At YCH, this gives us all a deeper sense of purpose, connection and commitment to our employees, brewing customers, communities, and growers. Even through a difficult year, our team continued to make progress on these commitments, while still playing a key role in providing the world with quality hops. We are honored to share these outstanding achievements in our 2021 CSR report.



PROTECTING OUR PLANET

Conserving agricultural land and watersheds, while reducing energy and waste on our farms and in our facilities



HEALTHY HOPS

Ensuring sustainable farming practices are implemented to promote a healthy growing environment for our hops



THRIVING FARMS

Providing our growers with the tools, resources and education to be more efficient, economically sound, and viable for generations



PRODUCT EXCELLENCE

Holding ourselves accountable to higher standards of excellence for flavorful, aromatic and solutions-based hop products that our brewing customers love



EMPOWERING PEOPLE

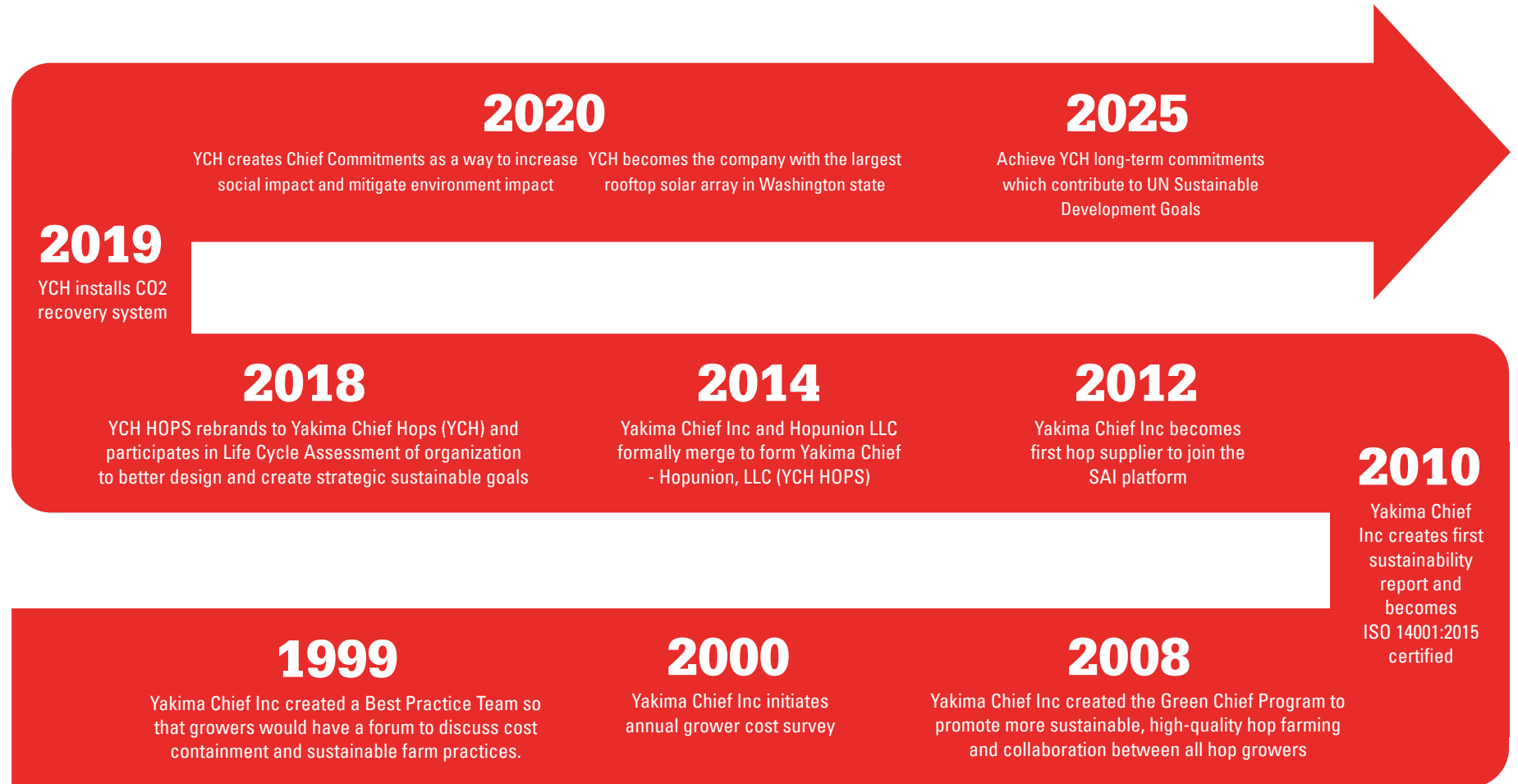
Fostering a culture that is enriching and fulfilling for all our employees



GROWING OUR COMMUNITY







Strengthening our communities with meaningful intentions by focusing on driving economic growth, promoting opportunities in underserved regions, and supporting youth programs

OUR CSR JOURNEY



PERFORMANCE TRACKER

● 70-100% OF GOAL
 ● 30-69% OF GOAL
 ● 0-29% OF GOAL

AREA OF FOCUS	GOAL TO ACHIEVE BY 2025	2019 PERFORMANCE	2020 PERFORMANCE	2021 PERFORMANCE	OVERALL STATUS
	PROTECTING OUR PLANET				
	REDUCE Scope 1, 2 Greenhouse Gas Emissions by 50% (based on 2019 baseline)	100%	13%	36%	●
	PROCURE 100% renewable energy for our domestic operations	55%	65%	78%	●
	ACHIEVE carbon neutrality on 50% of all our shipments	X	0%	15%	●
	RESEARCH and implement anaerobic digestion as a renewable on-site energy source for operations	X	X	✓	●
	HEALTHY HOPS				
	ENSURE 100% of our growers GLOBALG.A.P. Certified through GLOBALG.A.P. Certifying body	33%	40%	76%	●
	ENSURE 100% of our growers participating in greenhouse gas emissions tool	0%	0%	10%	●
	VERIFY 100% of our family farm facilities are 'Green Status' Green Chief® Level	71%	74%	93%	●
	THRIVING FARMS				
	MAINTAIN a Return-to-Grower rate of 75% or higher	78%	76%	76%	●
	PROVIDE continual learning opportunities to our growers through our Green Chief Program	✓	✓	✓	●
	PRODUCT EXCELLENCE				
	ENSURE 100% of our packaging materials are reusable, recyclable, or compostable	82%	95%	90%	●
	REPLACE 100% of mylar foil packaging	X	X	X	●
	MAINTAIN a customer satisfaction rate above 90%	86%	94%	97%	●
	EMPOWERING PEOPLE				
	ENSURE zero time loss incidents from employees	0	0	1	●
	INCREASE % of women in leadership positions	N/A	8%	13%	●
	INCREASE diverse representation such as BIPOC in leadership positions	N/A	23%	27%	●
	ACHIEVE 85% employee retention rate	86%	94%	89%	●
	GROWING OUR COMMUNITY				
	CONTRIBUTE 1% of sales towards community enhancement projects	0%	0%	0%	●
	ACHIEVE 75% employee participation rate in YCH volunteer program	41%	N/A	40%	●
	ACHIEVE 75% employee utilization of 'give-back' dollars towards NGO of their choice	54%	X*	X*	●

* Due to circumstances revolving around the pandemic, YCH temporarily paused this program.

PROTECTING OUR PLANET

The more we grow as a company, the more important it becomes to monitor how our farming, production and business practices affect the planet. By understanding what's behind our own environmental footprint, we can set goals, prioritize our actions, and work effectively to reduce it.

We operate under the philosophy that no resource should be wasted and empower the people of our organization to look for innovative solutions where sustainable practices become best practices. To do our part, we're thinking long-term and working harder than ever to reduce our waste, greenhouse gas emissions, water consumption and energy usage, as well as find solutions for renewable energy and fuel efficiencies.

It is our aspiration to conduct our business in a manner that causes no unnecessary harm by continually seeking ways to reduce the environmental impact of our operations. By making a conscientious effort in these areas, we can be agents of change to protect our planet for the long-haul.



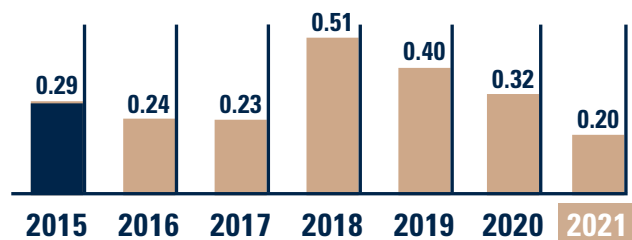
CARBON IMPACT

Climate change is undeniably the largest existential threat that we as a global community are facing. We cannot afford to dismiss climate change as a political issue; it is a human issue. As a global organization, we have a responsibility to reduce our own footprint, and this requires us to take bold and immediate action.

Reducing our climate impact is central to our Chief Commitment to Protect Our Planet, which is why we have measured and managed our carbon footprint since 2013. We have reduced our carbon intensity through investments in energy efficiency, renewable energy, and refrigerant emissions–reduction measures. We continue to implement proven solutions and to identify new innovations and collaborations to improve our sustainability.

GREENHOUSE GAS INTENSITY RATIO

LBS OF CO₂ / LBS OF HOPS - MEASURED AGAINST RAW HOP EQUIVALENT



SCOPE:

- 1. 5,579 MT CO₂ – DIRECT EMISSIONS:** Emissions directly occurring from sources that are owned or controlled by the institution, including: on-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels and “fugitive” emissions.
- 2. 2,780 MT CO₂ – INDIRECT EMISSIONS (ON-SITE):** Emissions generated in the production of electricity consumed by the institution.
- 3. 134,364 MT CO₂ – INDIRECT EMISSIONS (OFF-SITE):** All other indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

YCH CARBON FOOTPRINT

BY VALUE CHAIN

49,443 MT CO₂e

2020: 57,743 MT CO₂e

27%

Reduction in climate footprint due to our renewable energy investments, energy efficiency upgrades, and closed-loop technology since 2020





"Everything we do has an impact on the planet. Our goal has been to identify what we can do to make sure it's a positive one. New technologies, such as our CO₂ Recovery System has helped us tremendously to reduce our environmental footprint and lower our dependence on a volatile CO₂ supply chain. Innovation continues to drive our company forward, and its projects like this where our commitment to preserving the planet is helping to change the status quo create a positive impact."



LEVI WYATT
CORPORATE SOCIAL
RESPONSIBILITY MANAGER

Our CO₂ Recovery System allows us to return 98% of CO₂ lost during the extraction process back into the extraction system. This helps us become more resourceful in our operations by closing the loop and bringing byproducts back into our production system.

98%
OF CO₂
RECAPTURED

ENERGY

Electricity usage continues to be one of the largest contributors to YCH's environmental footprint. We have made tremendous strides in reducing this area of impact by sourcing renewable energy from local utility companies, investing in solar panels, transitioning away from carbon intensive refrigerants in our warehouses, and purchasing energy efficient equipment in our facilities. The energy choices we make now will have lasting impacts for decades to come, which is why we are committed to finding alternative methods to traditional energy usage throughout our operations.

POWERED BY THE SUN

CAPTURED BY OUR SOLAR PANELS

Here in the Pacific Northwest, we are fortunate to experience longer days with ample sunshine, making it not only the ideal climate for growing hops, but also harnessing the sun's powerful rays. We recognized this as an opportunity to capture a natural energy source and decrease our dependency on the grid.

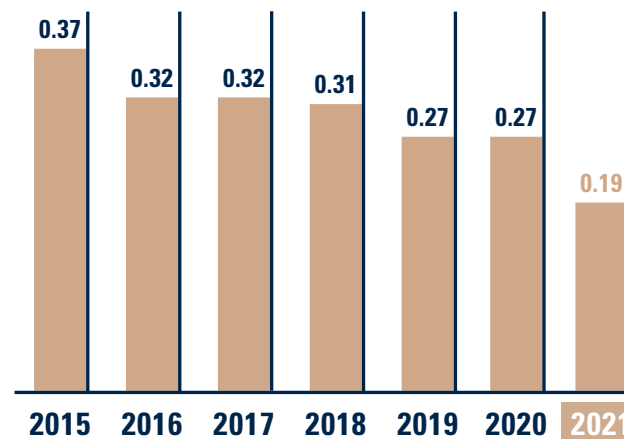
In total, we now have solar arrays in two countries, totaling 5,516 solar panels which will generate 22% of our total electricity demand. So long as the sun shines, we will continue to invest in our solar panel program and strive to reach our goal of running on 100% renewable energy.



In support of our 2025 Sustainability Goal of sourcing 100% of our purchased electricity from renewable sources, we have established key partnerships with renewable energy leaders to achieve this goal. We are happy to report we are on track to achieve this goal as we are currently operating on 78% renewable energy.

ENERGY INTENSITY RATIO

KWH/LB OF HOPS - MEASURED AGAINST RAW HOP EQUIVALENT



In December 2021, YCH installed 1,800 solar panels on the rooftop of our newly constructed office and distribution center located in Mont Saint Guibert, Belgium. The solar panels will provide 750 MW of energy to offset the building's consumption by 50%.

29%
in energy consumption
since 2020

WATER

Land use change and water availability are the greatest environmental risks facing the hop industry. Working in partnership with conservation organizations, YCH is helping to invest in watershed protection and restoration programs in hop producing regions to ensure access to clean water for growers. These agroforestry efforts also benefit freshwater ecosystems as well as our communities.

Water is an essential resource for life that helps sustain our communities, our hops, and craft beer. Therefore, it is vital that we remain mindful of our consumption and manage our watersheds appropriately to ensure this valuable commodity is made available for EVERYONE now and in the future. Each year, YCH partners with local organizations to advocate for keeping these regional waterways protected and clean, ensuring that everyone has equal access to this vital resource.

TOTAL WATER USE

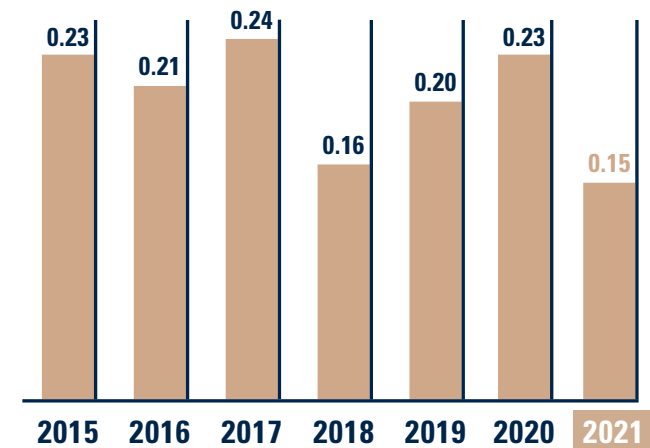
GAL OF WATER USED BY YAKIMA & SUNNYSIDE FACILITIES

6,999,345 GALLONS  **25%**
reduction in total facility
water use since 2020




WATER INTENSITY RATIO

GAL OF WATER/LBS OF HOPS - MEASURED AGAINST RAW HOP EQUIVALENT



► We reclaimed 27% of water using the onsite retention pond which acts as habitat for local plants and animals and recharges the water table, making good use of a scarce resource.

 **35%**
in water consumption
since 2020

WATER STRESS LEVELS

BY VARIOUS HOP GROWING REGIONS

Our growers depend on a stable water supply to ensure a bountiful harvest year after year. Therefore, they understand the importance of water management. However, in recent years, weather volatility, exacerbated by the impacts of climate change, have threatened the growing region's ability to secure this vital resource. As such, we work with farmers to build resiliency by embedding water preservation and sustainability practices in their operations and transitioning to irrigation techniques such as drip irrigation.



99%
OUR
GROWERS
**USE DRIP
IRRIGATION**

WATER STRESS LEVELS ACCORDING TO WRI AQUEDUCT WATER RISK ATLAS

YAKIMA VALLEY		HIGH
TREASURE VALLEY	LOW	
WILLAMETTE	LOW-MEDIUM	

► *Drip irrigation can reduce a farm's water consumption by over 50% as well as increase crop yield by 90% compared to conventional irrigation systems.*



2021 BREWSHED® ALLIANCE MEMBER OF THE YEAR



Environmental stewardship is a crucial component of our business. We value the opportunity to expand our reach by partnering with non-profit organizations who actively advocate for our local landscapes. Last year we were presented with the Brewshed Alliance Member of the Year Award by Washington Wild for our conservation efforts in Washington State. Our relationship with Washington Wild has allowed us to grow our environmental advocacy efforts for a better tomorrow, and we appreciate all of the work they put into this community.

LEARN MORE AT WAWILD.ORG

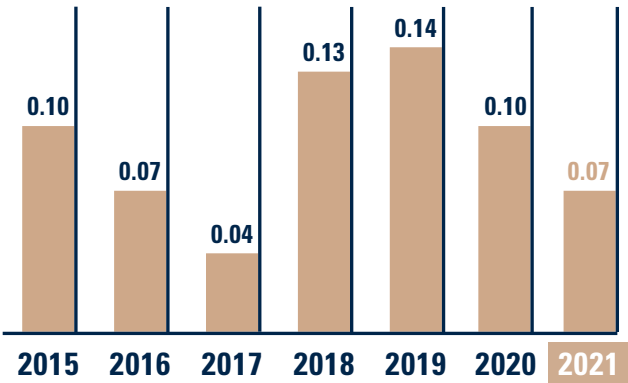
WASTE

With global resources being under intense pressure driven by a culture of fast-paced consumption, we continue to challenge ourselves to become a zero waste-to-landfill organization. That’s why a key element of our sustainability strategy is working toward a more circular economy where we find opportunities to reuse or recycle materials rather than sending them to landfill.






This aspiration drives us to implement methods that help us reduce the solid waste we create along with the costs associated with it, such as packaging, disposal and shipping. Eliminating waste is both good for the environment and our business. We work to promote less waste not only at our own facilities, but at our customers’ facilities as well. More beer should not mean more garbage.

WASTE INTENSITY RATIO

(LBS OF GARBAGE/LBS OF HOPS)



 **30%**
reduction in waste generation since 2020

	2021 OPERATIONS MATERIAL DIVERTED FROM LANDFILL			247 MT
				
229,110 LBS (103,923 kg)	40,082 LBS (18,181 kg)	53,460 LBS (24,249 kg)	171,240 LBS (77,673 kg)	
CARDBOARD	SCRAP METAL	OFFICE RECYCLE	HOP BALES	

Major materials are defined by their composition as being either renewable resources or non-renewable resources and are also categorized by their ability to be readily recycled through common U.S. waste systems.

BY DIVERTING 247 METRIC TONS OF MATERIAL FROM THE LANDFILL THROUGH RECYCLING EFFORTS, YCH HELPED REMOVE 893 METRIC TONS OF GREEN HOUSE GAS EMISSIONS WHICH IS EQUIVALENT TO 2.3 MILLION MILES DRIVEN BY PASSENGER VEHICLES.*

*Information provided by Environmental Protection Agency’s Greenhouse Gas Equivalencies Calculator:
www.epa.gov/energy/greenhouse-gas-equivalencies-calculator



LOOKING FORWARD:

INCREASE OUR PROGRESS TRACKING & CERTIFICATIONS

Yakima Chief Hops has set ambitious environmental sustainability goals as part of our Chief Commitments to Protect the Planet. We believe that as a global organization, we play a critical role in tackling climate change and promoting a healthy landscape for future generations.

In the last year we have doubled down on our conservation efforts with a strategy that is designed to reduce, avoid, and offset our carbon emissions as we aim to become a zero-emissions company. This requires large investments and systematic change, however, we believe that our company and the global economy will be stronger in a low-carbon future.

Entering 2022, we are looking ahead at ways we can reimagine the future and continuously innovate solutions for reducing our environmental impacts. Environmental sustainability is not just related to our business; it is our business. The effects of climate change make it increasingly difficult for our growers to grow high-quality hops. Hops are a natural product that cannot be harvested without a healthy ecosystem.

That is why we are dedicated to taking meaningful actions to ensure that the Earth and our supply chain continues to thrive by promoting a healthy planet. We already have some exciting new endeavors in the works for our 2022 environmental efforts. Few things make us hoppiest than combining innovation, technology, community and sustainability, and we can't wait to share these cool new projects with you in our next sustainability report. Stay tuned – it's going to be our greenest report yet!

OUR 2021 FOCUS & HIGHLIGHTS

- ✓ **CONTINUE** to benchmark water and carbon footprint at grower level.
- ✓ **INCREASE** environmental advocacy by partnering with industry leading conservation organizations.
- ✓ **EXPAND** solar energy generation into our global operations.
- ✓ **OFFSET** 100% of our domestic shipments.
- ✓ **RECYCLE** 100% of our hop bale materials.
- ✓ **CONTINUE** operating our business as ISO 14001 Certified.

OUR 2025 GOALS

- 🎯 **REDUCE** Scope 1, 2 Greenhouse Gas Emissions by 50% (based on 2019 baseline)
- 🎯 **PROCURE** 100% renewable energy for our domestic operations
- 🎯 **ACHIEVE** carbon neutrality on 50% of all our shipments
- 🎯 **RESEARCH** and implement anaerobic digestion as a renewable on-site energy source for operations

HEALTHY HOPS

There is an intrinsic relationship between healthy hops and a healthy planet. To ensure a bountiful harvest year after year, hop farmers must be mindful and proactive about the way they treat their land and resources. Our growers have been farming within their respected regions for multi-generations, and this success is largely in part due to the sustainable practices used in the fields.

Many of our growers participate in educational and certification programs that help guide their best practices. This includes our Green Chief® Program, which was designed to promote more sustainable, high-quality hop farming and collaboration between our growers and brewers.

Another program is the GlobalG.A.P. certification – an internationally recognized standard for farm production. By adopting these high standards and following the guidelines outlined by these robust certifications, our growers are making a commitment to the ongoing health of their farms for generations to come.



GROWING TOGETHER

While our organization was established in 1988, we like to think our story began long before that, in 1868 when the family of one of our grower owners' first established Carpenter Ranches, the first hop farm of the Yakima Valley. What began as a small hop community in Washington has grown to become a collective of hop farms across three states.

Now 150 years later, with 15 grower owners and sourcing from more than 52 different farms across the globe, we still channel the same energy of a small, tight-knit community. We still care passionately about the people, planet, and farms that provide our beloved hop crop each year. And we take pride in working together as one YCH family.

YCH HARVEST BREAKDOWN



44,009,914 LBS

RAW HOPS PRODUCED
& SUPPLIED TO YCH

54 VARIETIES

COLLECTED FROM
22,506 ACRES

225,223 BALES

RECEIVED



CERTIFICATIONS

While our hop growers are humble creatures, we are proud of their triumphs and would like to acknowledge all of the hard work they put in to create a sustainable supply of high-quality hops. Take a look at last year's breakdown of farm certifications.



TOP 10 VARIETIES

1. Citra® Brand HBC 394
2. Mosaic® Brand HBC 369
3. Simcoe® Brand YCR 14
4. CTZ (Columbus/Tomahawk®/Zeus)
5. HBC 682
6. Idaho 7® Brand J-007
7. Cascade
8. Amarillo® Brand VGXP01
9. Centennial
10. Chinook

**The pounds harvested from each growing region are based off HGA's annual post harvest statistical report and represent the hop industry as a whole*

GROWER BREAKDOWN

YAKIMA VALLEY

WASHINGTON

81,965,350 LLB HARVESTED*

61 TOTAL FARMS

15 GROWER OWNERS

47 ALLIED GROWERS

54 VARIETIES GROWN

22,506 TOTAL ACRES

WILLAMETTE VALLEY

OREGON

12,507,000 LBS HARVESTED*

TREASURE VALLEY

IDAHO


17,438,800 LBS HARVESTED*

BEYOND THE BINES

We've worked with our growers to invest in resources that promote healthy soils, manage water responsibly, and improve habitat on the farm, all of which attributes to resilience in the face of a changing climate.

HEALTHY SOILS

Soil is the foundation of our growers' farms and maintaining soil health is key for the long-term agricultural viability. By building organic matter in the soil, our growers' crops are more resilient to pest pressures. These soils are then able to effectively filter nutrients and contribute to cleaner water quality, while sequestering carbon, at a faster rate. This positive feedback cycle is crucial for our healthy hops program.

A portrait of Alexa Weathers, a woman with long brown hair, wearing a black blazer over a black top, smiling. She is positioned on the left side of the page.


"Regenerative agriculture is more about being a good steward of the land. Your product does not determine what kind of farmer you are, your dirt speaks for itself. It is necessary for us farmers to take care of our soil and work on ways to sequester more carbon so that our farm continues to the next legacy."

ALEXA WEATHERS
SODBUSTER FARMS

CLEAN WATERWAYS

The Pacific Northwest is blessed with snowcapped mountains, reliable rainfall and miles of rivers, streams, and other tributaries that support our local agriculture, diverse ecosystems, and thriving family farms.

Our growers demonstrate great stewardship of this vital resource as water scarcity continues to threaten our regions. Smart irrigation management techniques such as drip irrigation and buffer zones along rivers and streams can increase productivity while also conserving water for other uses. These practices ensure clean water for farms and their surrounding ecosystems.

A portrait of Chris Chappell, a man with long brown hair, wearing a grey baseball cap and a dark green long-sleeved shirt with a mountain graphic and the word "Wild" in script. He is gesturing with his hands while speaking.

"It is essential that we advocate for the protection of upstream rivers and forests for downstream users like hop growers and brewers. Delicious Washington beer depends on these sources of clean mountain water as beer is over 90% water. Washington Wild and our Brewshed® Alliance members (breweries, hop growers, maltsters, and pubs) work to make sure these water sources and the ecosystems that depend on them are conserved."

CHRIS CHAPPELL
WASHINGTON WILD

REGENERATIVE FARMING PRACTICES

CONSERVATION TILLAGE: Plowing and tillage dramatically erode soil and release large amounts of carbon dioxide into the atmosphere. They also can result in the kind of bare or compacted soil that creates a hostile environment for important soil microbes. By adopting low- or no-till practices, growers minimize physical disturbance of the soil, and over time increase levels of soil organic matter, creating healthier, more resilient environments for plants to thrive, as well as keeping more and more carbon where it belongs.

BIODIVERSITY: Different plants release different carbohydrates (sugars) through their roots, and various microbes feed on these carbs and return all sorts of different nutrients back to the plant and the soil. By increasing the plant diversity of their fields, farmers help create the rich, varied, and nutrient-dense soils that lead to more productive yields.

COVER CROPS: Left exposed to the elements, soil will erode and the nutrients necessary for successful plant growth will either dry out or quite literally wash away. Always remember, bare soil is bad soil.

MESS WITH IT LESS: In addition to minimizing physical disturbance, regenerative agriculture practitioners also often seek to be cautious about chemical or biological activities that also can damage long-term soil health. Misapplication of fertilizers and other soil amendments can disrupt the natural relationship between microorganisms and plant roots.

ANIMAL INTEGRATION: Integrating livestock naturally into the ecosystem through adaptive grazing is a form of “biomimicry” – it simulates the way nature works when left on its own. Animals can eat the cover crops and grass that protect the soil. In turn, the animal’s manure can naturally nourish the soil and build the soil’s health.

“From a native point of view, regenerative agriculture is necessary due to the colonial type of agriculture brought by immigrants and used for hundreds of years. This poor practice reduced many life forms to extinction or left them struggling to survive. The land was used and abused leaving it without the nutrients that nature endowed in it over thousands of years. We should not blame climate change when it has been the policies and practices of the United States to pollute and capitalize our natural resources into bankruptcy. Regenerative Agriculture attempts to relieve the pain and suffering from itself. The United States has been the largest contributor to climate change with its industrial and commercial excesses. As a world polluter the United States only has four percent of the population. Yes, do all the scientific remedies but admit the blame on our own agribusiness mentality. While we are at it, let’s do something about the core problem which is climate destruction.”



TED STRONG
VP OF CORPORATE
SOCIAL RESPONSIBILITY

BIODIVERSITY & HABITAT

A well-balanced approach to farm management takes into consideration the diverse landscape surrounding each farm and works with it rather than against it. This harmonized approach is a crucial element for growing healthy hops.

Flowering plants attract pollinators, rivers and streams support salmon, and forests and trees support birds, insects, and other wildlife. Many of our growers are working with nature as opposed to against nature and are converging organic farming practices with conventional methods. These are just a few of the diverse habitat features found on diverse farmlands.

“Our farm has been shifting focus to regenerative agriculture and introducing chickens, sheep, cattle and multi-species cover crops are found in rotations throughout the farm. We are still new to this path, but so far, the benefits we have seen are an increase in beneficial insects, and reduced miticide sprays which have led to an increase in natural biodiversity.”

MICHELLE GOODING
GOODING FARMS

LOOKING FORWARD:

CONTINUE TO IMPROVE OUR AGRICULTURAL PRACTICES

Yakima Chief Hops is working to develop and promote regenerative models of agriculture that protect soils, empower growers and promotes healthy ecosystems. Agriculture continues to be at the center of a number of challenges today, from economic development and climate change to water scarcity and biodiversity loss. YCH is determined to help overcome these challenges by developing and investing in sustainable agricultural practices that can regenerate the planet. At the end of the day, we want to continue to produce world-class hop varieties without jeopardizing the land in which we rely on; therefore, by prioritizing our efforts through robust on-the-farm program, we believe we can achieve this mission.

OUR 2025 GOALS

- 📍 **ENSURE** 100% of our growers are GLOBALG.A.P. Certified through GLOBALG.A.P. Certifying body
- 📍 **ENSURE** 100% of our growers are participating in greenhouse gas emission tool (LCA)
- 📍 **VERIFY** 100% of our family farm facilities are 'Green Status' Green Chief® Level

OUR 2021 FOCUS

- ✓ **26% INCREASE** in Green Certified farms
- ✓ **90% INCREASE** in GLOBALG.A.P. Certified farms
- ✓ **IMPLEMENT** sustainable farming practices into Green Chief Program requirements
- ✓ **DEVELOP** internal carbon and water footprint tool for growers to measure impacts

FROM LEFT TO RIGHT: DIANE, MICHELLE, AND ANDREA GOODING

THRIVING FARMS

Yakima Chief Hops was founded by a core group of growers who carry with them a mantra of resilience. Farmers by nature take on so many everchanging and uncontrollable factors, such as weather, labor issues, water supply and other environmental conditions. As a grower owned organization, we know what farmers need to succeed and are passionate about providing them with as much support and guidance as possible to help them not only survive but thrive.

Collectively, there are 52 different farms from which we source our hops, with each of them having their own unique ways of mastering their craft. Our grower network is not restricted to Pacific Northwest soil, as we source from various independent farms from across the globe as well. While these farms are located miles apart, we take great pride in ensuring that they all possess the same shared values and vision that we hold here at YCH.

At YCH, we truly believe that quality hops are what make the difference between good beer and great beer, and it takes a lot of labor, equipment and resources to grow quality hops. If each of these areas of our farms aren't thriving, farming operations and hop quality can suffer, which can negatively impact the entire supply chain and your beers.

Thriving farms are not only critical to the craft beer and brewing industry, but also to the health and well-being of our communities. The multigenerational family hop farms of the Pacific Northwest play a critical role in the local economy as well as the vibrant spirit of what we call hop country. We are committed to promoting the sustainable growth of our farms by helping our growers become more efficient, economically sound, and viable for generations to come.



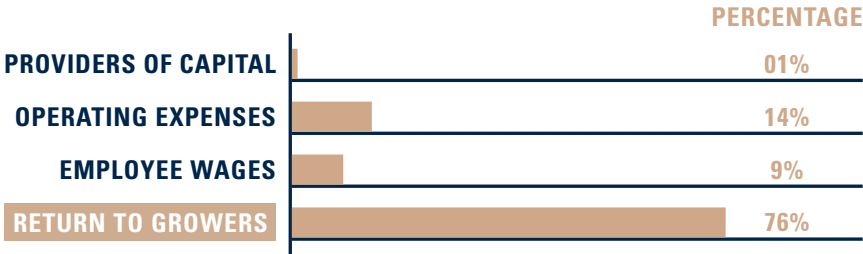
RETURN TO GROWER

As an organization founded on the idea of creating more transparency and stability in the market, YCH is committed to supporting its network of growers no matter what obstacles we may face as an industry. There is no denying that we have experienced many ups and down in the hop community, with big craft beer booms to global pandemic regressions. However, one of the ways that we remain sustainable and balanced is through strong and healthy Return-to-Grower percentages.

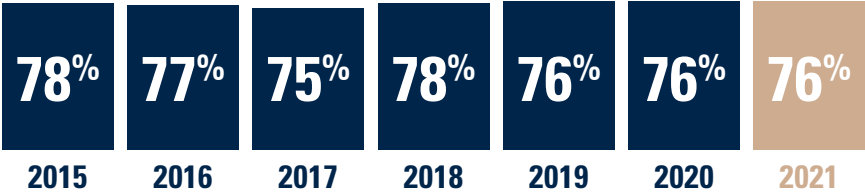


2021 FINANCIAL DISTRIBUTIONS

A Return-to-Grower (RTG) is the dollar amount given back to the farms for the sale of their hops. We are proud to distribute an industry-leading percentage of our earnings back to the growers to help them make continuous improvements, reinvest in their farms and continue their legacy. Each year, we make grower distributions based on the earnings for that particular year. Regardless of the current state of the market, 75%+ business earnings go back directly into our growers’ pockets. Take a look at last year’s financial distributions:



FOR EVERY 1 LB OF HOPS SOLD, 76% OF THE RESULTING REVENUE IS RETURNED TO GROWERS



HOW WE INVEST IN OUR FARMS

✓ **PAY GREATER PRICES.**

With our unique business model, we pay our growers hop prices that are well above market value, paying a premium to receive quality hops and incentivize continuous improvement.

✓ **SHARE ANNUAL EARNINGS**

Each year, we make grower distributions based on our earnings. This means that, regardless of market conditions, business earnings go back into our growers' pockets.

✓ **HELP THEM CONTINUOUSLY IMPROVE**

We believe that by collaborating with our network of growers, we can help to evolve farming best practices through the use of data, science and technology and optimize productivity at the farm-level. We also believe in consistently helping our growers discover and address opportunities for improvement throughout our Green Chief® program, focusing on quality and sustainability.

✓ **FACILITATE FARM EVALUATIONS**

Using both internal and external evaluators, we help farmers identify opportunities to improve their facilities and field management practices as well as hop quality, environmental practices, and working conditions for their employees.

✓ **TECHNICAL ASSISTANCE PROGRAMS**

Based on regular evaluations, our Green Chief® team helps farmers improve the overall management of their farms. Technical assistance comes in a variety of forms from customized one-to-one sessions to regional meetings to keep our growers updated on the latest spray guidelines and provide feedback on quality scores.

FARM ADVANCEMENTS

As a grower-owned company, we know that quality begins in the fields. In order to harvest quality hops, growers must have the resources to maintain, improve and expand their fields and facilities, which starts with a fair, healthy RTG. Strong, sustainable returns allow growers to make critical investments in the people, land, infrastructure, and farming practices that lead to high quality, stable hops.

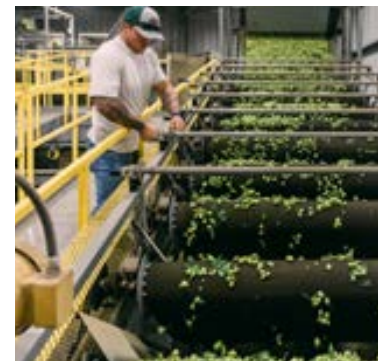
Last year alone, an estimated 100 million dollars was reinvested in farm facilities across the Pacific Northwest. This has allowed YCH and our growers the opportunity to expand with the craft beer industry, continuously improve on quality and maintain a steady supply of hops. These reinvestments have included:

5 | NEW PICKING MACHINES

2 | NEW KILNS

2 | NEW COOLING ROOMS

And dozens of significant upgrades to full facilities



It is important to note that investments at the farm level are not restricted to infrastructure and equipment. A lot of investment is made in the people. Higher quality hops also require more labor, as more people are needed to monitor the hops and operations throughout the entire growing and harvest seasons. Appropriate pricing and a high-end RTG help to ensure that growers can employ the workers needed to operate a quality-focused farm. People are the lifeblood of a successful farm, and our growers recognize that.

GREEN CHIEF® PROGRAM

Our pioneering grower-owners originally created the Green Chief® internal farm quality and sustainability management program in 2008 as a collaborative effort to achieve long-term goals in day-to-day farm operations. The YCH Best Practices Team was then formed to promote and develop strong baselines, guidelines and practices for traceability, harvest food safety, data collection and reporting. The program is constituted to serve the farms we work with in order to help them sustain profitable as well as environmentally and socially responsible farms.

Over the years, Green Chief® has expanded to include more than 52 farms, both allied and grower owners, collaborating on environmentally and socially responsible solutions. Green Chief® works to ensure the ongoing quality and competitiveness

of our offerings, even if that means rejecting product that does not meet our strict standards. With meetings held regularly, these gatherings are intended to promote more sustainable, high-quality hop farming and collaboration between all hop growers, regardless of ownership.

The three membership groups each contribute to how we govern the program, approve or develop best practice plans, solicit feedback and engage their group in implementation. By forming a Green Chief® Council made up of both owners and allied growers, we promote a cooperative spirit and strengthen relationships outside our core ownership.

MEMBERS



MEETINGS

Empowering our growers is our goal, and that is done through the educational offering we provide via our monthly Green Chief® Meetings. We believe these meetings and the information shared to be critical for our growers to thrive. By choosing collaboration over competition, we continue to elevate our growing practices which are reflected in our higher quality hops. Last year's topics included:

- ✓ ECONOMIC REVIEW OF FARM PRACTICES
- ✓ SPRAY GUIDELINES AND RESTRICTIONS
- ✓ INTEGRATION OF REGENERATIVE AGRICULTURE
- ✓ COVER CROPPING AND WATER CONSERVATION INITIATIVES
- ✓ AGRONOMIC RESEARCH
- ✓ DRYING TECHNOLOGY





“Competition in and of itself is a good thing, and we’re all very competitive, as growers. But at the end of the day as a farmer, I would much rather compete with my neighbor on quality than race them to the bottom on price to gain volume share, and that is really how I think the industry has evolved over the last few years. If we compete on quality and try to make each other better at producing a better crop and a more sustainable product for the brewers, we’re all going to be better off.”

JASON PERRAULT
PERRAULT FARMS



GASELING RANCHES
Wapato, WA

LOOKING FORWARD:

INCREASE OUR PROGRESS TRACKING & CERTIFICATIONS

Our vision at YCH, is to continue to quantify our environmental impact across our supply chain. We believe that by measuring our farm level inputs will allow us more clarity into how we can prioritize improvements to reduce our overall greenhouse gas emissions and drive-up yield efficiencies through fewer inputs. At the end of the day we want to continue to produce world-class hop varieties without jeopardizing the land in which we rely on; therefore by prioritizing our efforts through robust on-the-farm program, we believe we can achieve this mission.

OUR 2025 GOALS

- 🎯 **MAINTAIN** a Return-to-Grower rate of 75% or higher
- 🎯 **PROVIDE** continual learning opportunities to our growers through our Green Chief Program



OUR 2021 FOCUS

- ✓ **PROMOTE** our growers through our global Farm to Pint collaboration
- ✓ **ELEVATE** growers' voices through Green Chief Program
- ✓ **ESTABLISH** industry-leading farm standards

COLEMAN AGRICULTURE
St. Paul, OR

PRODUCT EXCELLENCE

Inspired by the creative and pioneering spirit of both our growers and brewers, Yakima Chief Hops has an unwavering commitment to product excellence, both in innovation and in quality. Our long-term success and sustainability as a company ultimately relies on our ability to provide premium product offerings and maintain a growing and loyal customer base.

Our family of growers have been perfecting their craft for generations. They depend on us to supply brewers with hop products and solutions that reflect the same quality that they cultivated in the fields. We are proud to source our hops from the most quality-driven farms and come in as caretakers of the hops for the next part of their journey. It's our job to receive and process these raw hops in a way that best preserves their quality and aroma for future brewing applications.

We hold ourselves accountable for meeting these higher standards of product excellence through internal and external programs and certifications. But the work doesn't stop there. We continuously invest in new research, packaging solutions, and technology that allows us and our brewing customers to maintain a competitive edge. We also help to create tools for increased traceability and transparency both on the farm and at YCH, providing opportunities for continuous improvement from field to brewhouse.



IMPORTANCE OF OUR VALUE CHAIN

Yakima Chief Hops was founded on the idea of breaking down the barrier between hop growers and brewers. This idea is what inspired our company's mission to connect the world's finest brewers with the family farms that supply their hops, which has remained the same for more than 30 years. This vision of increased transparency is reflected in our value chain illustration.



Through this unique business model, we work to promote open communication between growers and brewers, which we believe is fundamental in producing quality hop products. Continuous improvement is a motto that runs deep in our organization, and we thrive on the feedback received from our brewing customers. We use two programs, Green Chief® and Hop Selection, to communicate feedback back to farms, helping growers enhance their best practices and produce higher quality hops.

This feedback is also essential because it helps us and growers forecast acreage and variety demands, allowing us to maintain a healthy, balanced supply chain. By creating meaningful relationships and gathering important data analysis from both sides of the supply chain, we hope to continue to advance the industry and add value to all businesses involved.

STRUCTURED BY CERTIFICATIONS

We work to achieve the highest standards in product performance and environmental responsibility by seeking certifications that provide us with rigorous guidelines and keep us accountable. These programs, such as the ISO certifications, enable us to build a robust and systematic approach for handling our daily operations. They also help to drive quality and sustainability by helping us identify opportunities to implement new technologies and operational efficiencies. We pride ourselves on going above and beyond minimum regulatory compliance standards to push our product excellence to new heights.



QUALITY MANAGEMENT SYSTEM: ISO:9001:2015

Contains tools and guidance that ensures YCH's products and services fulfill quality requirements, from both a regulatory and customer satisfaction perspective. YCH has been certified since 1994.



ENVIRONMENTAL MANAGEMENT SYSTEM: ISO:14001:2015

Provides YCH with the framework necessary to actively track the use of resources and production of waste within our operations to ultimately improve our overall environmental performance. YCH has been certified since 2010.



HACCP CERTIFIED

Our facilities operate in accordance with current Good Manufacturing Practices (GMP) for food processors. All employees are given training on food safety during orientation and for their specific positions. We employ Hazardous Analysis and Critical Control Points (HACCP) system for all areas of production.

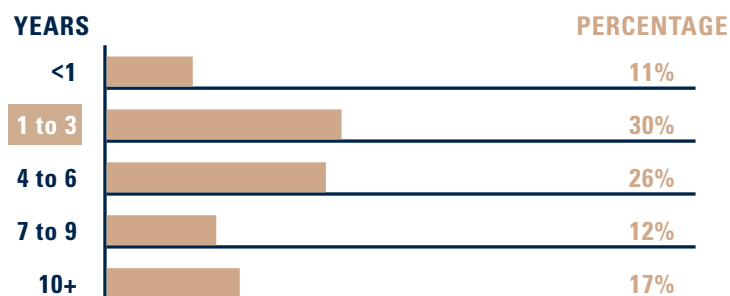


CUSTOMER FEEDBACK

One of the ways that we measure the quality of our products, the services we provide, and our business practices is through customer feedback. Each year we distribute our Annual Customer Engagement Survey to our global commercial brewing customers, offering them the opportunity to provide their candid feedback anonymously, or along with their contact information if they choose to do so.

Using this annual survey, we are able to create benchmarks and monitor our progress year over year. This allows us to celebrate our successes while identifying shortcomings and opportunities for improvement. We nearly doubled our participation from last year with 2,000 responses. Here are the results:

CUSTOMER LONGEVITY



We've been in business for 34 years and while we continue to reach new customers across the globe every day, we are proud of the strong connections and genuine relationships we've built with our brewing partners.


CUSTOMER SATISFACTION



97%

**OVERALL
SATISFACTION
WITH YCH AS A
HOP SUPPLIER**





"In the spirit of YCH's effort toward continuous improvement, we recognized an opportunity for advancements when it came to our previous Customer Relationship Management program. In 2020, after a multi-departmental effort, our proprietary YCRM Phase 1 was created and implemented for use. This software was made in-house to uniquely fit our needs to benefit team members, and ultimately our customers. One of the benefits of this custom software is that we have the ability to continually make modifications as we see fit. It is infinitely customizable and can grow and change with the company. After a year+ of using YCRM Phase 1, we released YCRM Phase 2 with improvements upon existing features, as well as several additional features. Beginning this year, YCRM Phase 2 is now an integral part of tracking individual and company goals."



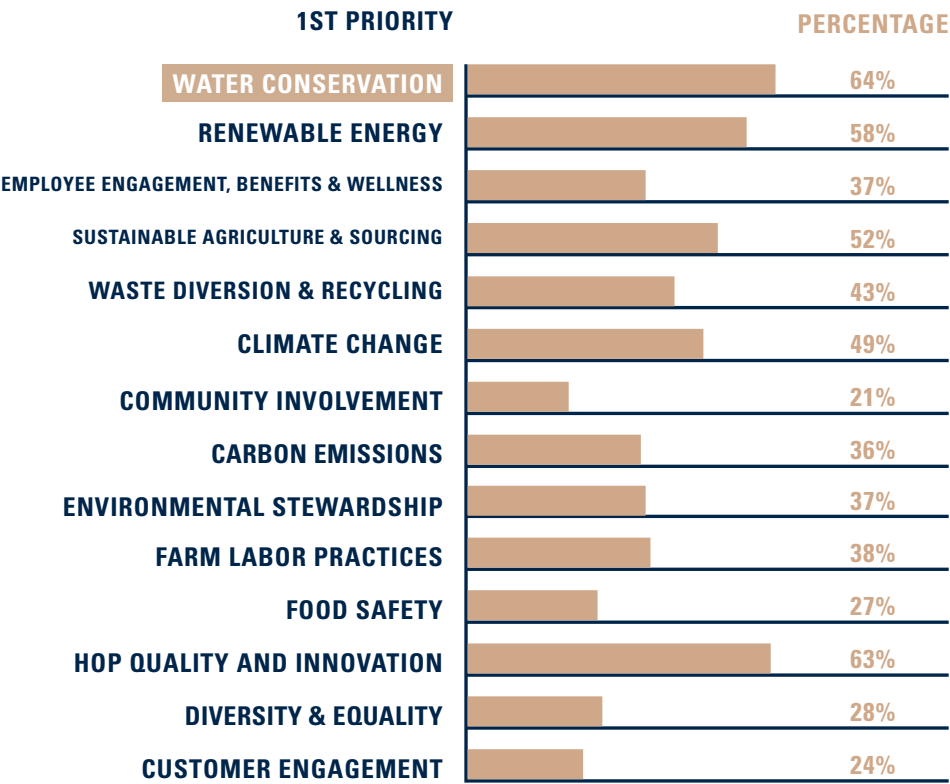
JARYL PENCE
INSIDE SALES SPECIALIST II

CUSTOMER PRIORITIES

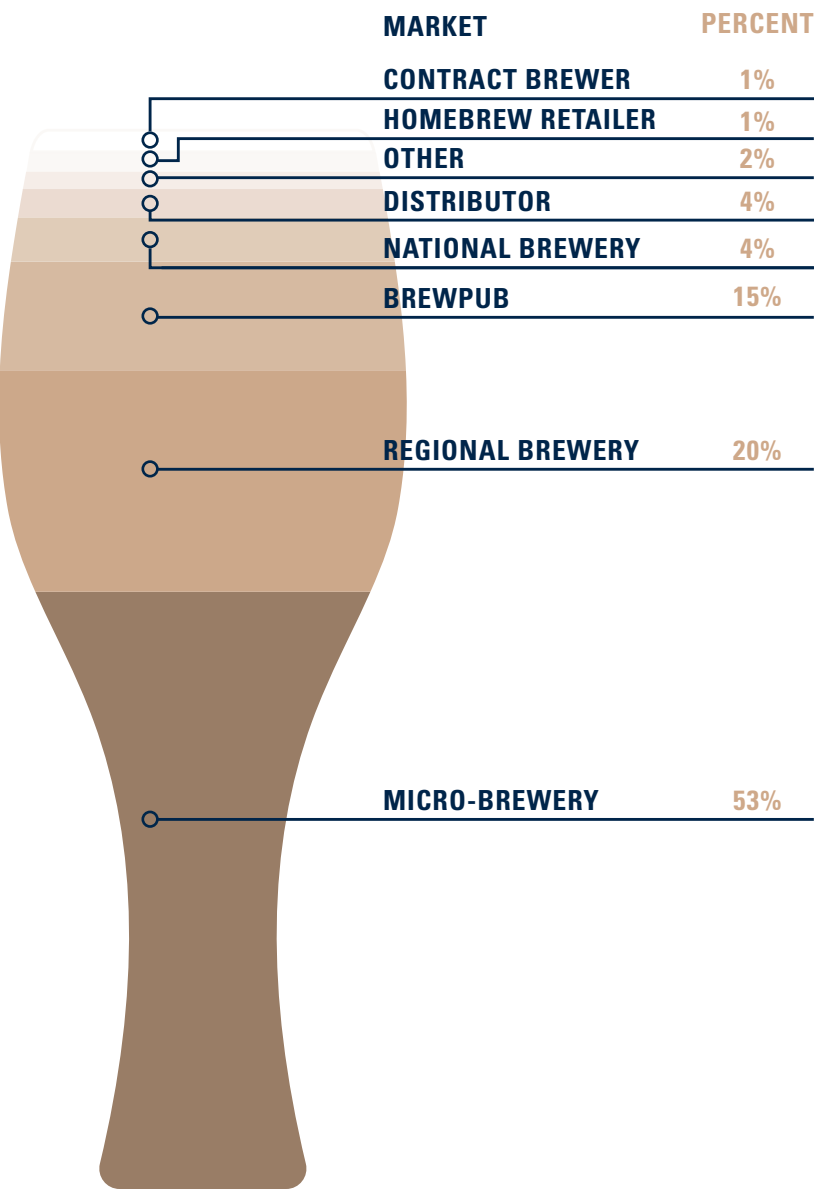
When it comes to sustainability, we make more progress when we work together. Our collective efforts help to make meaningful change, as we share ideas, inspire one another and multiply our impacts. During our annual survey, we like to take a pulse on matters that mean the most to our customers by asking:

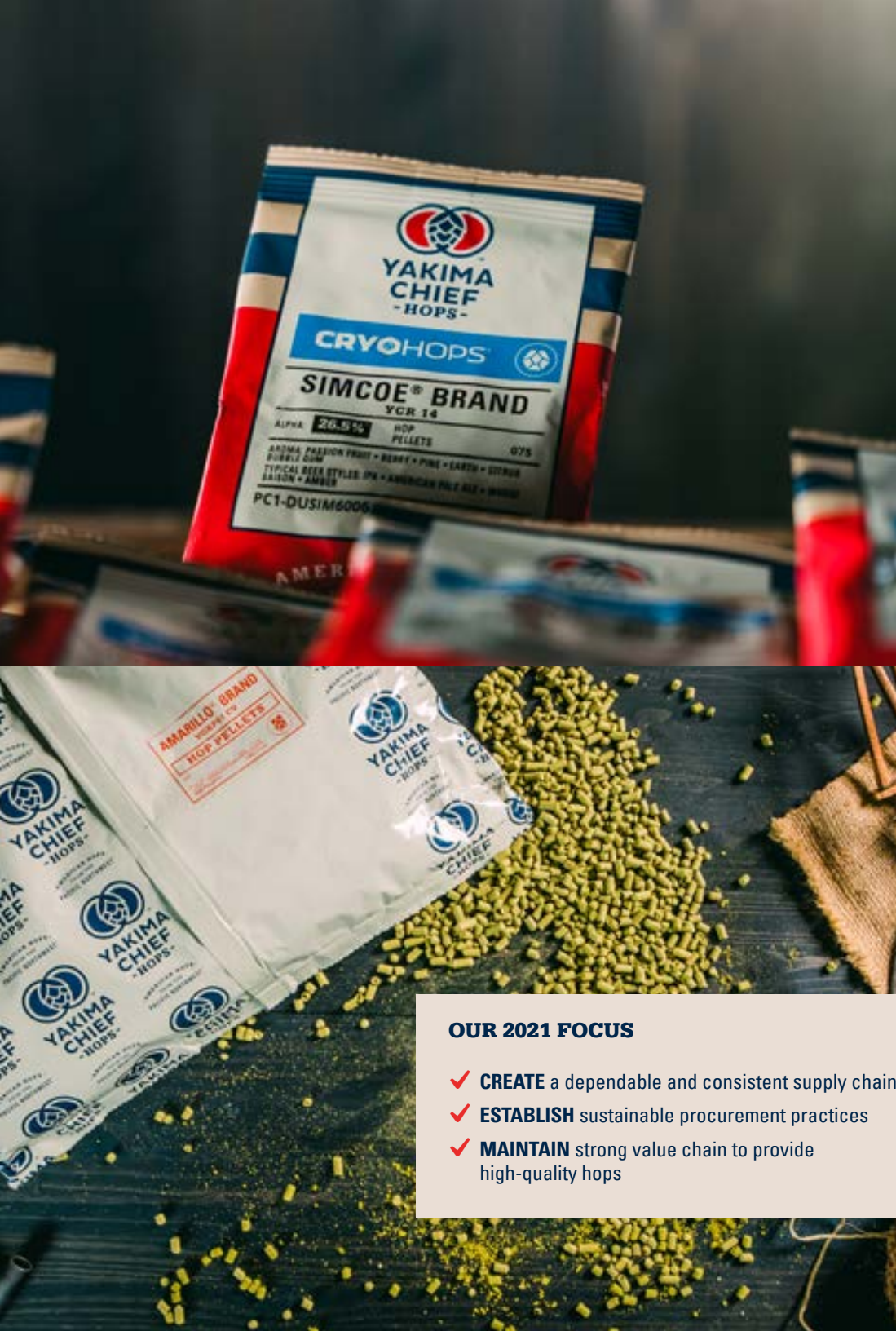
What type of environmental and/or social initiatives would you like YCH to focus on in the future?

Here are the results. As always, we appreciate the ways that our customers challenge us by sharing their thoughts on these important topics.



MARKET SERVED AS REPRESENTED BY SURVEY





LOOKING FORWARD:

MOVING TOWARDS FULLY SUSTAINABLE PACKAGING

To us, achieving true product excellence not only means providing customers with a quality brewing ingredient, but also raising the bar on environmentally responsible product offerings. Some of our customers have expressed disappointment in the amount of waste generated with traditional hop product packaging. While this packaging has been used by all suppliers for decades, they look to us to be industry leaders in sustainability.

This customer feedback has inspired us to investigate innovative ways to reduce the amount of waste generated from YCH product packaging. At YCH, we seek to challenge the status quo. We are on a mission to identify new sustainable packaging materials that help to alleviate this burden from our customers and reduce our packaging imprint.

In recent years, we have successfully discovered and implemented better packaging options in some areas of our operations, as they require less energy to produce, less materials to ship, and less waste. And we've still extended the shelf life of our products while minimizing our impact on the environment. Our goal is to utilize 100% recyclable, compostable or biodegradable packaging, or packaging made with recycled content, throughout all operations by 2025.

OUR 2025 GOALS

- 🎯 **ENSURE** 100% of our packaging materials are reusable, recyclable or compostable (currently at 95%)
- 🎯 **REPLACE** 100% of mylar foil packaging and find a long-term packaging solution replacement for finished products
- 🎯 **MAINTAIN** a customer satisfaction rate above 90%

OUR 2021 FOCUS

- ✓ **CREATE** a dependable and consistent supply chain
- ✓ **ESTABLISH** sustainable procurement practices
- ✓ **MAINTAIN** strong value chain to provide high-quality hops

EMPOWERING PEOPLE

We know that our people are critical to our success. Being a global leader in the hop industry depends on the dedication, knowledge and performance of our employees and the excellence of our leaders. We also recognize that creative solutions emerge in an environment where diverse voices are heard, all ideas are considered, bold thinking is valued, and people can grow into their fullest potential. This approach is a facet of 'The YCH Way' that reflects our commitment to engaging people in ways that help them thrive and innovate.

We believe that a skilled, valued and engaged workforce is key for sustainable growth. Empowering our employees leads to a more efficient, agile, and committed workforce which results in beneficial outcomes for both the individual and the organization. The work environment at YCH continually evolves to maximize the employee experience and drive high performance. We aim to create a culture that values the well-being of our employees and motivates them to work safely and productively. YCH has several methods to help engage employees, collect input and improve our performance.

Over the past five years, we have developed and implemented an annual Employee Engagement Survey to measure the level of engagement and experiences of our people and identify ways to improve our culture and business results. Our 2021 results reflected our updated business practices designed to provide employees flexibility, safety, and growth, along with the highest response rate we've ever seen to date.



JAVIER NAVARETTE
SHIPPING COORDINATOR

2021 EMPLOYEE OF THE YEAR

EMPLOYEE SURVEY



99%

PARTICIPATION RATE

Teamwork makes the dream work. YCH strives to empower the voices of our employees by encouraging participation in the survey for the overall betterment of the organization.

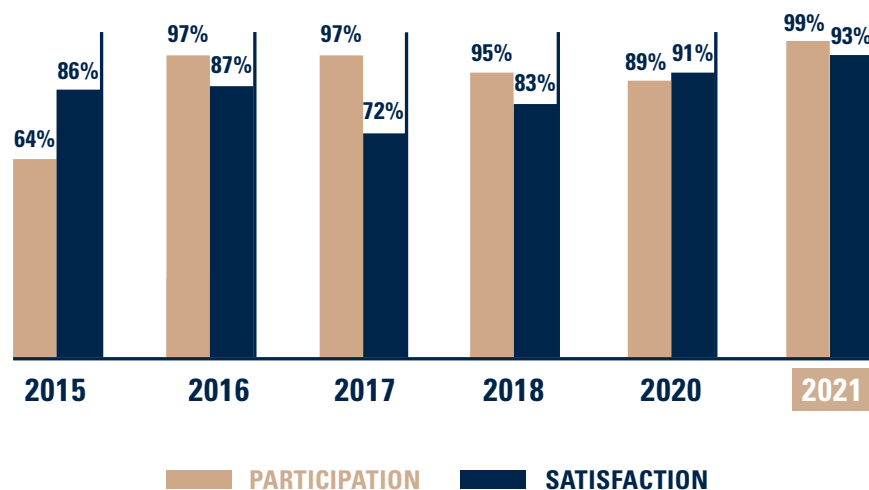


93%

EMPLOYEE SATISFACTION

Happy hours in the craft beer world only happen for a short period of the day; at YCH it is our mission to keep all employees satisfied and happy throughout the year.

OVERALL SATISFACTION



INVEST IN THE BEST

At YCH, we take pride in offering a competitive benefits package to our employees. We strive to promote the mental, physical and financial wellness of our employees, not just because it is the right thing to do, but because when people feel good and feel valued, they produce good work. With our individual development plans and continuous education stipends, we also support the professional growth of our staff.

YCH fosters a vibrant community of employees who love the beer industry and feel passionate about our mission to connect family farms to the world's finest brewers. We are proud to be a locally recognized employer of choice, providing our employees with a positive and empowering workplace and supporting them with competitive pay and benefits programs.

Our perks & benefits are designed to support a healthy, balanced lifestyle and encourage enriching experiences inside and outside the office.

- ✓ Generous 401K matching and paid time off
- ✓ Wellness programs and fitness incentive
- ✓ Continuing education stipends
- ✓ Professional growth & development
- ✓ Paid community volunteer time
- ✓ Office snacks & on-site brewery
- ✓ Collaboration with Heritage University to provide an on-site leadership program, CHIEF Academy, for our front-line leaders
- ✓ Work/Life Employee Assistance

ADDITIONAL BENEFITS

The perks don't stop here. In addition to the above, we also work to create a comfortable, positive and welcoming office space with things such as a casual dress code and flexible schedules that promote a healthy work-life balance. Employees can also bring in their four-legged furry friends and are encouraged to join in after-work activities such as bike rides, running, and a variety of organized group fitness activities.

At YCH, we strive to tap into the science of running a high-growth business with high-functioning employee engagement efforts. As people, we thrive by creating a healthy balance of work and play, every day. That might mean something different for everyone, but the point is, the options exist for our employees.

A GLOBAL WORKFORCE

We are proud to be rooted in the Pacific Northwest, however, we have increased our global presence tenfold over the past couple years to better serve our customers. Check out how we've grown!

 **14%**

In the past year we have increased the size of our company by 14% as departments expand and new teams form



529
TOTAL EMPLOYEES

370
FULL TIME EMPLOYEES

EMPLOYEE REPRESENTATION

For many years, YCH has worked to create a well-rounded workforce that thrives on the perspectives, characteristics and creativity of different people. We aim to employ the perfect blend of people and talent that create a balanced yet vibrant organization and keep us connected to the diverse global brewing community. We have made year-over-year progress and continue to strive for better representation across our company.

As an organization with offices and teams across the world, we are grateful that we have the opportunity to build a company that is as diverse as both our local and global communities. We are committed to breaking down barriers and providing equal

opportunity to all people, regardless of race, gender, beliefs, background or ability. We are working to implement new programs that will help us ensure that we are recruiting, hiring and promoting more people of color at all levels of our company.

One of the most amazing aspects of producing a sustainability report is the chance to not only be transparent, but to be held accountable for making progress. We will continue to share our progress toward achieving a workforce that better reflects the communities where we work and serve.

BIPOC REPRESENTATION

63%

FEMALE REPRESENTATION

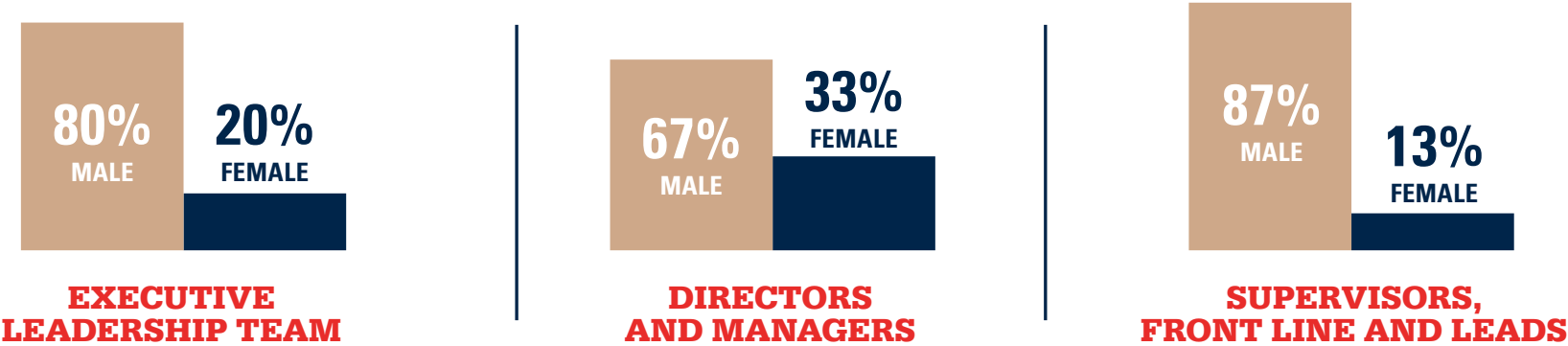
32%

AVERAGE EMPLOYEE AGE

33^{YRS.}
OLD

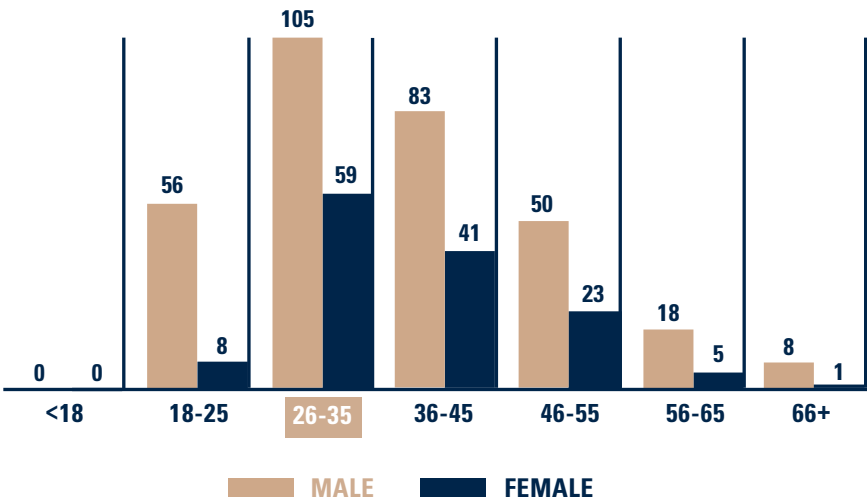


LEADERSHIP REPRESENTATION

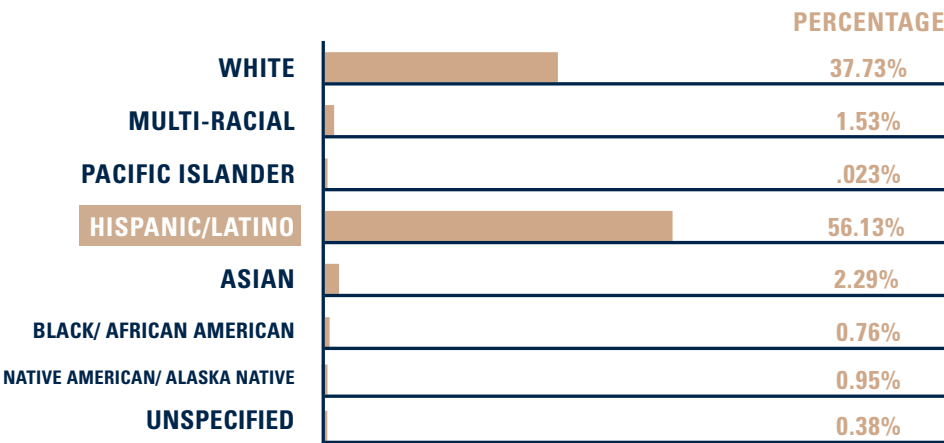


Our Leadership team not only leads our operations, but our company culture. They are the mentors and sponsors to our eclectic workforce of professionals. They are our thought leaders and drivers of change. We aim to create an inclusive and welcoming organization by advancing and hiring leaders from diverse backgrounds. It is our goal to continue to enhance the diversity of our Leadership team through greater recruitment efforts, job openings and professional development opportunities.

DEMOGRAPHIC BY AGE



DEMOGRAPHIC REPRESENTATION



INTERNSHIP PROGRAM

Each year, YCH offers internship opportunities in a variety of departments throughout the company. These 10-week paid positions include jobs in areas such as international logistics, finance, research and development as well as marketing and vary from year to year. Our interns gain valuable work experience and great exposure to YCH's unique corporate culture as well as this incredible industry. There is certainly enough work to go around, and we are working to build a more robust internship program. We like to say that being an employee gives people the opportunity to be a part of where great beer begins, and we look forward to sharing that experience with more students and fresh graduates.

**8 TOTAL
INTERNS**
IN 2021



SAFETY IS CHIEF

At YCH, safety is our chief responsibility to our employees. We strive to provide and maintain a safe workplace environment that empowers everyone to do their best work, injury-free. Safety is ingrained in our culture, and we are always seeking to improve our safety performance. This focus on safety is spearheaded by our Safety Officer who manages our programs and our safety committee that meets regularly to discuss issues and department needs.

"YCH is committed to developing and sustaining a Safety-First workforce and culture. Safety is our business; it is a collaborative effort to ensure that everyone goes home to their families each day. Proactive employees train, recognize & mitigate hazards, and practice incident prevention. Our goal is to consistently improve our workplace and safety culture; we invest in tomorrow with good safety habits today."



CHAD FERGUSON
SAFETY OFFICER

"I started off as a Seasonal Forklift Driver at YCH in April of 2015 and have worked in many positions before my current role as the Import Export Manager. YCH has helped me to grow and mature by not only inspiring me to do my best but also opening many opportunities for me to develop both personally and professionally. I was fortunate enough to enroll in online courses focusing on international trade and supply chain. Although that was not my current job responsibility, I quickly became interested in this field and did my best to complete the online courses and obtain my certificate. While taking these courses, I had the opportunity to interact with the International Logistics team, and after completing the courses I was recruited and was introduced into our global supply chain. I am still new as a manager, but I hope to be the leader that inspires my team to do their best each and every day, to achieve the impossible, and to continue striving towards success, and to align the companies goals with my day to day efforts."



TYLER SHEARN
IMPORT EXPORT MANAGER

DIVERSITY & INCLUSION

As a leading global hop supplier, we believe we have an opportunity to set an example for our industry and our global communities. We take this responsibility seriously and hold ourselves accountable for making ethical decisions and advocating for others, even if that means going against the grain.

With that, we are not only focused on our commitment to diversity, equity and inclusion within our company, but outside our company as well. Over the years, we have taken a stance on promoting a culture that welcomes more women and people of color in the brewing and craft beer communities. From the brewhouse to the taprooms, we want everyone to feel empowered to brew, sell, enjoy and talk about beer.

"At Yakima Chief Hops, we are committed to providing a safe place that encourages our team to use their voice and influence to support visibility, diversity and inclusion. Our initiatives within the People and Culture pillar of our 5-yr Strategic Plan aim to make a positive difference by supporting a more inclusive workplace with varying perspectives. Not only is diversity, equity, and inclusion the right thing to pursue and foster, it has been proven that it improves our ability to be great at our work. That's why we're excited to embrace a refreshed and accelerated approach to diversity and inclusion."



LISA GARCIA
CHIEF PEOPLE OFFICER

For the past five years, we have encouraged this conversation through our Pink Boots Blend product and partnership with the Pink Boots Society, aimed at empowering women in the beer, alcohol and fermentable beverage industry. We also frequently provide hop donations or discounts for charitable beer collaborations that support important social causes such as: "Black is Beautiful," which provides proceeds to local foundations that support police brutality reform, and "Brave Noise," which advocates for safe spaces and inclusive environments for women in the brewing industry.

In 2021, we also launched our Bigger Than Beer podcast with the first season entirely focused on Women+ in the Industry. In this first series, we featured women from across the hop and brewing industries, from the hop fields to the taprooms. We were proud to provide women with the platform to share their experiences and different perspectives in the hopes of inspiring meaningful conversations and positive change. All 19 episodes can be accessed on both Apple Podcast and Spotify.

As a large corporation, we have a powerful opportunity to use our voice for good and we refuse to waste it. We will continue to find ways to make a positive impact in social justice movements, advocate for others and promote a more diverse, equitable and inclusive society.

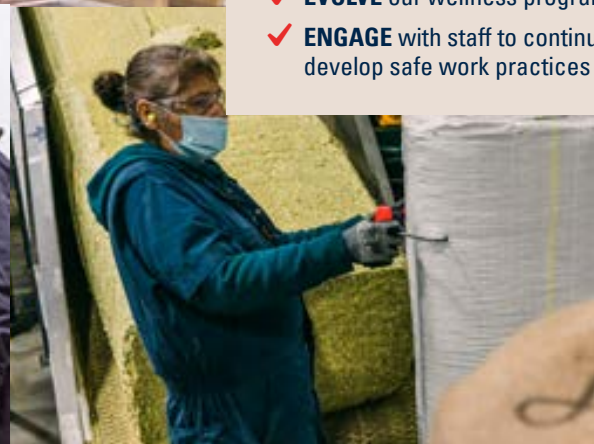
Bigger THAN **Beer**

SEASON 1

WOMEN + IN THE INDUSTRY

LISTEN TODAY!
on Spotify and Apple Podcasts.

YAKIMA CHIEF HOPS
PODCAST NETWORK



LOOKING FORWARD:

BUILDING AN EMPLOYEE-DRIVEN CULTURE

Our employees are more than just hopheads and beer geeks. They are individuals from all different walks of life who have come together over their shared passion and appreciation for our mission, vision and values.

Our heritage is as rich and diverse as our global family, anchored in our agricultural roots. From this we draw a deep respect and care for our planet, our communities, our business, and most of all our people. Our culture is one that nurtures a sense of belonging, where every person is respected, and their uniqueness celebrated.

We know that our diverse and multi-cultural organization makes us stronger, more innovative and is key to our long-term success, which is why we're committed to a future where everyone belongs, our individuality matters, and we can flourish personally and professionally. We believe in building a culture where ideas can come from anywhere, everyone has a voice, and we all contribute to a better future.

OUR 2021 FOCUS

- ✓ **PROMOTE** within our organization
- ✓ **EVOLVE** our wellness program
- ✓ **ENGAGE** with staff to continually develop safe work practices

OUR 2025 GOALS

- 🎯 **ENSURE** zero time loss incidents from employees
- 🎯 **INCREASE** % of women in salaried/leadership positions
- 🎯 **INCREASE** % of BIPOC employees in salaried/leadership positions
- 🎯 **ACHIEVE** 85% employee retention rate

GROWING OUR COMMUNITY

Yakima Chief Hops founded our 'Growing Our Community' commitment based on our own long-standing tradition of community service, as well as the belief that collaboration among businesses can be a powerful force for positive change.

As a company who has been in operations for more than 30 years alongside grower owners who have been farming for generations, we are deeply rooted in the Pacific Northwest communities. It is in these local areas that we partner with strong, like-minded organizations, joining forces and rolling up our sleeves to donate the time, energy, and resources needed to promote thriving communities.

We choose to partner with local organizations to amplify our community enrichment efforts and ensure that resources end up in the hands, homes and lives of the people who need them most. We are focused on intentional and impactful giving along with a boots-on-the-ground approach.

Our company contributes to important social causes both locally and globally in a variety of ways. These efforts include donating hundreds of pounds of hops destined for caused-based brews, empowering employees to give back through paid volunteer hours and providing corporate donations to valuable projects and programs.

It is our ambition to strengthen and give back to our global communities through business, philanthropy, and development initiatives. By working collectively with meaningful non-profits and our brewing partners, there's so much good we can do together.



COMMUNITY GIVEBACK

In 2018, we established YCH’s Community Giveback program, which empowers and encourages our people to volunteer their services in their local community during the workday on paid company time. As our staff continues to grow across the globe, our ability to make a positive impact through this program has been amplified.

When this program was initially started, we targeted a 25% utilization rate with the goal of continuous improvement. Through the pandemic years, we got creative in our approach to serving our community in a safe manner. Last year we volunteered more than 380 hours collectively, working for various causes which included fighting food scarcity in our valley via food distribution days, holding auctions for the benefit of local organizations and teaching adapted sports to children with vision disabilities.

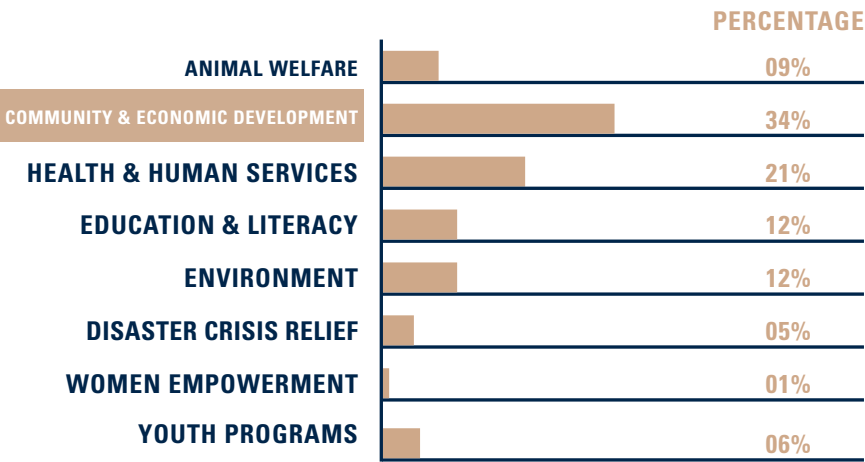
ORGANIZATIONS THAT WE SUPPORT

- 24 Foundation
- Ag Forestry
- American Red Cross
- Camp Hope
- Camp Prime Time
- Central Washington Hispanic Chamber of Commerce
- Children's Village & the Memorial Foundation
- Cowiche Canyon Conservancy
- East Valley Community Enhancement Association
- Grandview Cheerleading Booster Club
- HAPD Community Credit Union
- Heartlinks Hospice & Palliative Care
- Heritage University
- Janes House
- K-9 Foundation of Yakima Valley
- La Casa Hogar
- Lower Valley Soccer League
- Mending Wings
- Northwest Association of Blind Athletes
- Nuestra Casa
- Peace Keepers Society
- Perry Tech
- Rod’s House
- Salvation Army
- Seasons Performance Hall
- Second Harvest
- Tieton Arts & Humanities
- Toppenish Rodeo
- UC Davis - Poured it Forward
- Wags to Riches Animal Rescue & Sanctuary
- Washington Growers League
- Wellness House
- West Valley Scouts Grid Kids Team
- Whitney Elementary School
- Yakima County Development Association
- Yakima Police Dept. LAW Publications
- Yakima School District
- Yakima Union Gospel Mission
- Yakima Women's Community Association
- YWCA

Another aspect of our Community Giveback program is empowering employees with fiscal resources, providing each full-time employee with \$200 to donate to a non-profit or charity program of their choice. Multiplied by 300+ employees across the globe, we aim to help those funds make their way to the people and causes our employees feel most called to support.

Whether it’s renovating city parks, serving meals at the mission in Yakima, or providing scholarship funding for students from agriculture families across the Pacific Northwest, YCH is proud to give back to the communities we call home. Our goal is to achieve a 75% employee participation rate in our volunteer program, as well as a 75% utilization rate of our employee ‘give-back’ dollars. With group settings becoming a little safer, our employees are excited to get back out there, engage in their communities and find ways to make the world a better place.

DONATION BREAKDOWN



GIVEBACK IMPACT 2021

Our charitable giving guidelines help to ensure that our social initiatives and efforts are as impactful as possible and align with our values as a company. Since 2018, we have been working hand-in-hand with local organizations and grassroots groups that excel as changemakers in our communities and key markets to create positive change. We're honored to partner with them through charitable donations and volunteering to help promote sustainable, healthy communities and safeguard the natural environment, both locally and globally.

378 | **GIVE-BACK HOURS ALLOCATED**
AS PART OF YCH'S CORPORATE GIVEBACK PROGRAM

\$114,105 | **DONATED**
TO NON-PROFIT ORGANIZATIONS

\$2,164,366.52 | **DONATED**
FROM COMMUNITY BLEND SALES

I choose to volunteer my time with organizations that empower women and girls through education while investing resources in my local community. Junior League of Yakima addresses the needs of middle school aged girls by developing their skills, encouraging the pursuit of higher education, and sharing stories of strong women leaders throughout history. The Pink Boots Society pulls more women into the brewing industry and empowers them with experiences to kickstart or advance their careers. Both organizations focus on empowering the next generation of leaders and building a brighter future—how exciting is that?!

I'm not originally from Yakima, but I've found that volunteering my time and skills gives me a stronger sense of connection to the beautiful valley I now call "home."



TIFFANY PITRA
SENSORY MANAGER

COMMUNITY BLENDS

Our Community Blend program works to support meaningful social causes and connect with diverse communities through the creation of special cause-based hop blends. These uniquely crafted hop blends are used to brew beer, with a portion of the sales proceeds from the blend benefiting a featured not-for-profit organization. These efforts are often multiplied, as many breweries will also choose to donate proceeds from the sale of their beers to the same or similar causes.

What also makes these hop blends unique is that YCH includes brewing partners and organizations in the selection process used to formulate the blend recipes each year, making the process a true collaboration from selection to brew. Through this program, we offer brewers a way to give back year around, while brewing unique, delicious beers with an even greater purpose. Our community blends contribute to mission-driven, 501(c) 3 non-profit organizations that rely entirely on generous donations and have a direct impact on important social causes. Together with our brewing community, we are working to create something **#BIGGERTHANBEER**.



PINK BOOTS BLEND

The 5th Annual Pink Boots Blend was comprised of Idaho Gem™, HBC 630, Talus™, Triumph and Loral® and was created by members of the Pink Boots Society (PBS), a global non-profit organization dedicated to women in the fermented/ alcoholic beverage profession. A portion of the proceeds from the sale of YCH's Pink Boots Blend are contributed to the PBS scholarship fund, which exists to empower women and/or non-binary individuals to advance their careers in the fermented/ alcoholic beverage industry through education.



Image Credit: Resin Brewing



37 | # OF COUNTRIES
PINK BOOTS BLEND WAS USED IN

37K | LBS SOLD
OF PINK BOOTS BLEND

626 | # OF BREWERIES
PARTICIPATING IN BREW DAYS

VETERANS BLEND

The 4th Annual Veterans Blend was comprised of Idaho 7®, HBC 630, Ekuanot®, Azacca®, and HBC 472 and was designed by military Veteran brewers. 23 different breweries were invited to participate in the selection of the blend. Each year, a new non-profit supporting US Veterans is also selected. They unanimously decided to donate proceeds towards K9s For Warriors whose mission is to provide highly-trained Service Dogs to military Veterans suffering from PTSD, traumatic brain injury and/or military sexual trauma.



Image Credit: K9s for Warriors



3 | # OF COUNTRIES
VETERANS BLEND WAS USED IN

9K | LBS SOLD
OF VETERANS BLEND

41 | # OF BREWERIES
PARTICIPATING IN BREW DAYS

PARTNERING WITH PURPOSE

The members of the craft beer community are well known for their passion in supporting important social causes. Breweries are some of the first businesses to step up and create charitable beer projects in times of need. The best way we can help our customers give back is to provide what we know best: hops!

LET IT GLOW

Stockholm Brewing, Stockholm Sweden

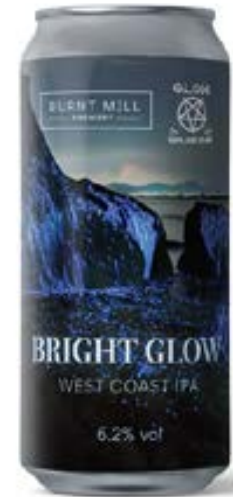
Brewed as a part of the G.L.O.W. brew-along, a cross-borders brewing collective focused on tackling gender bias in the beer industry, to support the Rena Mälaren. Rena Mälaren is a charity founded to help clean up Lake Mälaren & The Baltic Sea both above and below the water level. They currently have around 300 volunteers and perform at least one clean per week. Donations made by YCH are matched by Stockholm Brewing.



BRIGHT GLOW

Burnt Mill Brewery, Suffolk UK

Brewed in collaboration with G.L.O.W. and Burnt Mill Brewery in support of Our Special Friends charity, a non-profit that helps people continue to benefit from animal companionship by providing physical and emotional support during illness, bereavement or other crises. Donations made by YCH are matched by Burnt Mill Brewery.



PACHA CHELA

An annual brew in collaboration with the Latin America & Caribbean Section of the Society of Conservation Biology (LACA). YCH and LACA will collaborate on a beer with different breweries in the region with a percentage of the profits being donated towards economic support for research projects that support the conservation of resources, natural habitats and wildlife native to Latin America.



POD PACK

**Whistle Buoy Brewing / Ace Brewing Company
Mayne Island Brewing Co / Ucluelet Brewing**

A collaboration between breweries located on the islands near British Columbia with the objective of helping to preserve our coastal wildlife. One dollar from every Pod Pack will be donated to preserving Wild B.C. Salmon stocks, a vital food source for our southern resident killer whales.

SESIONES DEL MIGRANTE

A series of beers brewed for the first time in 2017 in collaboration between YCH with Mexican and American breweries to celebrate the Mexican migrant workers who travel to the Yakima Valley to harvest hops for breweries across the globe.



TRI-21 PROJECT

A worldwide, open-ended beer collaboration created to raise awareness for individuals with Down syndrome, and raise support for GiGi's Playhouse. GiGi's is a Down syndrome achievement center founded in the Midwest that has grown to over 50 locations from coast-to-coast across the United States, with the goal of changing the way the world views Down syndrome while sending the global message of acceptance for all. YCH offered discounted hops for all breweries that would like to participate.



BRAVE NOISE

A collaborative brew that started out as a simple question on Brienne Allan's Instagram story: "Have you ever experienced sexism in the beer industry?" quickly became the inquiry that sent shock waves throughout craft beer, subsequently inspiring a BEVOLUTION. Brave Noise keeps the momentum going; to honor those who have spoken out about their gender discrimination, racism, sexual assault, and harassment; and to bring further awareness to the issues that women, BIPOC, and LGBTQIA+ individuals face in craft beer



LOOKING FORWARD:

BUILDING BRIGHTER, BOLDER, BETTER COMMUNITIES

We build community through engagement. We strategically select projects and long-term partnerships that create social value and the impact needed to drive positive change most effectively – ranging from skill-based employee volunteering, financial/ in-kind donations to expert advice and sponsoring.

Our approach focuses on building more equal, inclusive, and active communities, investing in the areas where we live and work and engaging our employees in their own local communities across the globe. We look forward to making more of an impact in years to come by increasing our investments, expanding our efforts, and building meaningful partnerships.

OUR 2025 GOALS

- 🎯 **CONTRIBUTE** 1% of sales towards community enhancement projects
- 🎯 **ACHIEVE** 75% employee participation rate in YCH volunteer program
- 🎯 **ACHIEVE** 75% employee utilization of 'give-back' dollars towards NGO of their choice

OUR 2021 FOCUS

- ✓ **CONTINUE** to use our business as a force for good
- ✓ **BE ACTIVE** in community social issues
- ✓ **STRIVE** for inclusion in our local and national communities




CHEERS!

Our commitment to sustainability is expressed in many ways at Yakima Chief Hops. While our immediate focus as a hop supplier is on creating value for our customers, we must never ignore our responsibility to embrace practices which will sustain life on the planet for future generations. We must strive to honor and respect the people and places who are touched throughout the supply chain, from the hop fields to the brew kettles. And we must do our part to help make our communities better places to live and to work.

Every decision we make at Yakima Chief Hops can and should bring our sustainability vision closer to reality. This is a sacred obligation we have to past generations, and more importantly future generations. Our journey is just beginning. Thank you for joining us on this hallowed path.



STEVE CARPENTER
CHIEF SUPPLY CHAIN OFFICER



Our lives are constantly touched by important leaders – political leaders, business leaders, community leaders, religious leaders, thought leaders. Steve Carpenter represents a special brand of leader. He is what we might call a purpose-driven leader – someone who inspires others to act for the common good, to serve some greater cause, to pursue a larger goal, to believe in a higher ideal.

Steve was instrumental in setting up our Green Chief® Program that transcended across our industry, highlighting the importance of sustainable agricultural practices and the intrinsic relationship this has on overall hop quality. Often leading with an incredible 'dad joke', Steve has the ability to captivate his audience and inspire those around him to do better by doing the right thing.

Steve, as you embark on your retirement years, we want you to know that you will be missed and your impact on our industry and beyond will last indefinitely. We appreciate your contributions towards advancing our sustainability efforts and we wish you all the best. This year's CSR report is dedicated to you.

From Your Family at YCH

BRWA CO

GRI INDEX

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ORGANIZATIONAL PROFILE	102-1	Name of the organization	Yakima Chief Hops, LLC	
	102-2	Activities, brands, products, and services	All of our products are made available on our company website: www.yakimachief.com & www.yakimachiefhemp.com None of our products are banned in certain markets	
	102-3	Location of headquarters	306 Division Street Yakima, Washington 98902	
	102-4	Location of operations	Yakima Chief Hops has operations located in: United States, Europe, Australia and Asia	
	102-5	Ownership and legal form	Yakima Chief Hops LLC	
	102-6	Markets served	We serve all customers, from home brewers to the largest global breweries. In the 2020 report, our customer segments were reported in accordance with Brewer's Association designations. Our customer segment designations have since changed and are still being reevaluated to better represent our customer base. We work with family hop farms and source hops from the Pacific Northwest (USA), Europe, and Australia. Our hops are sold globally to a majority of countries.	
	102-7	Scale of the organization	Total number of employees: 370 full time employees. Total number of operations: We define major operations as Yakima and Sunnyside, Washington & Brussels, Belgium. Net Sales: This information classifies as legal information, confidential to YCH, and therefore cannot be disclosed. Total capitalization: This information classifies as legal information, confidential to YCH, and therefore cannot be disclosed. Quantity of products or services provided: This information classifies as legal information, confidential to YCH, and therefore cannot be disclosed.	
	102-8	Information on employees and other workers	Total number of employees by employment contract (permanent and temporary), by gender: Permanent, F: 120 Permanent, M: 250 Whether a significant portion of the organization's activities are performed by works who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees: As an agricultural cooperative and CPG company, we rely on agricultural workers to harvest crop in the hop fields and seasonal employees to fulfill harvest requirements. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b and 102-8-c (such as seasonal variations in the tourism or agricultural industries): N/A An explanation of how the data have been compiled, including any assumptions made: Temporary is defined by the following employment types: Seasonal, Intern, Temporary. Part-Time is defined by the following employment types: Part-Time, Seasonal, Intern, Temporary.	

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ORGANIZATIONAL PROFILE	102-9	Supply chain	As a farmer-owned and farmer-led organization since 1988, YCH includes approximately 61 family hop farms throughout the Pacific Northwest, specifically Washington, Oregon, and Idaho. These growers provide high-quality hops and benefit directly from the organizations growth and success. Over the years, as demand for YCH products has grown, we have added production capacity with respected co-manufacturing partners to meet the needs of our customers beyond the Pacific Northwest. Our growth supports more than 300 YCH employees, our grower-owners, allied farms and has also enabled us to invest millions of dollars back into our communities to help them thrive. So, while we are growing beyond the Yakima Valley geographic borders, we are doing so in a way that enables us to bring more high-quality hop varieties to more people, responsibly. Our Supply Chain Team has a broad range of responsibilities to deliver our products, on time and in full, to the correct location to meet customer demand. To accomplish this, the Supply Chain Team works tirelessly with our growers to ensure sustainable sourcing practices of our hop varieties , and management of supplier and external manufacturer relationships. It also calls for demand planning, supply planning, warehousing, logistics, shipment management, as well as supplier relationship and performance management.	
	102-10	Significant changes to the organization and its supply chain	We did not make any significant changes to our organization's size, structure, ownership or supply chain in 2021.	
	102-11	Precautionary Principle or approach	Yakima Chief Hops approach to risk management includes the adoption of the precautionary principle: where there may be threats of serious or irreversible impact but a lack of full scientific certainty, we will not use this as a reason for postponing cost effective measures to prevent negative or harmful environmental or social impacts. We apply the proactive principles through our food safety management system. We continuously strive to improve our performance through internal audits and customer audits.	
	102-12	External initiatives	For a complete list of all our certifications can be found on our company website: https://www.yakimachief.com/certifications/	
	102-13	Membership of associations	Hop Resource Council, Washington Hop Commission, Oregon Hop Commission, Hop Growers of America, Brewers Association, Pink Boots Society, Yakima Chief Ranches, WA Wild, International Hop Growers Convention. Additionally, we are committed to providing leadership and working collaboratively to solve complex social issues within our communities. We work directly with local government and nonprofit partners to understand community need, anticipate and address potential barriers to progress, and—working together—we strive to adopt meaningful solutions. Where possible, we provide industry leadership and expertise for our partners. This includes advocating for issues material to our business at a local, regional and state level.	
STRATEGY	102-14	Statement from senior decision-maker	Please refer to our introduction section.	
ETHICS	102-16	Values, principles, standards, and norms of behavior	Mission: To connect family farms with the world's finest brewers, providing the highest quality hop products and uncompromising service for the ultimate benefit of our customers, employees and growers. Vision: Our vision is to be the global supplier of choice. We want our passion for preserving the planet, treating people with respect and dignity, and our commitment to healthy communities to be reflected in every beer brewed with our hops.	

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
GOVERNANCE STRUCTURE	102-18	Governance structure	YCH is a grower-owned and grower-led organization. Our board of directors and executive leadership team are regulations that direct the management and operation of YCH. Under the direction and discretion of the board, the CEO has the general charge of the business operations of YCH, including implementation of our Chief Commitments dedicated to our stewardship. Management is responsible for implementing the direction, policies, rules and regulations adopted by the board. YCH's sustainability program, including management of climate-related issues, is overseen by our Corporate Social Responsibility Team. The team is an extension of the company's cross-functional mentality and is made up of senior leaders from across the business, including HR, Marketing, Sales, Supply Chain, Finance. The committee is also responsible for communicating our sustainability priorities, including our position on climate change, to our stakeholders in order to continually integrate sustainability and climate change management into our business model.	
STAKEHOLDER ENGAGEMENT	102-40	List of stakeholder groups	Yakima Chief Hops stakeholder groups include: Grower-owners, allied-growers, employees, consumers, customers, suppliers, local communities and neighbors	
	102-41	Collective bargaining agreements	None of our employees based in the United States are unionized or subject to collective bargaining agreements. Employees based in some other countries may, from time to time, be represented by works councils or unions or subject to collective bargaining agreements.	
	102-42	Identifying and selecting stakeholders	Stewardship at YCH means that we set out to maximize our net-positive impact and help our entire value chain do the same. We take a systems approach with a triple-bottom-line discipline to run our business, where financial capital, human capital and natural capital are given balanced consideration, and a comprehensive and long-term outlook guides our actions. Our stakeholders are both people and organizations impacted by our business decisions, and include: academics, board members, community members, competitors, consumers, industry leaders and nonprofit partners. Our stewardship framework is centered on commitments to our six key stakeholders that encompass the issues most important to our business. These six commitments are: Thriving Farms, Healthy Hops, Inspired Consumers through product excellence, Prosperous Planet, Empowered Employees, and Enriched Communities. Together they represent the values that we share and our ongoing work to support key stakeholder groups: Grower-owners, allied-growers, consumers, customers, suppliers, employees, local communities, and neighbors.	
	102-43	Approach to stakeholder engagement	We engage with employees through data collection forms distributed to all global locations, enabling us to analyze year-over-year differences, evaluate progress towards our publicly stated goals, and identify opportunities to reduce our environmental impact. We also use this information to evaluate and manage asset-level risks and understand our potential vulnerability to changing regulations. On an ongoing basis, we engage our stakeholders to drive stewardship progress across our value chain on issues such as greenhouse gas and water management.	

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
STAKEHOLDER ENGAGEMENT	102-44	Key topics and concerns raised	YCH's material issues have been organized into commitments to our six key stakeholders. These are topics embedded into our six Chief Commitments: Thriving Farms is our commitment to our growers. The most common topics raised by this stakeholder group are long-term economic viability, succession planning, political advocacy and good agricultural practices. Healthy Hops is our commitment to sustainable agricultural practices. The most common topics raised on behalf of this stakeholder are ensuring sustainable farming practices are implemented to promote healthy growing environments for our hops. Protecting Our Planet is our commitment to the environment. The most common topics raised on behalf of this stakeholder are climate change, water quality, food waste, soil health, nutrient management, air emissions, and conservation and regenerative agriculture. Inspired Consumers through product excellence. The most common topics raised by this stakeholder group are quality and safety, wholesomeness, responsible sourcing, trust and transparency. Empowering Employees is our commitment to our workforce. The most common topics raised by this stakeholder group are safety, culture, attraction and retention of talent, and inclusion, diversity and equity. Growing Community is our commitment to the communities where we operate. The most common topics raised by this stakeholder group are community health and identify, rural resilience, food security, workforce housing, healthy children, thought leadership and collaboration.	
	102-45	Entities included in the consolidated financial statements	This information classifies as legal information, confidential to YCH, and therefore cannot be disclosed.	
	102-46	Defining report content and topic Boundaries	We follow GRI's Materiality principle: ""aspects that reflect an organization's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders."" We define our topic boundaries as commitments materials to YCH in context of our business model, sustainability impacts and stakeholder relationships.	SDG 17
REPORTING PRACTICE	102-47	List of material topics	YCH's material topics covered in our CSR strategy and reporting are listed below, classified under respective stewardship commitments 'Chief Commitments'. They are also elaborated upon in our 2020 CSR Report: Thriving Farms: Economic Performance, Health Hops: Sustainable Agricultural Practices, Inspired Consumers through product excellence: responsible sourcing of materials, food safety and product quality; packaging, Protecting Our Planet: Energy, emissions and climate change; water and effluents; waste, Empowered Employees: Our culture, occupational health and safety, Growing Our Community: Community Enrichment.	
	102-48	Restatements of information	None.	
	102-49	Changes in reporting	There have been no significant changes to material topics or topic boundaries.	
	102-50	Reporting period	As YCH transitioned our fiscal year parameters, the reporting period covers January 1,2021 through December 31, 2021.	
	102-51	Date of most recent report	Our fiscal year 2020 CSR report was published in July 2021.	

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
REPORTING PRACTICE	102-52	Reporting cycle	We intend to publish a CSR Report each year.	
	102-53	Contact point for questions regarding the report	Contact Us: 306 Division Street Yakima, Washington 98902 Phone: 1-800-952-4873 Email: hops@yakimachief.com	
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: core option.	
	102-55	GRI content index	YCH is in accordance with GRI core. Please refer to the GRI Content Index.	
	102-56	External assurance	We are not currently seeking external assurance	
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	YCH's material topics covered in our CSR strategy and reporting are listed below, classified under respective stewardship commitments 'Chief Commitments'. They are also elaborated upon in our 2021 CSR Report: Thriving Farms: Economic Performance, Health Hops: Sustainable Agricultural Practices, Inspired Consumers through product excellence: responsible sourcing of materials, food safety and product quality; packaging, Protecting Our Planet: Energy, emissions and climate change; water and effluents; waste, Empowered Employees: Our culture, occupational health and safety, Growing Our Community: Community Enrichment. Additional explanations of our material topics can be found on our company website: https://www.yakimachief.com/corporate-social-responsibility/	
	103-2	The management approach and its components	Please refer to the introduction section of the report on YCH's commitment to our management approach to our CSR strategy and overall stewardship.	
	103-3	Evaluation of the management approach	Our stewardship framework is centered on commitments to our six key stakeholders that encompass the issues most important to our business. These six commitments are: Thriving Farms, Healthy Hops, Inspired Consumers through product excellence, Prosperous Planet, Empowered Employees, and Enriched Communities. Together they represent the values that we share and our ongoing work to support key stakeholder groups: Grower-owners, allied-growers, consumers, customers, suppliers, employees, local communities, and neighbors.	
ECONOMIC	201-1	Direct economic value generated and distributed	Financial Distributions: 76% Return to growers, 9% Employee wages & benefits, 14% operating expenses, 1% returns to providers of capital. Additional information can be found on our company's website: https://www.yakimachief.com/corporate-social-responsibility/	
	201-4	Financial assistance received from government	YCH did not receive any financial assistance from the government.	
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Yakima Chief Hops provides competitive wages for our region.	SDG 8
	205-1	Operations assessed for risks related to corruption	YCH participates in annual third-party financial audit where our internal controls are reviewed to make sure we have proper segregation of duties reducing the risk of fraud or embezzlement. As part of YCH's overarching risk assessment protocol all production lines, warehouses, etc. can be audited by different organizations.	
	205-3	Confirmed incidents of corruption and actions taken	YCH has not encountered any incidents of corruption.	

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ENVIRONMENTAL	301-1	Materials used by weight or volume	44,009,914pounds of hops used during fiscal year 2021.	
	301-2	Recycled input materials used	Percentage of recycled general waste - 0.83.	
	302-1	Energy consumption within the organization	Total fuel consumption within the organization from non-renewable sources: 37,873 kwh Total fuel consumption within the organization from renewable sources: 737,883 kwh Total electricity consumption: 8,824,965 kwh Total heating consumption: 3,812,768 kwh Total cooling consumption: 0 kwh Total steam consumption: 0 kwh Total electricity sold: 0 kwh Total cooling sold: 0 kwh Total steam sold: 0 kwh Total energy consumption: 11,320,285 kwh Standards, methodologies, assumptions and/or calculation tools used: We use billing information to calculate fuel consumption. We use a third-party developed, custom calculation tool to measure energy use.	
	302-2	Energy consumption outside the organization	Farm-level energy consumption: 2,500 Metric Tons of GHG	
	302-3	Energy Intensity	Energy Intensity Ratio: 0.19 kwh/RHE	
	302-4	Reduction of energy consumption	Total reductions in energy consumption from solar panels: 737,883 kwh	SDG 12
	303-1	Water withdrawn by source	The importance of water conservation and efficiency cannot be overstated, especially as drought conditions continue to threaten the areas where we source our hops. From an agricultural perspective, our growers draw water from rivers, streams, and other tributaries to provide adequate volumes of water to their fields. With the advent of drip irrigation, our growers are now able to deliver water directly to the roots of their crop, allowing for water to be used effectively and efficiently. On average drip irrigation saves approximately 70 percent of total water usage as compared to conventional sprinkler irrigation.	SDG 7 & 9
	303-2	Management of water discharge related impacts	Yakima Chief Hops maintains compliance with all local, state, and regional regulatory requirements as it pertains to effluent discharge.	SDG 7
	303-4	Water discharge	Yakima Chief Hops discharged: 1,899,828 gallons of water to the onsite retention pond during 2021	
	303-5	Water consumption	Total water consumption: 6,999,345 gallons	SDG 7
	305-1	Direct (Scope 1) GHG emissions	Gross Direct Scope 1 GHG Emission: 5,579 Metric Tons CO2	SDG 14
	305-2	Energy indirect (Scope 2) GHG emissions	Gross Indirect Scope 2 GHG Emissions: 2,780 Metric Tons CO2	SDG 12 & 14
	305-3	Other indirect (Scope 3) GHG emissions	Gross Indirect Scope 3 GHG Emissions: 134,364 Metric Tons CO2 Standards, methodologies, assumptions, and/or calculation tools used: Our Scope 3 GHG emissions have been computed in accordance with the Greenhouse Gas (GHG) Protocol, developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) in partnership with Quantis. As per the GHG Protocol, the Intergovernmental Panel on Climate Change's (IPCC 2013) recommendations for Greenhouse Gas global warming potentials (GWP) are applied to compute the Climate Change impact.	SDG 14

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ENVIRONMENTAL	305-4	GHG Emissions Intensity	GHG Emissions Intensity Ratio: 0.20 lbs. CO2/RHE	SDG 14
	305-5	Reduction of GHG emissions	CO2 Recovery System GHG Reductions: 2,029 Metric Tons of CO2 Solar Panel System GHG Reductions: 319 Metric Tons of CO2	SDG 7 & 13
	306-1	Waste generation and significant waste-related impacts	Yakima Chief Hops is mindful of our waste generation throughout our value chain and has identified areas in mitigate the volume of waste produced. Utilizing circular practices, YCH recaptures CO2 utilized in our CO2 extraction process to bring back into products. All spent hop pellets are sent to local dairy farms to be used as cattle feed, totaling approximately 2,000 Metric Tons a year. Additionally, all cardboard and scrap metal collected onsite is also recycled.	SDG 7 & 13
	306-2	Waste by type and disposal method	Total weight of hazardous waste: 4,753 lbs. (all hazardous waste is handled by a certified waste handling company and hauled off for proper disposal.)	SDG 7 & 13
	306-3	Significant Spills	Yakima Chief Hops has had no significant spills.	
SOCIAL	401-1	New employee hires and employee turnover	Total number of new employees for 2021: 35 new employees. Employee turnover rate: 16.84%	SDG 7 & 13
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yakima Chief Hops offers a comprehensive benefits package which includes: health management plans, dental, vision service plan, basic life/AD&D insurance, long term disability, employee assistance program, 401(k) retirement plan, vacation packages, and 10 recognized holidays.	SDG 6
	402-1	Minimum notice periods regarding operational changes	30 days. There are no collective bargaining agreements at YCH.	SDG 12
	403-1	Occupational health and safety management system	Yakima Chief Hops has a developed a safety and health program internally made up of department managers across the entire organization. Each month individuals meet to discuss safety issues and deploy other risk mitigating efforts within the organization.	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Yakima Chief Hops has a developed a safety and health program internally made up of department managers across the entire organization. Each month individuals meet to discuss safety issues and deploy other risk mitigating efforts within the organization.	SDG 8
	403-5	Worker training on occupational health and safety	Yakima Chief Hops has a developed a safety and health program internally made up of department managers across the entire organization. Within the program, safety training opportunities are provided.	SDG 8
	404-1	Average hours of training per year per employee	40 hours on average awarded towards training per year, per employee.	
	404-2	Programs for upgrading employees skills and transition assistance programs	Recognizing the mutual benefits derived from personal growth and increased work competence, Yakima Chief Hops (YCH) provides financial assistance to employees interested in furthering their formal education. This program is particularly relevant as it relates to the employee's ability to perform their current role and/or advance within the company. Below is a summary of the Education and Tuition Assistance Program (ETAP).	
	404-3	Percentage of employees receiving regular performance and career development reviews	94% of full-time employees received performance reviews.	

	GENERAL DISCLOSURE	GENERAL TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
SOCIAL	405-1	Diversity of governance bodies and employees	Gender - Male: 56%, Female: 44% Age Group: Under 30 years old: 86, 30 to 50 years old: 169, over 50 years old: 43	SDG 4 & 8
	408-1	Operations and suppliers at significant risk for incidents of child labor	Yakima Chief Hops does not employee nor do we work with any suppliers who employ underaged child workforce.	SDG 4 & 8
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Yakima Chief Hops does not employee nor do we work with any suppliers who participate in forced or compulsory labor in their operations.	SDG 4 & 8
	410-1	Security personnel trained in human rights polices	YCH does not employ security personnel.	SDG 4 & 8
	411-1	Incidents of violations involving rights of indigenous peoples	None.	SDG 8
	412-1	Operations that have been subjected to human rights reviews or impact assessments	None.	SDG 8
	413-1	Operations with local community engagement, impact assessments, and development programs	Yakima Chief Hops strives to be assets to all our communities in which we work, serve, and play through various community development programs.	SDG 8
	413-2	Operations with significant actual and potential negative impacts on local communities	YCH has not received any official complaints of negative impacts from the community. Both campuses are located in industrial areas with limited residential populations. both our facilities and farm suppliers have some potential to negatively impact the community (air quality, fertilizer/pesticide run-off, traffic, etc.) if not managed properly.	
	414-2	Negative social impacts in the supply chain and actions taken	None.	
	417-3	Incidents of non-compliance concerning marketing communications	None.	
	419-1	Non-compliance with laws and regulations in the social and economic area	There have been no monetary fines or sanctions against our organization. Our facilities have been in compliance with all regulatory agencies (federal, state, regional, and local).	SDG 11
	413-2	Operations with significant actual and potential negative impacts on local communities	YCH has not received any official complaints of negative impacts from the community. Both campuses are located in industrial areas with limited residential populations. both our facilities and farm suppliers have some potential to negatively impact the community (air quality, fertilizer/pesticide run-off, traffic, etc.) if not managed properly.	SDG 11
	414-2	Negative social impacts in the supply chain and actions taken	None	
	417-3	Incidents of non-compliance concerning marketing communications	None	
	419-1	Non-compliance with laws and regulations in the social and economic area	There have been no monetary fines or sanctions against our organization. Our facilities have been in compliance with all regulatory agencies (federal, state, regional, and local).	



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