



**YAKIMA
CHIEF
- HOPS -**



GREAT BEER
GROWS HERE™

CORPORATE SOCIAL RESPONSIBILITY REPORT 2018



2018 CORPORATE SOCIAL RESPONSIBILITY

REPORT
CONTENTS

**CONNECTING FAMILY HOP
FARMS WITH THE WORLD'S
FINEST BREWERS**

B.T. LOFTUS RANCHES
3rd and 4th generation Smith family
farmers walk the hop fields of B.T.
Loftus Ranches in Yakima, WA

Foreword	04
Our Approach	06
2018 Achieved & Future Goals	07
Report Overview	08
Life Cycle Analysis Study	10
The UN's Sustainable Development Goals	12
Our Company	14
Mission, Vision and Values	15
Message from Grower-Owners	17
Allied Growers	19
Green Chief® Overview	20
Our Process	21
Review of the Year: Planet	22
Review of the Year: Process	26
Review of the Year: People	30
Future CSR Objectives & Goals	35



DESIGNING A SUSTAINABLE **HOP SUPPLY** **SYSTEM**



FOREWORD

For more than six generations, our growers throughout the Pacific Northwest have been strong environmental stewards of the land. They also understand that the land, air and water in their care are the cornerstones of success for a short time each year. Each grower recognizes the importance of improving those resources and leaving them better for future generations. They're also aware of their responsibility to their communities and are determined to continue preserving our shared resources and energy.

We recognize our responsibility to ensure growers are sufficiently rewarded for their hard work. Through our unique model, our business decisions are driven to maintain industry-leading returns to growers and help ensure the financial stability of our local economies. These returns allow farms to invest in land, facilities and personnel—all of which vastly contribute to our advancement in this prosperous industry.

In addition to these efforts, we know the only way we can continue growing is by welcoming diverse talent into our organization and by providing elevated training and development to our teams. We strive to strengthen the communities in which we live through supporting local businesses, volunteering, financial contributions and educational outreach.

The quality of our products depends, to a large degree, on whether we can reduce our impact on the environment. And, in the last year, we partnered with a third-party organization to conduct a pilot Life Cycle Analysis (LCA) to evaluate opportunities to reduce our carbon and water footprints. By connecting the various dots in our supply chain, we have gained enhanced visibility in the entire process. Through this research, we adjusted many of our past goals to reflect new insights and establish new areas of focus—especially around social and economic sustainability.

We're proud of what we've mutually accomplished to support socially responsible actions. However, more can be done, and we pledge to continue those efforts and continually improve upon our mission, vision and values as an organization. This report highlights some of the work we've accomplished and some specific aspects we continue to focus on as an organization.

Yakima Chief Hops has taken large strides to push our innovative approach throughout the hop industry and establish goals that will continuously improve our impact on Corporate Social Responsibility; for a sustainable *now* and a sustainable *future*.

Best,
Steve Carpenter
Chief Supply Chain Officer



OUR APPROACH TO SUSTAINABILITY

We believe that the true meaning of sustainability is to meet the needs of the present without compromising the ability of future generations to meet their own needs.

After all, so many of our growers have been farming the same lands for generations with the hopes of passing on those same opportunities to their children and grandchildren. They will be the first to tell you that a farmer must nurture all aspects of their operations in order to thrive—from the land they harvest to the workers they employ.

As a grower-owned company, we have sought to honor those values by addressing the pillars of sustainability vital to our business: people, planet, product and process. Through our mission to connect family hop farms with the world’s finest brewers, we create a supply system that offers value through long-term growth and stability for both our suppliers and customers.

Sustainability is intricately entwined in quantitative and qualitative growth, both of which are deeply embraced by brewers and hop farmers, as we continually seek to improve our products and endlessly innovate. So what happens when the availability of quality beer and hops becomes the status quo? Do we cease to grow? No, we get better at the other aspects of business, such as how we operate and how we support life in the places we serve. Here is where quality permeates into the realm of sustainability—quality of work and quality of place are equivalent to sustainable livelihoods and sustaining our environment.

In order to realize this long-term sustainability and growth for both the hop and beer industries, we support collaboration between hop growers and breweries. For those thousands of deeply passionate people who have joined the craft beer industry in the past decade, it may be hard to believe that until very recently, communication between farmers and brewers was nearly nonexistent and mediated exclusively by brokers.

Needless to say, those times have changed. Each harvest brings to the Pacific Northwest not only a bounty of hops, but brewers and beer enthusiasts from all over the world. These visitors come to learn about the farms and facilities, select lots from the new crop year, and share their beers with the growers that developed and supply their favorite hops.

By publishing this report, we seek to strengthen our connection to our growers, customers and communities through transparent communication surrounding the progress of our existing initiatives and aspirations for the future.

Each passing year gives us the opportunity to look back at milestones achieved and forward to new goals that will lead our continued sustainability focus. In 2019 and beyond, our efforts will be significantly guided by a recently completed Life Cycle Cost Analysis study, as well as the UN’s Sustainable Development Goals—both of which are highlighted in greater detail in the report.

“THIS ISN’T ABOUT THE NEXT FIVE YEARS; THIS IS ABOUT THE NEXT 50 YEARS, FOR FIVE GENERATIONS FROM NOW.”

STEVE PERRAULT
PERRAULT FARMS, TOPPENISH, WA

2018 GOALS ACHIEVED

**SUSTAINABILITY BASELINE**
Establish a farm sustainability baseline through Sustainable Agricultural Initiative’s Farm Sustainability Assessment.

**ISO 14001: 2015 CERTIFICATION**
Transition to new ISO 14001:2015 standard. Review individual grower feedback reports with 100% of farms supplying YCH.

**FOOD SAFETY PROGRAMS**
Implement a strategic plan for YCH food safety programs (currently strategizing ISO 22001 requirements & HACCP representation by members of YCH Quality Department).

FUTURE OBJECTIVES

A summary of our new CSR objectives and goals can be found on page 35 of this report.

**PLANET**
EVOLVE ENVIRONMENTAL MANAGEMENT SYSTEM
PROVIDE incentives to family hop farms that invest in reducing their carbon footprint.
REDUCE the impact of refrigerants & gases to the production carbon footprint by investing in improved systems.
REDUCE system-wide waste by exploring tactics to increase recycling and reuse of materials while also exploring responsible sourcing options.

**PEOPLE**
INVEST IN PEOPLE
CONTINUE to invest in workforce education and training.
PROVIDE workforce with advancement opportunities by creating a pipeline of talent and professional growth assignments.

**COMMUNITY**
GROW OUR COMMUNITY
GROW financial contributions to our local and global communities as we grow.
VOLUNTEER in our local communities to give back in meaningful ways beyond cash contributions.



REPORT OVERVIEW

At Yakima Chief Hops, we use Global Reporting Initiative (GRI) standards as a reference guide for conducting a structured and in-depth analysis of all areas of operations and our supply chain. GRI is an international, independent organization that helps businesses, governments and other organizations understand and communicate the impact of their business on critical sustainability issues such as climate change, human rights and corruption. We will use information gained from this investigation to benchmark key metrics that track trends on a continuous basis and allow for strategic goals to be set by our company.

Additionally, we measure our corporate social responsibility efforts against the UN’s Sustainable Development Goals (detailed in the pages that follow), and we have also undertaken the initiative to conduct a Life Cycle Analysis of our operational footprint. Select UN Sustainable Development Goals and insights from the Life Cycle Analysis are used to inform a revised Environmental Management System, as well as social and economic goals.

The 2018 CSR Report has been prepared in accordance with the GRI core option and with the parameters listed above. At this time, we are not seeking external assurance. The reporting period is based on our fiscal year (August 2017 through July 2018) during which we harvest and process one crop year of hops. The content of this report was created by department representatives and compiled by members of the Quality and Sustainability Department with oversight from the Executive and Leadership Teams. An index according to GRI standards can be found online at yakimachief.com.

MEASURING OUR IMPACT



WHAT WE MEASURE

1

ENVIRONMENT

- ✓ Natural Resource Use
- ✓ Spills/Release into Land
- ✓ Raw Material Use
- ✓ Electricity Consumption
- ✓ Fuel Use
- ✓ Chemical and Hazardous Material Use

2

PEOPLE

- ✓ Workforce Education and Training
- ✓ Workplace Advancement

3

COMMUNITY

- ✓ Corporate Giving
- ✓ Volunteerism



OUR STAKE- HOLDERS

PRIMARY STAKEHOLDERS

**BREWERS
EMPLOYEES
AND
GROWERS**

**BEER DRINKERS
FARM
WORKERS**

**AND
LOCAL
COMMUNITIES**

**GOVERN
MENTS
AND
WIDER
SOCIETY**

**ENVIRO
NMENT**

Each year, we examine the extent of our environmental, social and economic impacts, along with the entities they affect. These entities are our stakeholders and are categorized by their direct level of influence on our products and processes, as well as our influence on them. Employees, hop suppliers and brewing customers are primary stakeholders and hold the greatest influence. Direct influence decreases as stakeholder categories become increasingly removed.



LIFE CYCLE ANALYSIS STUDY

At Yakima Chief Hops, we believe that gaining true insight and clarity into operational efficiencies often requires an outside perspective. For this reason, we recently partnered with a third-party organization to conduct a pilot Life Cycle Analysis (LCA) study. Having this objective assessment has enabled us to become more intentional in our approach to benchmarking, goal setting and implementation of best practices.

LIFE CYCLE ANALYSIS RESULTS

63%
FARMING OPERATIONS

More than 60% of YCH’s carbon footprint is attributed to farming operations, followed by downstream/brewing activities (14%). This makes the biggest opportunities for carbon reduction outside the direct control of YCH.

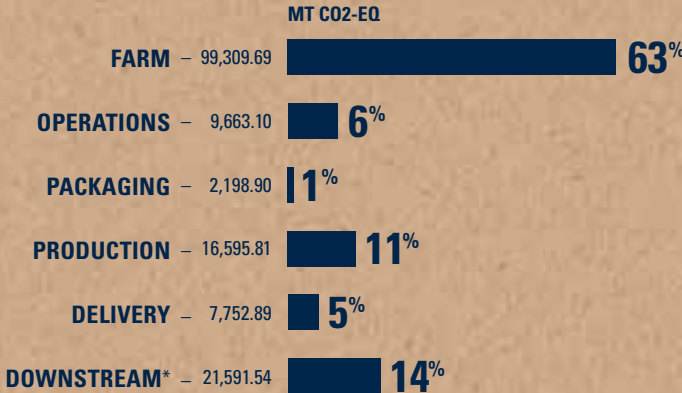
- ✓ Fuel consumption from kiln operations and machinery are the biggest carbon sinks.
- ✓ Irrigation also contributes meaningfully to the footprint, but impacts are largely varied by geography/climate.
- ✓ This total impact can be significantly offset by increasing soil organic matter by 0.2% through the implementation of composting practices.

11%
PRODUCTION

Within YCH’s direct control, production contributes approximately 11% of the total footprint.

- ✓ Refrigerants and gases.
- ✓ Fuel and energy in production.
- ✓ Capital goods.

VALUE CHAIN EMISSIONS



*Includes products used at the brewery and packaging waste disposal by customers.

YCH TOTAL FOOTPRINT

157,000 MT CO2-EQ



THE UN'S SUSTAINABLE

DEVELOPMENT GOALS

With the intent to unify, guide and encourage sustainability efforts worldwide, the United Nations has implemented a set of 17 Sustainable Development Goals (SDGs). These SDGs are backed by a comprehensive set of 167 detailed targets, negotiated over a two-year period at the United Nations.

Cities, businesses, schools and organizations in every nation are challenged to act in accordance with the United Nations' Sustainable Development Goals. The increasingly global reach of YCH has compelled us to embrace the initiative with full passion and conviction as well.

Many of the goals outlined by the UN are intrinsic to our own philosophies and business practices. We have also made it a priority to implement more moving forward—all guided by our "Five P's" approach to sustainability: People, Prosperity, Peace, Partnership and Planet.

To the right is an overview of how we contribute to the global mission of the UN Sustainable Development Goals.

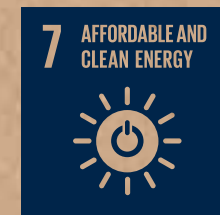
COMMITTED TO DOING OUR PART



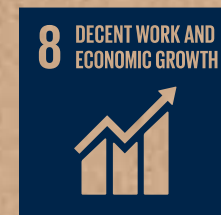
On a case-by-case basis, we provide tuition reimbursement to employees for advanced education.



We are dedicated to protecting our water-related ecosystems in the Pacific Northwest.



We intend to achieve 2% annual increases in solar contribution to our electricity consumption baseline until 2020.



We are a 100%-grower-owned company with approximately 350 employees. We also contribute to the local economy through hundreds of brewers visiting each year for Selection and events.



As outlined in our vision, YCH is committed to being a responsible neighbor to the communities in which we operate, live and serve.



Many of the packing materials we use are readily recyclable. For those that aren't, we are proactively researching new materials to reduce the amount of waste going to landfill.



Our commitment to responsible water consumption leaves water in local streams and rivers for fish, wildlife and community recreation.



OUR COMPANY

Formed in 2014, Yakima Chief Hops is a 100% grower-owned global hop supplier focused on providing premium quality hops and uncompromising service. Our team is driven by a profound appreciation for our natural resources and a heartfelt respect for the communities and customers we serve.

OUR MISSION, VISION & VALUES

As a 100% grower-owned supplier, we are uniquely positioned to establish and promote strong relationships between our growers and brewing customers.

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.

Our vision extends this passion for quality and connection and defines us as the global hop supplier of choice, focused on the sustainable production of innovative hop products. We are a responsible neighbor and asset to our communities, enriching the products, businesses and lives of everyone we encounter.

For our staff, being a valuable contributor to the customers and communities we serve means that we view our responsibilities holistically. We engage with our entire supply chain to drive improvement and maximize value for our people, planet and products. The core values contained within our PRIDE statement help define our focus and demonstrate our priorities as a team. At the end of the day, they are more than just words; they are the cornerstone of our approach to delivering premium quality hops.

OUR CORE VALUES

PASSION
For people, product, planet & process.

RESPECT
Teamwork & collective responsibility.

INTEGRITY
Transparency & accountability in all we do.

DEDICATION
To quality & sustainability.

EXCELLENCE
An emphasis on innovation & continuous improvement.



MISSION

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

We are the global hop supplier of choice, focused on sustainably produced, innovative hop products. We are a responsible neighbor and asset to our communities, enriching the products, businesses and lives of everyone we encounter.



VALUES

Passion, Respect, Integrity, Dedication, Excellence



KEITH HOUSER
C&C Hop Farms, 3rd Generation
RICH VAN HORN
Van Horn Farms, 2nd Generation

A MESSAGE

FROM OUR OWNERS

Chief Seattle (Si'ahl) was credited with saying, "We do not inherit the earth from our ancestors; we borrow it from our children." Those words of wisdom capture the spirit of our generational commitment to the land we cultivate and nurture to grow hops. Most of us are farming land that our grandparents and great grandparents farmed, and we have an uncompromising commitment to leaving the land in good health to subsequent generations. We hold ourselves accountable to living up to that commitment by establishing sustainability goals for our farms and for Yakima Chief Hops.

But our commitment to sustainability doesn't end with environmental stewardship. We strive to be good neighbors in the communities in which we live and work and responsible employers to the good people who work beside us to produce our crops.

We consider Yakima Chief Hops to be an extension of our farms, and we want our commitment to sustainability to be reflected in everything we do and in every product we produce. Our vision is to be a responsible neighbor and asset to our communities, enriching the products, businesses and lives of everyone we encounter.

This report outlines our progress towards achieving that vision.



PROUD TO BE 100%
GROWER OWNED

In honor of our family farms and beer’s agricultural roots, we like to say that “Great Beer Grows Here.” All of our family-owned hop farms are as unique as the varieties they cultivate, and we take pride in being able to share their stories and tell the history of their farms. From their advanced farming techniques, to their recently updated, state-of-the-art production facilities, our growers consistently demonstrate an unparalleled commitment to continuous improvement and sustainability.

It’s no secret to us that quality begins in the field, and that it is our owners’ rich hop farming heritage that provides us with an invaluable foundation of knowledge for delivering the highest quality products and services.

Yakima Chief Hops owners represent family-owned farms in Washington State and Oregon.



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



PATRICK
GASSELING

GASSELING RANCHES
4th Generation · Wapato, WA



STEVE
PERRAULT

PERRAULT FARMS
3rd Generation · Toppenish, WA



RICK
SAUVE

SAUVE & SON FARMS
3rd Generation · Mabton, WA



RICH
VAN HORN

VAN HORN FARMS
2nd Generation · Moxee, WA



CHARLIE
DAVIDSON

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



DOUG
WEATHERS

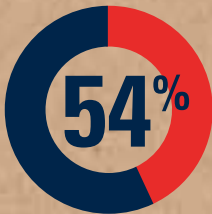
SODBUSTER FARMS
3rd Generation · Salem, OR

* COLEMAN RANCHES, OREGON NOT SHOWN

ALLIED
GROWERS

To help meet our ever-increasing annual production needs, Yakima Chief Hops has established alliances with many family hop farms in Washington State, Oregon and Idaho. Each of these allied growers shares the same vision and values that guide our grower owners.

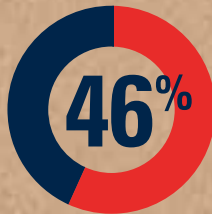
11 GROWER OWNERS



ANNUAL PRODUCTION VOLUME

18,319,788 POUNDS

41 ALLIED GROWERS



ANNUAL PRODUCTION VOLUME

15,395,909 POUNDS

SHARED COMMITMENT

Of the 52 farms in total supplying Yakima Chief Hops:

13
GLOBALGAP
CERTIFIED

8
SALMON-SAFE
CERTIFIED

3
CERTIFIED
ORGANIC

We have also established our own Green Chief® program to assure consistency and common purpose among our grower owners and allied growers. Currently 39 of our family farms have achieved Green Status in our Green Chief® program, and the number continues to increase every year.

GREEN CHIEF®

Green Chief® is our farmer best practices program coordinated in partnership with Yakima Chief Ranches (formerly Select Botanicals Group). Our goal is to facilitate continuous improvement of hop farming in areas of food safety, hop quality and sustainable growing practices. All farms providing hops to Yakima Chief Hops, Yakima Chief Ranches and their advisors and partners are encouraged to participate in Green Chief® best practices meetings and activities. These gatherings are intended to promote more sustainable, high-quality hop farming and collaboration between our companies, growers and brewers.

DEVELOPMENT

Over 15 years ago, the Green Chief® program was developed at Yakima Chief, Inc., one of the two companies that came together to form Yakima Chief - Hopunion, out of a farmer-organized best practices committee. With the merger between Yakima Chief, Inc. and Hopunion, farm ownership has doubled, and, in addition, we are working with an increasing number of allied growers. We also handle a great deal of our procurement through Yakima Chief Ranches, whose farmer owners overlap with the farmer owners of Yakima Chief Hops. This recent expansion of complexity in our farmer base, as well as a new YCH Board of Directors, led us to rethink how we organize this team. In 2019, we will be redefining how Green Chief® is governed in order to better engage and serve its membership.

GOALS OF RESTRUCTURE

- 1. **CREATE** a membership/ownership culture that involves and engages our three primary farm groups: YCH Owners, Allied Growers and Yakima Chief Ranches (YCR)
- 2. **INGRAIN** program values in YCH’s executive leadership
- 3. **PROVIDE** clear responsibilities for the staff members that manage and develop the program

MEMBER ENGAGEMENT

The three membership groups will 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 will develop the cooperative spirit of the program and strengthen relationships outside ownership.

Considering each of these groups as a “member” who has ownership over the program is a new way for us to look at Green Chief®—a logical adjustment as the program is constituted to serve the farms we work with in order to help them sustain profitable, environmentally and socially responsible farms.

SAMPLE COUNCIL REPRESENTATION

YCH OWNERS + ALLIED GROWERS + YAKIMA CHIEF RANCHES

OWNERS – annual election of a best practices chair

ALLIED GROWERS – annual election of a representative who is not an owner that is nominated by growers participating in Green Chief®

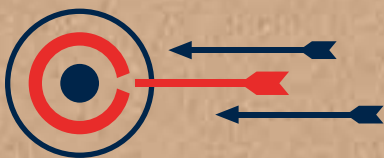
YAKIMA CHIEF RANCHES – appoints a representative

YCR & YCH LEADERSHIP

Our growers, staff and partners at Yakima Chief Ranches all share a strong passion for sustainability and for developing best practices throughout the supply chain to support our sustainability goals. Continued collaboration will be key to continued success.

OUR PROCESS

YCH has key programs that provide a strong foundation for working with brewers to provide valuable information to and from farmers, which we hope will drive change and advance the industry. We employ different programs for farming, harvest and YCH’s core business.



PROCESS OVERARCHING GOALS

1

FEEDBACK

Review individual grower feedback reports with each farm.

2

FOOD SAFETY

Implement a strategic plan for YCH food safety programs.

3

SATISFACTION

Each year, we survey our customers to gain a better understanding of the service level we are providing. Last year we set a goal to improve overall customer satisfaction by 10%; although we did not hit our target, we are dedicated to continuously improving the customer experience.



PROCESS STRATEGIC GOALS

✓

ACHIEVED reviewed individual grower feedback reports with 100% of farms supplying YCH.

🎯

IN PROGRESS, train 100% of operations employees in HACCP/HARPC plan by 2019.

🎯

IN PROGRESS, implementing HACCP/HARPC systems on both campuses by 2019.

✓

ACHIEVED 24-hour shipping deadline for all orders.

✓

ACHIEVED 48-hour shipping deadline for shipments requiring transfers.

🎯

IN PROGRESS, improving overall positive responses on customer satisfaction survey.



REVIEW OF THE YEAR PLANET

It was natural for us as a grower-owned company to embrace sustainability as a core value. Our grower owners come from multi-generation farms with a strong desire to protect and improve the environment so that the next generation can enjoy working the land to produce food and fiber (and flavors!) for others.

Yakima Chief Hops employees work every day to produce a quality product and create preference for hops grown in the Pacific Northwest. Our long-term health as a company is indistinguishably linked with the planet’s long-term health. This mindset compels us to operate with a total view of our environmental impact. We are mindful in all of our business activities, striving to do the right thing and to live up to our customers’ expectations.

Our business operations include everything from breeding individual hop varieties, to retaining long-term contracts, to supporting a diverse workforce, to operating our many facilities. Each of our valued stakeholders—growers, customers, employees, vendor partners and other partners—have expectations for how YCH should prioritize its efforts in these areas. We do so by focusing on the things that have the greatest impact, while staying true to our values.

We must run a robust business. A healthy business allows us to support our growers, our customers and our employees far into the future. And running a strong business to us means that we meet our traditional business objectives while doing the right thing for the planet. The core practices described in this section are the foundation on which we build an environmentally responsible business. To better predict and measure the success of our sustainability initiatives, we need to utilize accurate and timely data that is measurable—enabling us to improve in the years to come.

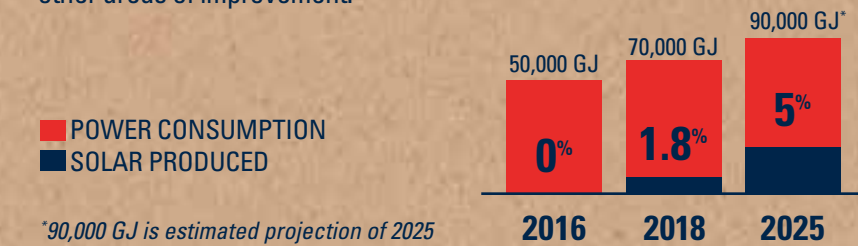
ENERGY

Like many businesses that operate across the globe, energy use is one of the largest contributors to YCH’s climate impact. By actively managing our energy consumption and expenses, we gain insight into fundamental risks and opportunities and minimize our exposure to financial and business continuity risks. Energy choices we make now will have lasting impacts for decades to come, which is why we are committed to finding alternative methods to our traditional energy usage in our operations. Our mission is straightforward: we aim to make more of an impact by making less of one.

- ✓ **USE LESS ENERGY** through good building design and energy-efficiency measures (refrigerant and lighting upgrades)
- ✓ **GENERATE OUR OWN ENERGY** (e.g., rooftop solar panels)
- ✓ **CONTRACT DIRECTLY** with utilities for long-term renewable energy
- ✓ **EXPLORE OPTIONS** of purchasing renewable energy certificates

Burning nonrenewable fossil fuels to produce electricity and generate heat pollutes air, soil and water, speeds global warming and further destabilizes an already unstable world dependent on hydrocarbons. By lowering our overall electricity demand from the grid, we are able to lower the impact our facilities have on global climate change.

In our 2016 sustainability report, we set goals to generate 5% of power consumption from on-site solar and increase power generation by 2% year over year. Although we were short of our target, establishing these ambitious goals enabled us to make great strides moving forward. Additional solar panels were installed in March 2019, and we are also partnering with local energy companies to devise a strategic energy management plan to identify other areas of improvement.



2018 | ON-SITE SOLAR PANELS PRODUCED 359,005 KWH (1,292 GJ) – 1.8% FUTURE | ON-SITE SOLAR PANEL COVERAGE WILL INCREASE TO 51,627 SQ. FT – 5%

In March 2019, YCH increased solar panel coverage to 51,627 sq. ft. We’re making more of an impact by making less of one. YCH is striving to use an increased amount of renewable energy in all of our facilities. The ultimate goal is to consume clean energy during our production processes and replace U.S. based facilities with 100% LED or CFL lights by 2022.

ENERGY SAVED THROUGH SOLAR PANELS = 254 METRIC TONS OF CARBON DIOXIDE EQUIVALENT

The amount of energy we saved could have provided 44 homes electricity for one year or 30 homes energy use for one year.*



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

WASTE

In our 2016 sustainability report, we set our goals high with aspirations to become a zero-waste-to-landfill company by 2017. While this proved to be much harder than anticipated, it remains our future goal—and we have set new targets to help us achieve it. YCH has grown significantly in the last year, and consequently our footprint has as well. But we remain committed to finding sustainable solutions for minimizing and reducing waste.

Our commitment drives us toward more efficient business and environmental practices as we seek ways to reduce solid waste and the costs associated with it, such as packaging, disposal and shipping. Eliminating waste is good for our business and good for the environment.



RECYCLING

Recycling is crucial and even the smallest step can have significant benefits for the environment. By recycling, we are contributing to the reuse of materials rather than the creation of new ones, which in turn reduces the amount of space needed for landfills. As part of our commitment to lowering our carbon footprint and becoming better corporate citizens, we are always seeking to implement sustainable systems that use fewer resources, discard less and better protect people's health.

CURRENT 2018

On top of our waste recycling efforts, we also partnered with local dairy farms to divert 3,000 tons of spent hops from extract to feed cows.

FUTURE

We are currently taking additional actions with the goal to:

1. **RECEIVE 75%** of all hop bales in sustainably sourced burlap and recycle 100% of all poly bales by 2025.
2. **REDUCE** all production-based landfill materials by 25% by 2025.
3. **RECYCLE 90%** of electronic waste by 2020.



MATERIAL DISPOSAL

Large quantities of packaging materials are required to protect our quality product during storage and transportation from farms to YCH and then to our customers. Many of the materials used are recyclable; however, for those that aren't, we are proactively sourcing new materials and methods to increase landfill diversion rates.

BUILDING WASTE (landfill)

2016 | **2018**
183.87 MT | 190.19 MT

RECYCLED
34.29 MT

OPERATIONS MATERIAL (landfill)

FOIL | **TOTAL**
199,913 kg | 410 MT

Total major material* usage for the 2018 fiscal year. All materials were quantified from inventory usage for the year.



978 MT OF WASTE IS THE EQUIVALENT ENERGY USAGE AS REMOVING NEARLY 9,000 VEHICLES FROM THE ROAD:

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

WATER

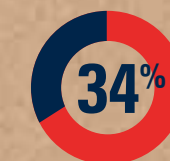
With our corporate headquarters and many of our farms located in Eastern Washington, with an annual rainfall of 8.35 inches per year, our farming operations and communities must be extremely conscientious of water usage each year. This mindset has led to irrigation infrastructure innovations that deliver water in efficient ways. YCH's water footprint is limited primarily to production, specifically within our extract plant where water is used to lower temperatures of pumps during the supercritical extraction process.



CONSUMPTION

In 2016, we established a goal of reducing the water consumption in our Yakima facilities by 20%; unfortunately, we fell short of reaching this goal. Our growth as a company has necessitated the use of more natural resources. But this in turn has heightened our focus on finding new ways to be more efficient with our water usage.

2018	WATER USE 5,462,340 GALLONS	REDUCED CONSUMPTION 3% SINCE 2016



RECLAIMED: 1,873,581 GALLONS

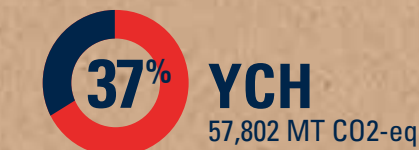
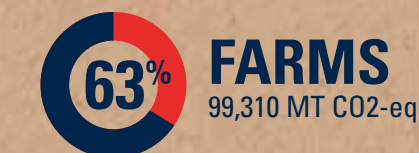
The water is diverted through irrigation and used to supply our facility grounds, support an avian habitat and act as a ground water recharge.

* Quantis Study April 5th, 2018

GREENHOUSE GAS EMISSIONS

Last year, we partnered with Quantis, an environmental consulting group, to pilot a Life Cycle Assessment study. Our goal was to examine the entire hop supply chain—from field to brew kettle—to identify target areas for reducing our carbon and water footprints. We gained a lot of great information from this study that can be used as a baseline moving forward. Our plan is to expand the data collection now to a larger group of growers, with the goal to educate and support them in achieving our initiatives.

CARBON FOOTPRINT BY VALUE CHAIN*



YCH FACILITIES CARBON FOOTPRINT*

43% ELECTRICITY
4,378 MT CO2e

7% LIQUID NITROGEN
750 MT CO2e

35% CARBON DIOXIDE
3,477 MT CO2e

2% PROPANE
171 MT CO2e

10% NATURAL GAS
1,019 MT CO2e

3% GAS/DIESEL
273 MT CO2e

SCOPE:

1. **4,449 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. **3,369 MT CO2 – INDIRECT EMISSIONS (ON-SITE):** Emissions generated in the production of electricity consumed by the institution.
3. **149,293 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.



REVIEW OF THE YEAR PROCESS

We're proud of the products we sell under our own name and actively participate in our growers' supply chains. Our culture is built on a foundation of continuous improvement to provide our customers with the highest quality hop products and promote environmentally sustainable practices throughout all operations—from propagation to pint. Our entire organization is guided by well-established quality and safety principles, as well as invaluable feedback from all our hop growers, employees and brewing customers. Our purpose is to create, grow and protect value for all by developing first-class hop varieties, relentlessly pursuing quality and building meaningful relationships through education, engagement and collaboration.

Yakima Chief Hops has key programs in place that facilitate a two-way exchange of valuable information between brewers and farmers, which we hope will drive change and advance the industry. We employ different programs for farming, harvest and YCH's core business.

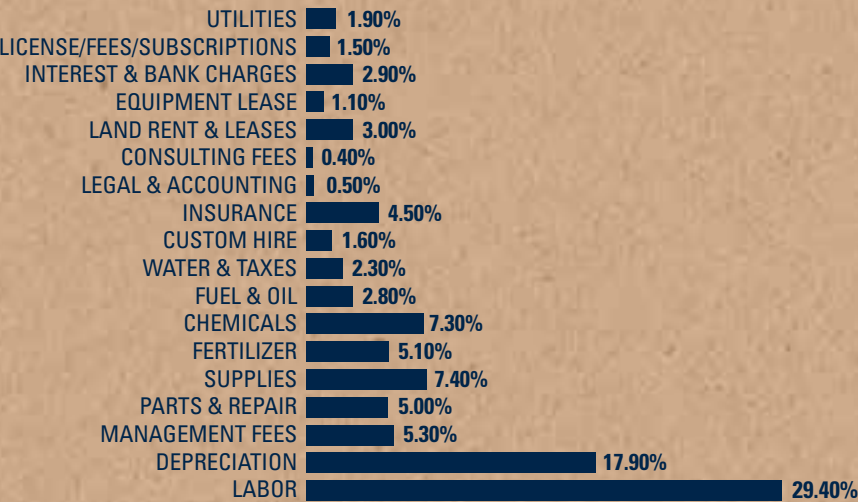


PROCESS ON THE FARM

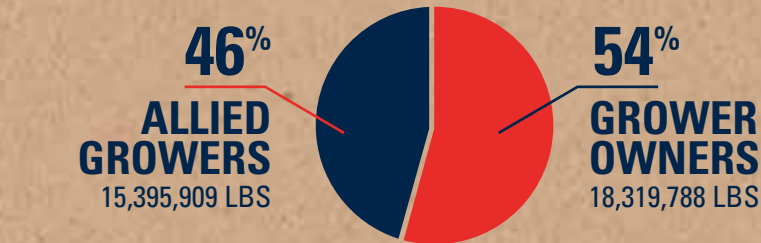
We conduct an annual cost survey of farm-based, economic impacts. This survey serves several key functions:

- 1. **FACILITATES** collaboration between hop farms and YCH to better understand production costs and provide guidance for individual business plans to increase operational efficiency.
- 2. **CREATES** a baseline metric for our sustainable pricing program, allowing contract pricing for eligible breweries to be adjusted based on annual changes in production costs.
- 3. **ESTABLISHES** annual Cost Per Acre metrics that allow growers and YCH to prepare for proposed farm expansions and budget any associated costs.

THE ANNUAL COST SURVEY | TOTAL 2018 FARM-BASED ECONOMIC IMPACTS



HARVEST BREAKDOWN (For fiscal year) RECEIVED 33,715,697 LBS OF HOPS FROM 52 FARMS



33,715,697 LBS RAW HOPS | **39 VARIETIES COLLECTED**
PRODUCED & SUPPLIED TO YCH | FROM 18,143 ACRES

CERTIFICATIONS



TOP VARIETIES DELIVERED BY GROWERS:
Simcoe®, Citra®, Mosaic®, CTZ (Columbus/Tomahawk®/Zeus), Cascade, Pahto™, Amarillo®, Ekuano™, Centennial and Chinook.

SAFETY

OCCUPATIONAL

- ✓ **IMPLEMENTING OCCUPATIONAL SAFEGUARDS** throughout our workplace: safety is chief.
- ✓ **EMPOWERING OUR EMPLOYEES** to stop a job if they feel it is unsafe for *any* reason. No questions asked.
- ✓ **PROMOTING A CULTURE OF SAFETY** by ongoing education and continuous improvement practices that educate our employees about safe work practices; safety training is a job requirement for everyone.
- ✓ **INVOLVING EMPLOYEES IN HELPING** us determine how to do a job safely based on their past experiences or their safety recommendations.

FOOD SAFETY

In order to prevent contamination that could pose a threat to human health, Yakima Chief Hops is fully committed to a risk-based approach to assessing, improving and teaching food safety at all hop harvest and production facilities. We do this by applying our Green Chief® farm quality management program and Current Good Manufacturing Practices (CGMP) in compliance with the U.S. Food and Drug Administration. We also employ an ISO-integrated Hazards Analysis and Critical Control Points (HACCP) system for all areas of production. We have developed a monitoring program to efficiently comply with food safety and import regulations. We maintain complete traceability



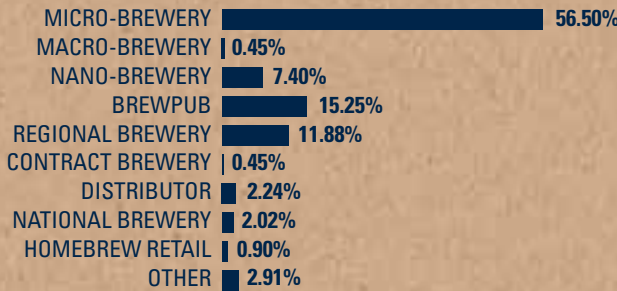
50% **MANAGERS & STAFF**
Representation at safety meetings—
cross departmental group.

throughout the supply chain and use spray records obtained for every field of hops to manage export compliance. Reports on the levels of select heavy metals and pesticide residues are obtained on randomly selected lots of whole cone, hop pellets and extract, twice per year, or as needed. The related reports and Certificates of Analysis can be obtained on demand. To assure test objectivity, samples are submitted to nationally recognized laboratories for analysis and reporting. All analytical data and relevant laboratory contact information is reported in our product documents. Copies of original Certificates of Analysis are also available upon request.

CUSTOMER SATISFACTION

You spoke. We listened. Every year we conduct a customer satisfaction survey to find out how YCH can improve. The 2018 survey had 446 responses. Here are the results:

MARKET SERVED AS REPRESENTED BY SURVEY



2018 **OVERALL SATISFACTION**
WITH YCH AS A HOP SUPPLIER **75%**

RECOMMENDATIONS [baseline] :

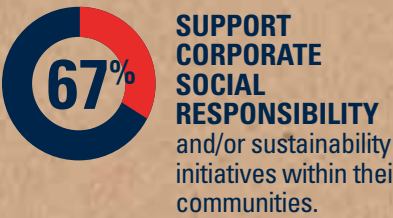
- 1. IMPROVE RESPONSE TIME AND FOLLOW UP** – We are currently developing an online brewer portal to provide improved customer ordering.
- 2. INCREASE VARIETY AND VOLUME AVAILABILITY** – Our procurement and planning teams continue to provide brewer feedback to our growers to make sure we have enough hops in the ground to meet our customers’ needs.
- 3. STREAMLINE THE CONTRACTING PROCESS** – In an attempt to streamline the contracting process, YCH implemented DocuSign into the contracting system.

2018 RECOMMENDATIONS:

1. Increase Contracting Flexibility
2. Increase Spot Purchase Availability
3. Increase Connection to Farmers

2018 WHAT ARE WE DOING WELL?

1. Customer Service
2. Variety Availability
3. Quality of Product, Shipping



SUSTAINABLE TOPICS customers would like us to focus on:

- ✓ Water Conservation/Waste Diversion
- ✓ Hop Quality and Innovation
- ✓ Renewable Energy
- ✓ Climate Change and Sustainable Agriculture
- ✓ Encouraging Connection of Customers to Farmers

 **LOGISTICS** | **99.60% SUCCESSFUL**

In 2016, we aimed to achieve 24-hour shipping deadlines for all orders and 48-hour shipping deadlines for shipments requiring transfers. By continually tracking all shipments and transfers, we were 99.6% successful in achieving both of those goals and look forward to making additional progress moving forward.



REVIEW OF THE YEAR PEOPLE

As a grower-owned company, we know our success as an organization depends on the success of the people who make it happen. Yakima Chief Hops fosters a vibrant community of employees who love beer and work hard to share that passion to make it more accessible for people across the country. We strive to be Yakima Valley’s employer of choice, committed to providing our richly diverse workforce with safe and gratifying working conditions, competitive compensation, career development opportunities and recognition for notable contributions. We are invested in our employees’ wellbeing and education, and we strive to provide them with the appropriate tools they need to succeed. We work hard every day to run a business that has a positive impact on the future.

Employee engagement at YCH is very high. We measure engagement yearly and trend well over industry benchmarks. For example, in our annual employee survey, 83% of participants say they are “Satisfied with employment at YCH.” We’re tremendously proud of that. Additionally, 77% of employees report that they are satisfied with professional growth opportunities within the company.

83%

SURVEYED SAY THEY ARE "SATISFIED WITH EMPLOYMENT AT YCH"

94.78%

EMPLOYEE PARTICIPATION RATE

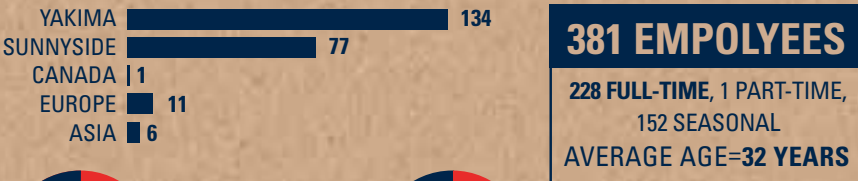
One of our previous goals in 2016 was to maintain an increase in overall employee satisfaction. Recognized for superior performance, strong leadership and leading the business community, Yakima Chief Hops was awarded the Business of the Year award at the Greater Yakima Chamber of Commerce annual awards event.

EMPLOYEE DEMOGRAPHICS

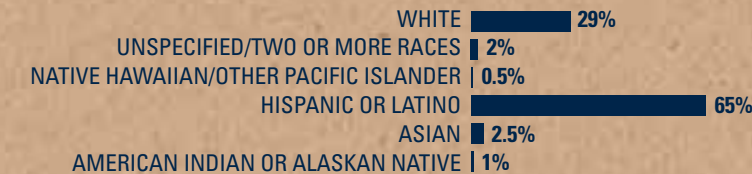
As a company committed to continuous improvement, YCH is dedicated to advancing not only our products and processes, but also our company culture as well. We strive to honor the traditions of our past, while focusing on building an engaging and highly satisfying environment for the future. We survey employees on an annual basis using a standardized and anonymous employee engagement survey provided by the Society for Human Resources

Management (SHRM). The results of this survey are analyzed to measure overall employee satisfaction and utilized to create initiatives that promote collaboration, respect and equality across all levels of the organization. During this reporting period, YCH hired 38 employees. Some additions were to fulfill existing roles, while others were newly created positions to support the expansion of our company’s operations.

FULL-TIME VS. PART-TIME TOTAL NUMBER OF EMPLOYEES



CULTURAL DIVERSITY BREAKDOWN



EXECUTIVE TEAM (10 Members)



DEPARTMENT MANAGER (42 Employees)



SUPERVISOR FRONT LINE (36 Employees)



EMPLOYEE COMPENSATION

We evaluate wages in an effort to support sustainable compensation and equity among all demographics. YCH is unable to confirm that our compensation is competitive due to privately held ownership among hop suppliers. However, significant effort is being invested into gathering and analyzing wage data from comparable industries and positions to continuously evaluate and improve wages.

WAGES

ABOVE AVERAGE, 50-75%
compared to the region or national industry.

BENEFITS

GOLD STAR STANDARD
compared to the national average.

EMPLOYEE INCENTIVES

YCH Bucks is an employee incentive program designed to promote healthy lifestyles, enhance innovation, encourage improvement and reward employee camaraderie. YCH Bucks are earned through participation in programs that focus on health, safety, quality and productivity, and can be used as credit towards YCH HOPS merchandise, gift cards or entry into raffles/auctions at annual YCH events.

- ✓ **Smoking Cessation Program**
- ✓ **Runs/Walks for Charitable Causes**
- ✓ **Joining a Gym**
- ✓ **Submitting Ideas that Reduce Waste or Increase Quality**
- ✓ **Submitting Process Improvement Request to Add Customer Value**
- ✓ **Receiving an Employee Excellence Award**
- ✓ **Meeting Loss Time Rate Goal**

INCREASING COMMUNICATION

We are passionate about our employees' personal and professional development and continually seek ways to help our staff discover and accomplish their goals. With a diverse workforce on the front lines, many of our employees expressed interest in participating in language classes to enhance communication and decrease language barriers among their teams. The result was to offer organized evening English as a Second Language classes, held free of charge for interested parties at YCH's Sunnyside campus. Additionally, an online course is being offered to employees desiring to learn Spanish.

Upon completing the language courses, participants were asked to share their thoughts. Their responses highlight the positive effects this opportunity had on their lives both inside and outside of work, further demonstrating the value of investing in employees. Our Human Resources department is researching additional education opportunities and plans to offer more on-campus classes in the future.

12

**PARTICIPATED IN
ENGLISH**
AS A SECOND LANGUAGE

23

**PARTICIPATED IN
SPANISH**
AS A SECOND LANGUAGE

WORKPLACE ADVANCEMENT & EDUCATION

At the very core of our culture is the belief that, given the opportunity, motivated people will make the most of their careers and contribute to the success of the company. We support them in their efforts by offering professional training and development classes and creating a culture where growth and internal promotion are encouraged. As a new employee at YCH, we provide a monthly onboarding program developed

to connect new faces to YCH Operations and personnel. The daylong orientation allows new employees to learn about cross-departmental responsibilities from managers and team members. From opportunities for career development to personalized benefit options, we want all who join our team to realize their full potential.

PROVIDE WORKFORCE WITH ADVANCEMENT OPPORTUNITIES

by creating a pipeline of talent and professional growth assignments.

4

INDIVIDUALS INVOLVED
in tuition program offered by YCH.

40

HOURS
on average awarded towards training per year, per employee.

58%

RECEIVED EVALUATIONS
Only full-time employees receive performance reviews with 28% being Female and 72% Male.

55%

COMPLETED INDIVIDUAL DEVELOPMENT PLANS
YCH has developed a system to provide employees the opportunity to work with their managers to set goals, request resources and create a roadmap to better align passion, skills and responsibility. 55% completed individual development plans (27% Female, 73% Male).

FUTURE GOAL: WORKFORCE EDUCATION & TRAINING

OBJECTIVE: Continue to invest in workforce education and training.

- ✓ On a case-by-case basis, the company will provide tuition reimbursement to employees for advanced education.
- ✓ Per year, devote up to \$750/employee towards job training (total 228 employees).
- ✓ 10% of employees participate in selected online courses to assist them with advancement within Yakima Chief Hops.

FUTURE GOAL: WORKFORCE ADVANCEMENT

OBJECTIVES: Provide workforce with advancement opportunities by creating a pipeline of talent and professional growth assignments.

- ✓ Employ at least 10 paid interns per year for professional development opportunities.
- ✓ As experience and opportunities exist, internally promote YCH workforce to supervisor, manager or director roles.

COMMUNITY

Our investment in nonprofit partners extends beyond grants to include volunteer hours and hands-on stewardship. As outlined in our vision, YCH is committed to being a responsible neighbor to the communities in which we operate, live and serve. We are proud to contribute to a number of admirable organizations through events and sponsorships, and we continuously seek to develop a culture that positively engages our stakeholders. We are in the process of evaluating our formal policy for community donations to ensure all recipients of funds share our company values and goals.

ORGANIZATIONS THAT WE SUPPORT:

- ✓ Fresh Hop Ale Festival

✓ Camp Hope

✓ Heritage University

✓ Cowiche Canyon Conservancy

✓ Yakima County Sheriff’s Office

✓ Ales for ALS

✓ Yakima City Memorial Day Work Out

✓ Sunnyside Summer Ale Fest

FUTURE GOAL: CORPORATE GIVING

- OBJECTIVE:** Provide financial contributions to our local and global communities as we continue to grow.

✓ Direct cash contributions to \$80,000 per year to local charitable organizations across the PNW with this contribution split between Washington, Oregon and Idaho organizations based on annual hop production.

✓ Donate hops up to a market value of \$25,000/year to support disaster relief brewing efforts around the world.

✓ Donate up to \$10,000/year of in-kind processing services to growers donating hops to charitable organizations (ex. Ales for ALS).

✓ Create community blends to support select not-for-profit organizations at a cash contribution of \$3.00/lb. of products sold.

✓ 75% of employees (171) donate up to \$200/FTE for local youth programs.

COMMUNITY HIGHLIGHTS

215

\$2,000

\$35,550

\$10,000

GIVE-BACK HOURS ALLOCATED
AS PART OF YCH’S CORPORATE GIVEBACK PROGRAM

DONATED
TO LOCAL YOUTH PROGRAMS

DONATED
TO LOCAL YAKIMA VALLEY ORGANIZATIONS

IN-KIND DONATIONS
TO DISASTER-RELIEF BREWING EFFORTS
(FLORIDA, TEXAS, CALIFORNIA)

COMMUNITY BLENDS

Our customers are always looking for ways to give back to their community, and we want to help provide them with every opportunity to succeed. The best way we can help our customers give is to provide what we know best: hops!



We will continue to expand our Community Blends program in which uniquely crafted hop blends are used to brew beer, with a portion of both the beer and the hop blend sale benefiting a featured not-for-profit organization.

SUMMARY OF FUTURE CSR OBJECTIVES & GOALS

As we entered the new fiscal year in August of 2018, we aligned as a total organization with a new strategic direction for our CSR objectives and goals moving forward. While many of those future metrics are provided throughout this report, the below serves as a comprehensive list of those areas that we are focused on now and will report against in our Annual Report in 2020. We look forward to seeing where the future takes us as a company and as an industry.

PLANET & PROCESS

- OBJECTIVE:** Provide incentives to family hop farms that invest in reducing their carbon footprint.

✓ Introduce new Green Chief® Certification Program with metrics connected to sustainable farming practice improvements by end of year 2019.

✓ Have 25% of growers Green Chief® Green Status by 2022.

✓ Have 100% of YCH farms GlobalGAP certified by 2025.

OBJECTIVE: Reduce the impact of refrigerants & gases on the production carbon footprint by investing in improved systems.

✓ Invest in CO2 Recovery System and return 50% of CO2 lost in operations back into the extraction system by 2020.

✓ Eliminate R-22/Freon from all infrastructure and replace with R-404a by 2025.
- OBJECTIVE:** Reduce system-wide waste by exploring tactics to increase recycling and reuse of materials, while also exploring responsible sourcing options.

✓ Receive 75% of all hop bales in sustainably sourced burlap and recycle 100% of all poly bales by 2025.

✓ Reduce all production-based landfill materials by 25% by 2025.

✓ Recycle 90% of all electronic waste by 2020.

✓ Provide properly labeled receptacles for recycling, composting and landfill at 100% of facilities and YCH sponsored events.

✓ Work with other industry leaders to find a long-term packaging solution for finished product to replace Mylar foil bags.

✓ Find alternative options for 10% of foil waste (used and un-used) by 2022.
- OBJECTIVE:** Reduce production dependence on fossil fuels by investing in clean energy technology.

✓ Replace U.S. based facilities with 100% LED or CFL lights by 2022.

✓ Generate 5% of production power needs from on-site solar by 2025.

✓ Convert all forklifts (in finished goods warehouses & production) to 100% electric by 2025.

✓ Reduce emissions from commuting by purchasing electric vehicles/vans by 2020 to shuttle personnel between Sunnyside and Yakima offices/production facilities and provide transportation for group outings.

OBJECTIVE: Maintain Hazardous and Non-Hazardous Material Management standards per current regulatory requirements.

✓ Maintain hazardous waste collection system at all facilities and have zero failures and spills.

✓ Maintain non-hazardous monitoring programs and comply with local and federal regulations.

PEOPLE

- OBJECTIVE:** Continue to invest in workforce education and training.

✓ On a case-by-case basis, the company will provide tuition reimbursement to employees for advanced education.

✓ Per year, devote up to \$750/full-time employee towards job training (total 228 employees).

✓ Have 10% of employees participate in selected online courses to assist them with advancement within the company.

OBJECTIVE: Provide workforce with advancement opportunities by creating pipeline of talent and professional growth assignments.

✓ Employ at least 10 paid interns per year for professional development opportunities.

✓ As experience and opportunities exist, internally promote YCH workforce to supervisor, manager or director roles.

COMMUNITY

- OBJECTIVE:** Volunteer in our local communities to give back in meaningful ways beyond cash contributions.

✓ Have 80% of full-time employees contribute up to 16 hours of community service every year.

✓ Donate 2,500 company hours per full-time employee towards enhancing our local communities.

✓ Have 25% of employees participate in annual company-wide community volunteer opportunity.
- OBJECTIVE:** Grow financial contributions to our local and global communities as we grow.

✓ Direct cash contributions to \$80,000 per year to local charitable organizations across the PNW with this contribution split between Washington, Oregon and Idaho organizations based on annual hop production.

✓ Donate hops up to a market value of \$25,000/year to support disaster relief brewing efforts around the world.

✓ Donate up to \$10,000/year of in-kind processing services to growers donating hops to charitable organizations (ex. Ales for ALS).

✓ Create community blends to support select not-for-profit organizations at a cash contribution of \$3.00/lb. of products sold.

✓ Have 75% of employees (171) donate up to \$200/FTE for local youth programs.

	GENERAL DISCLOSURE	DISCLOSURE TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ORGANIZATIONAL PROFILE	102-1	Name of the organization	Yakima Chief Hops	
	102-2	Activities, brands, products, and services	All of our products are made available on our company website: www.yakimachief.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, 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 2018 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.	
	102-7	Scale of the organization	Page 31	
	102-8	Information on employees and other workers	Page 31	
	102-9	Supply chain	Page 26	
	102-10	Significant changes to the organization and its supply chain	Page 4, 6, 14, 26	
	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.	
	102-12	External initiatives	Page 28. Additionally, a complete list of all our certifications can be found on our company website: www.yakimachief.com/certifications/	
	102-13	Membership of associations	Page 34	
STRATEGY	102-14	Statement from senior decision-maker	Page 4	
	102-15	Key impacts, risks, and opportunities	Page 4, 6, 7, 9, 10, 11, 22, 23, 24, 25	
ETHICS	102-16	Values, principles, standards, and norms of behavior	Page 14, 15. Additional information revolving around our company's vision can be found on our company's website: www.yakimachief.com/our-company/	
GOVERNANCE STRUCTURE	102-18	Governance structure	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.	

	GENERAL DISCLOSURE	DISCLOSURE TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
STAKEHOLDER ENGAGEMENT	102-40	List of stakeholder groups	Page 9	
	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.	Sustainable Development Goal (SDG) SDG 8
	102-42	Identifying and selecting stakeholders	Page 9, 18, 19, 26	
	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.	SDG 17
	102-44	Key topics and concerns raised	Page 7, 9, 11, 13, 15, 17, 21	
REPORTING PRACTICE	102-46	Defining report content and topic Boundaries	Page 4, 6, 8, 10, 12, 17, 22, 26, 30	
	102-47	List of material topics	Page 7, 9, 11, 22, 26, 30	
	102-48	Restatements of information	None	
	102-49	Changes in reporting	None	
	102-50	Reporting period	Reporting period (fiscal year) August 1, 2017 to July 31, 2018	
	102-51	Date of most recent report	4/13/2018	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	Page 35, 36 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	Page 8. In accordance with GRI core.	
	102-56	External assurance	We are not currently seeking external assurance	
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundary	Page 6, 10, 11, 13, 22, 26, 30. Additional explanations of our material topics can be found on our company website: www.yakimachief.com/corporate-social-responsibility/	
	103-2	The management approach and its components	Page 4, 6, 8	
	103-3	Evaluation of the management approach	Page 4, 6, 8, 13, 22, 26, 30	

	GENERAL DISCLOSURE	DISCLOSURE TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ECONOMIC	201-1	Direct economic value generated and distributed	Financial Distributions: 79% Return to growers, 7% Employee wages & benefits, 11% operating expenses, 3% returns to providers of capital. Additional information can be found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 8
	201-4	Financial assistance received from government	None	
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 30, 31	
	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.	
	205-2	Communication and training about anti-corruption policies and procedures	None	
	205-3	Confirmed incidents of corruption and actions taken	None	
ENVIRONMENTAL	301-1	Materials used by weight or volume	Page 24	
	301-2	Recycled input materials used	Page 24. Additional information can found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 12
	302-1	Energy consumption within the organization	Page 23. Additional information can found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 7 & 9
	302-2	Energy consumption outside the organization	Page 11, 25	SDG 7
	302-4	Reduction of energy consumption	Page 23. Additional information can found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 7
	303-1	Water withdrawn by source	Page 25	SDG 14
	303-2	Management of water discharge related impacts	Page 25	SDG 12 & 14
	303-4	Water discharge	Page 25	SDG 14
	303-5	Water consumption	Page 25	SDG 14
	305-1	Direct (Scope 1) GHG emissions	4,449 Metric Tons of CO2. Page 25	SDG 7 & 13
	305-2	Energy indirect (Scope 2) GHG emissions	3,369 Metric Tons CO2. Page 25	SDG 7 & 13

	GENERAL DISCLOSURE	DISCLOSURE TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
ENVIRONMENTAL	305-3	Other indirect (Scope 3) GHG emissions	149,293 Metric Tons CO2. Page 25	SDG 7 & 13
	305-5	Reduction of GHG emissions	Page 25	SDG 7 & 13
	306-1	Water discharged by quality and destination	Page 25	SDG 6
	306-2	Waste by type and disposal method	Page 24	SDG 12
SOCIAL	401-1	New employee hires and employee turnover	Page 30, 31	SDG 8
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 32. Additional information can found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 8
	402-1	Minimum notice periods regarding operational changes	Around 30 days. There are no collective bargaining agreements at YCH.	
	403-1	Occupational health and safety management system	Page 28	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 28	
	403-5	Worker training on occupational health and safety	Page 28	SDG 4 & 8
	404-1	Average hours of training per year per employee	Page 33	SDG 4 & 8
	404-2	Programs for upgrading employees skills and transition assistance programs	Page 32, 33. Additional information can found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 4 & 8
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 33	SDG 4 & 8
	405-1	Diversity of governance bodies and employees	Page 31. Additional information can found on our company's website: www.yakimachief.com/corporate-social-responsibility/	SDG 8
	408-1	Operations and suppliers at significant risk for incidents of child labor	None	SDG 8
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	SDG 8
	410-1	Security personnel trained in human rights policies	YCH does not employ security personnel.	

	GENERAL DISCLOSURE	DISCLOSURE TITLE	CROSS-REFERENCE, ANSWER, OR ADDITIONAL INFORMATION	ADDITIONAL REFERENCE
SOCIAL	411-1	Incidents of violations involving rights of indigenous peoples	None	
	412-1	Operations that have been subjected to human rights reviews or impact assessments	None	
	413-1	Operations with local community engagement, impact assessments, and development programs	Page 33, 34	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)	



**YAKIMA
CHIEF
- HOPS -**

306 DIVISION STREET, YAKIMA, WA 98902
1 800 952 4873 | YAKIMACHIEF.COM



100% RECYCLED PAPER
This brochure is printed on FSC® post-consumer recycled paper.