



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY:

MORE THAN A BOX OF HOPS

PRESENTERS



Luke Kulchstein heads up the YCH marketing team in Europe. Based in East London and originally trained as a designer, Luke has been in the drinks industry for nearly 15 years now, with more than a decade being in the Craft Beer sector. Through his years working for, and with breweries, suppliers, importers and distributors in that time, Luke has developed a wealth of knowledge within the field.

At Yakima Chief Hops, we govern all our decisions by our Mission, Vision & Values statements.

We pride ourselves on being a positive member of the brewing community as well as respectful stewards of the land we grow upon.

Whilst all companies across all industries are striving to do their best to help protect the world we live on, we are dedicated to this cause and hold this at the centre of everything we do.

IT'S MORE THAN A BOX OF HOPS





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

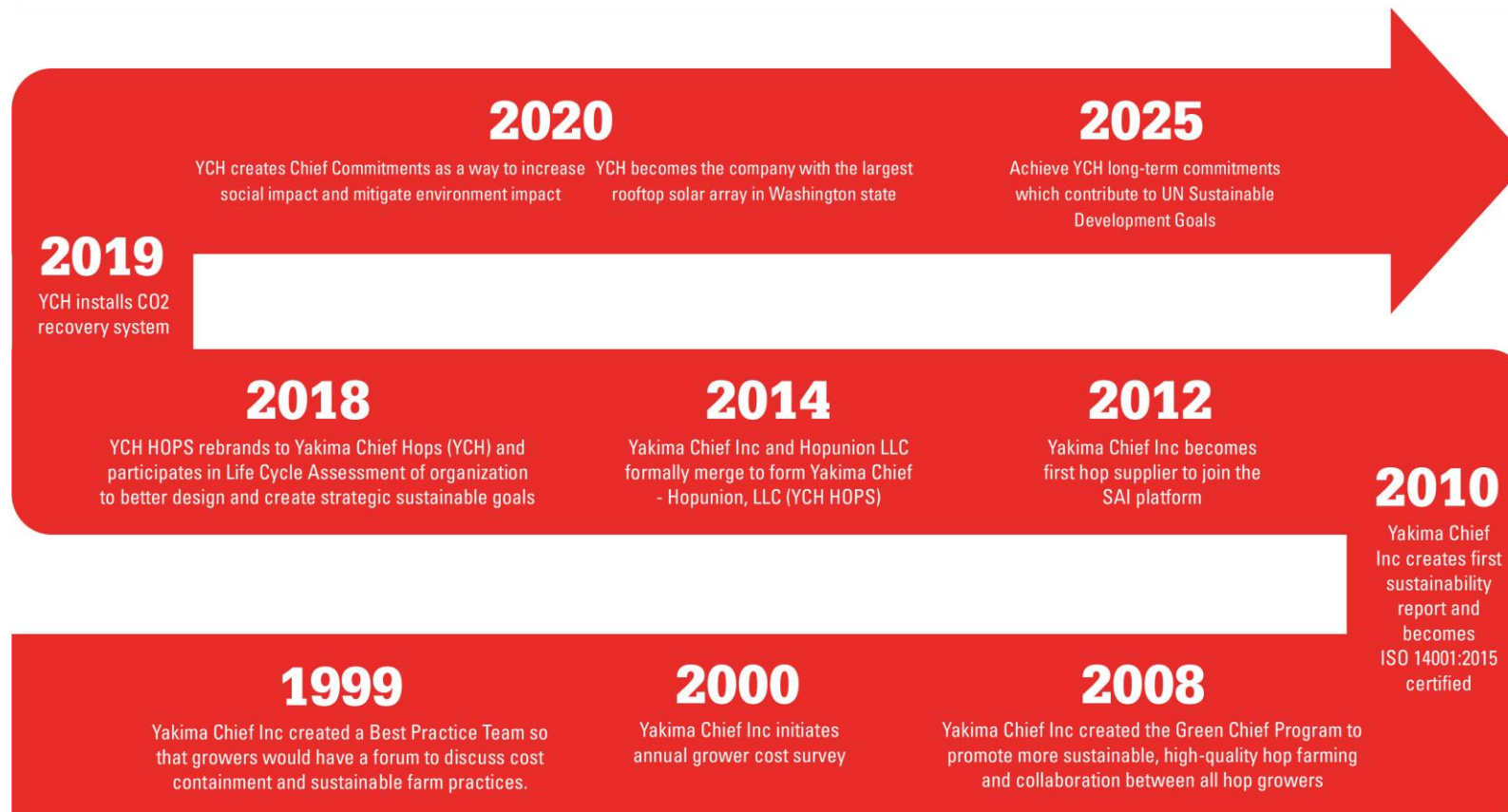
EXCELLENCE

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®

OUR CSR JOURNEY



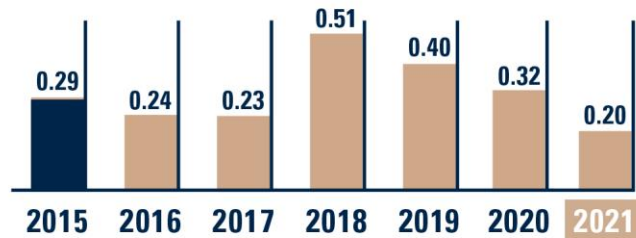
PROTECTING OUR PLANET



CARBON

GREENHOUSE GAS INTENSITY RATIO

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



SCOPE:

- 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.
- 2,780 MT CO₂ – INDIRECT EMISSIONS (ON-SITE):** Emissions generated in the production of electricity consumed by the institution.
- 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

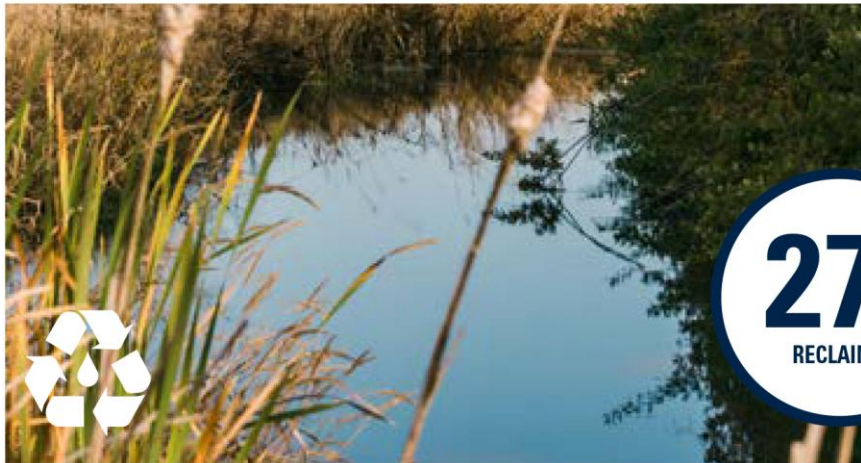


WATER

TOTAL WATER USE

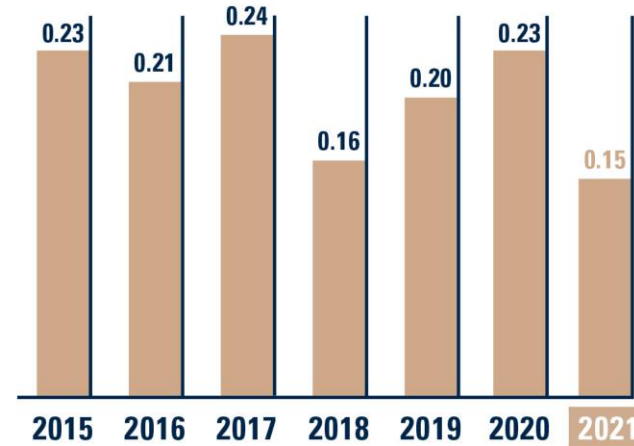
GAL OF WATER USED BY YAKIMA & SUNNYSIDE FACILITIES

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

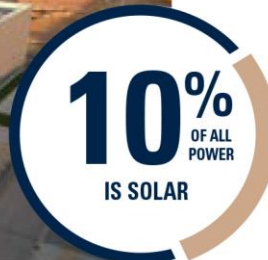
ENERGY

POWERED BY THE SUN

CAPTURED BY OUR SOLAR PANELS

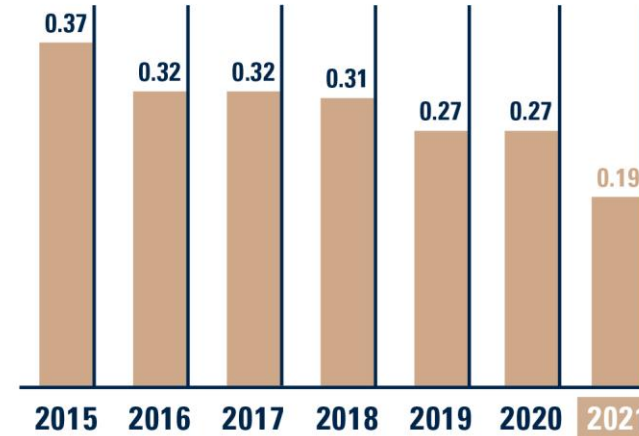
Here in the Pacific Northwest, we are fortunate to experience longer days with ample sunshine, making it not only the ideal climate for growing hops, but also harnessing the sun's powerful rays. We recognized this as an opportunity to capture a natural energy source and decrease our dependency on the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



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%.





OUR 2021 FOCUS

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

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%

THRIVING FARMS



CARPENTER RANCHES
Granger, WA

GROWING TOGETHER

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.



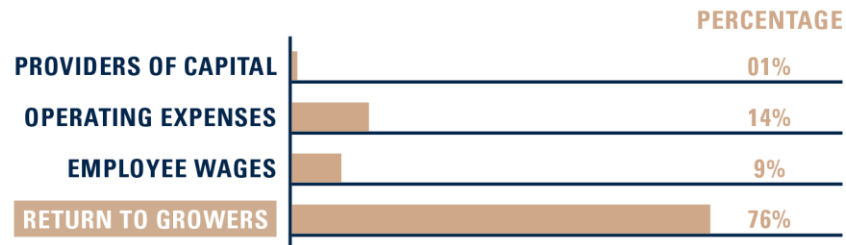
TOP 10 VARIETIES

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

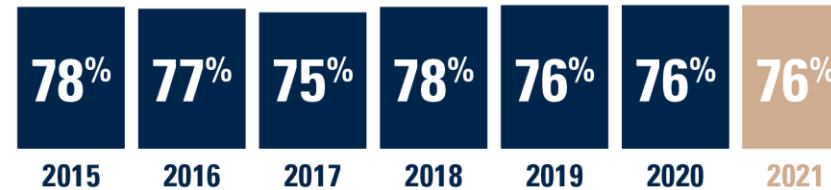
RETURN TO GROWER

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



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

GROWING OUR COMMUNITY

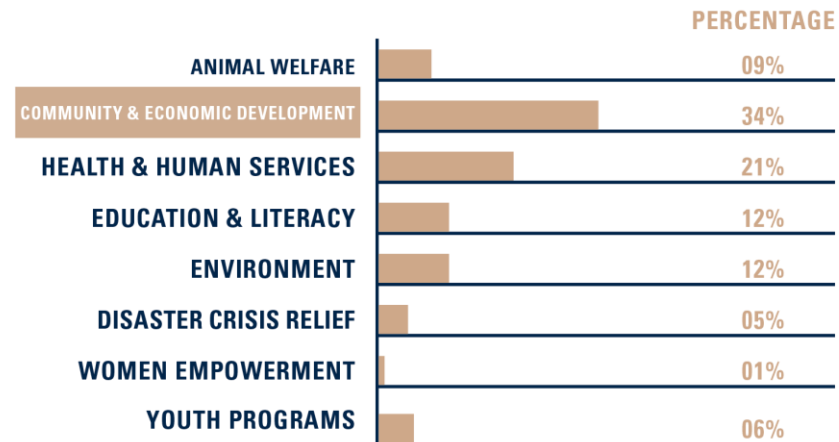


COMMUNITY GIVEBACK

ORGANIZATIONS THAT WE SUPPORT

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

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**.



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



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

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 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

CONWARD



&



SUPPLY CHAIN TRANSPARENCY

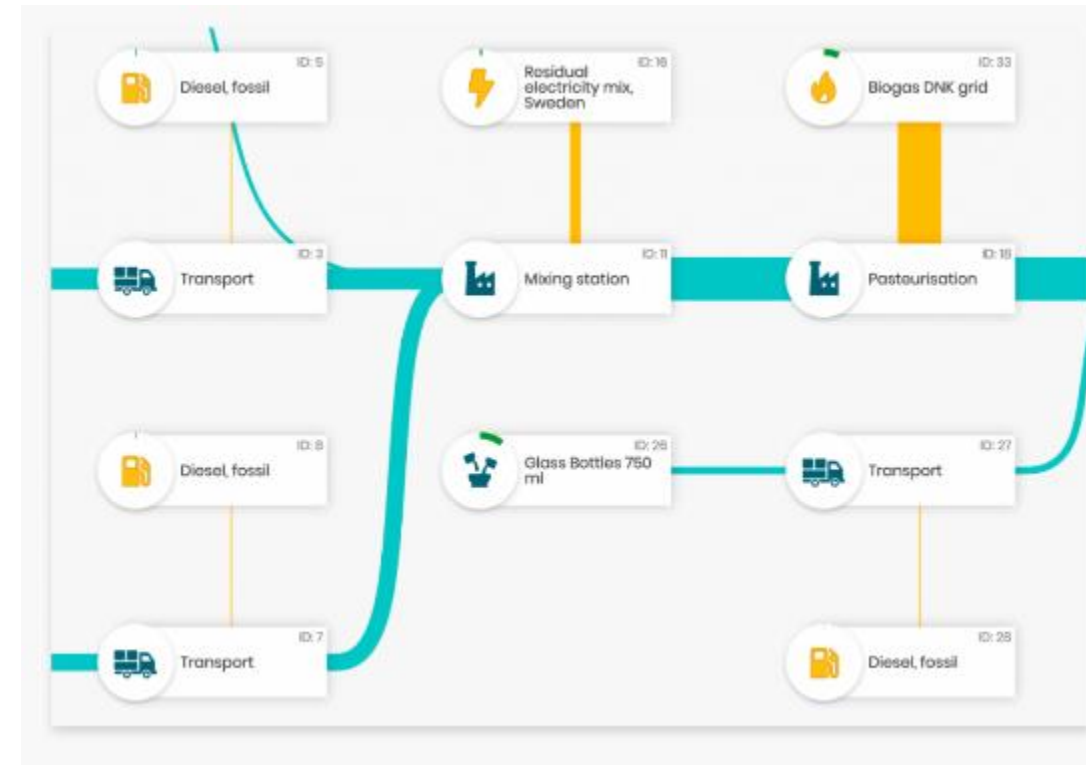
Make active contributions to solving the climate problem.

What is it?

- Mapping YCH supply chain and climate footprint for each stage.

Why pursue this?

- Accountability and responsibility in our product offerings.
- Make our climate performance visible.
- Provide our brewing customers information to make an educated decision on the hop purchasing decisions made for your next beer.
- Find our hotspots and focus on climate efforts.
- Reduction in YCH footprint, reduces the environmental impact of the brewing process.



• AMERICAN HOPS. •
FROM THE
PACIFIC NORTHWEST™
