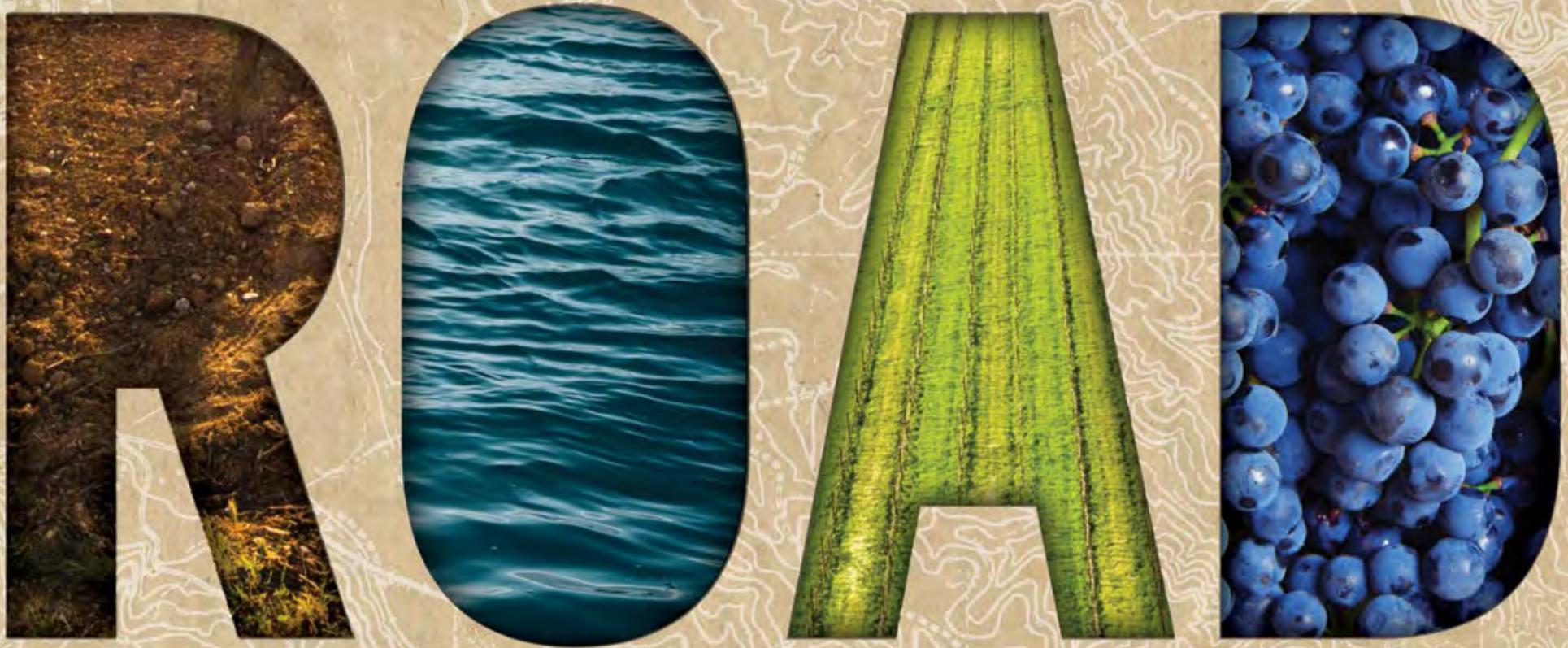


MAPPING THE



FETZER
VINEYARDS



CORPORATE CONSCIOUSNESS REPORT | 2017-18



Printed on 100% PCW Paper



STANDING UP FOR SOIL

Regenerative agriculture builds rich, biodiverse soil that stores carbon and supports healthy vineyards.



TAKING ACTION FOR WATER

Conserving water through innovation and advocacy supports the local watershed and our state.



CULTIVATING A RESILIENT SUPPLY CHAIN

Promoting responsible farming drives lasting impact one row at a time, from our vineyards to those of our partners.



WINEMAKING TO MAKE A DIFFERENCE

We craft expressive wines that deliver complexity and flavor alongside our pioneering sense of purpose.

ALL AROUND US, THE OPPORTUNITY FOR POSITIVE IMPACT IS GROWING

Sustainable practices lie at the very heart of what we do at Fetzer Vineyards, a pioneer in values-driven winegrowing since our founding in 1968. But the exciting fact is that better is always possible, and we can always do more. This report, our second corporate consciousness report, addresses our company's corporate social responsibility performance in 2017–18.



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MAPPING THE ROAD: A LETTER FROM OUR CEO

DEAR FRIENDS,

I am pleased to report, as you'll see in the pages to follow, that one of the greatest outcomes from 2017–18 is optimism about what can be achieved through commitment to a regenerative approach to business. At Fetzer Vineyards, it's been a positive and productive period, as our team created thoughtful impacts that open new possibilities on the road ahead.

In 2018, we doubled the size of our wine and spirits portfolio—to more than 5 million cases annually—by bringing all U.S. imports of our parent company, Viña Concha y Toro, into our collection. Through the transition, we became the 12th largest marketer of wines in the U.S. and the single largest importer of South American wines. Our recent growth affords a greater opportunity for influence in our industry and beyond—for positive impacts on suppliers, partners, and customers.

ELEVATING IMPACT, PRIORITIZING PURPOSE

A Certified B Corporation since 2015, we took a further step to legally incorporate as a benefit corporation in 2017. This designation, recognized in 33 states nationwide, elevates consideration of stakeholders—such as employees, communities, and the environment—to the same level as profits. Measuring business performance through the lens of both stakeholder and shareholder impact aligns with our values and allows us to continue building our business with purpose at the forefront. The reference point for our business is the B Impact Assessment, an independent, comprehensive assessment administered by the nonprofit B Lab to measure impact on workers, community, environment, and customers. We underwent our second assessment in 2017, which

uncovered new ways to improve our business. The pages of this report detail the efforts of our team in 2017–18, including capital investments to improve our efficiency, pioneering research on carbon storage in vineyard soils, transformative updates to our operating structure, and new commitments to policy advocacy for a more climate-resilient tomorrow.

The combined impact of our recent achievements was recognized in a variety of ways. In 2017, we received a Momentum for Change Award from the United Nations for sustainability leadership and for efforts to champion climate-smart practices. We were also awarded a Governor's Environmental and Economic Leadership Award (GEELA) from the California governor's office, in 2018, for our pacesetter waste management program, among other notable recognitions during this reporting period.

LOOKING AHEAD, COVERING NEW GROUND

At Fetzer Vineyards, we've always found inspiration in the details—the small, often unseen decisions that define a business's character. But we also feel the momentum of bigger change as we, alongside other B Corps and benefit corporations, continue working toward the transformational goals of regenerative business in this century. The road is open before us, and we are poised to cover much new ground in the years ahead.

It's a privilege to lead this remarkable team and company. From all of us, I would like to express gratitude to our business, community, and advocacy partners who help us achieve our goals.



GIANCARLO BIANCHETTI,
CEO, Fetzer Vineyards

2017–18 HIGHLIGHTS



BECOMING A BENEFIT CORPORATION

In 2017, we amended our legal structure to become a benefit corporation in the State of California, codifying our commitments to stakeholders and the environment into our operating structure. Now legally responsible for considering a broader range of business-related impacts beyond shareholder profits, we measure our success not only through the lens of profit but also purpose. On page 15, learn how this move empowers us to align our day-to-day business with our regenerative values.



INNOVATING OUR BOTTLING PROCESS

In 2017, we converted our legacy bottling lines to improve efficiency and environmental performance. We replaced our old bottling lines with state-of-the-art equipment that enables us to send bulk glass on pallets and unassembled case boxes through the line, decreasing the carbon footprint associated with bottling more than two million cases annually while creating adaptability for on-demand bottling runs and use of pressure-sensitive labels. Turn to page 27 for more on this initiative.



CHAMPIONING REGENERATIVE AGRICULTURE

Bonterra Organic Vineyards commissioned a pioneering research study to better understand the capacity of vineyards to store carbon. Research conducted in partnership with Pacific Agroecology indicates that vineyards farmed with organic and Biodynamic® methods stored 9.4% – 12.8% more soil organic carbon per acre than conventionally farmed acreage, offering directional indication of the positive role regenerative agriculture can play in slowing climate change. Dig into the details on page 19.



SPEAKING UP FOR CLIMATE

We raised our voice locally and nationally in support of climate-smart policy in 2017–18. At COP23 in Bonn, Germany, we supported U.S. Climate Action Now programming alongside then-Governor Jerry Brown, discussing how California businesses are helping to advance climate policy. In California, we worked alongside like-minded businesses to champion Senate Bill No. 100, a measure that sets a goal for our state to procure 100 percent of its energy from renewable sources by 2045. Turn to page 22 for more on our policy work.

LOOKING FORWARD PRESSING ON



LOCATION

Hopland, California

EMPLOYEES

Approx. 350

CASE PRODUCTION

Approx. 2.4 million

CASE REPRESENTATION

Approx. 5.2 million

CERTIFIED B CORPORATION

Committed to using business as a force for good as part of a global community of Certified B Corporations

BENEFIT CORPORATION

Officially recognized by the State of California as a benefit corporation, legally aligning our corporate mission, commitment to stakeholders, and financial performance

CALIFORNIA PORTFOLIO

1000 Stories, Bonterra Organic Vineyards, Fetzer, Fringe Collective, Adorada, The Elysian Collection, LBD, Relay, Sanctuary, Anthony's Hill, Beckon

SOUTH AMERICAN PORTFOLIO

Casillero del Diablo, Don Melchor, Marques de Casa Concha, Terrunyo, Cono Sur, Gran Reserva Serie Riberas, Viña Maipo, Frontera, Trivento

SALES PARTNERSHIPS

Kentucky Peerless Distilling Co.

COVERING NEW GROUND

Fetzer Vineyards is a leading U.S. marketer of wines, with a focus on crafting wines made from sustainable, organic, and Biodynamic grapes. The largest winery in the world to be named a Certified B Corporation, we aim to consistently evaluate our business to find ways to become ever more resourceful, innovative and ultimately regenerative, because we know continual improvement is the key to a truly sustainable tomorrow.

In 2018, Fetzer Vineyards became the nation's primary importer of South American wines after incorporating the U.S. exports of parent company Viña Concha y Toro into our portfolio. With a collection now spanning three regions of origin—California, Chile, and Argentina—we offer a diverse selection of awarded wines for a variety of consumers and consumption occasions.

SUSTAINABILITY MILESTONES

- 1968** Founded with an Earth-friendly ethos by the Fetzer family, trailblazers in California winegrowing
- 1990** Began tracking and reducing waste
- 1993** First wine from organic grapes released as “Bonterra by Fetzer,” later simply known as “Bonterra”
- 1999** Switched to 100-percent renewable energy at our Hopland winery, the first U.S. wine company to do so
- 2001** Obtained Biodynamic certification from Demeter U.S.A. for a number of our Mendocino County vineyards
- 2005** Became the first winery to report and verify greenhouse gas emissions with The Climate Registry
- 2008** Received the first Enhanced Environmental and Economic Leadership Award from the governor of California
- 2014** Following years of waste reduction, became Zero Waste certified by the U.S. Zero Waste Business Council
- 2015** Named the first recipient of the California Green Medal Leader Award, developed by the California Sustainable Winegrowing Alliance (CSWA), the California Wine Institute, and others
- 2015** Presented carbon neutral winegrowing practices at COP21, the Paris Climate Talks, and joined the UN's Climate Neutral Now initiative
- 2015** Became the largest winery in the world to receive B Corp certification from the nonprofit B Lab
- 2016** Became the first U.S. winery to become certified CarbonNeutral® by Natural Capital Partners
- 2016** Installed the BioFiltro BIDA® System, a natural wastewater solution using worms and microbes
- 2017** Incorporated as a benefit corporation in the State of California, formally changing our corporate structure and bylaws
- 2017** Received a Momentum for Change Climate Solutions Award at the United Nations Climate Conference, COP23
- 2018** Received a California Governor's Environmental and Economic Leadership Award (GEELA) for our pacesetter waste management program
- 2018** Awarded “Changemaker” distinction from B Lab, a selective honor given to global B Corporations that made the most improvement on the B Impact Assessment

A REGENERATIVE APPROACH: THE WAY FORWARD

At Fetzer Vineyards, we know that transforming our future requires not just small, incremental steps toward sustainability, but rather an ambitious framework—like regenerative development—applied to every part of our business. We have been mapping this path—the road to regeneration, the way forward for our winery—for some time now.

WITH EACH PASSING HARVEST, WE LEARN MORE ABOUT THE SCOPE AND SCALE OF OUR IMPACTS, AND HOW WE CAN RETHINK OUR BUSINESS TO REVERSE THOSE, ULTIMATELY CREATING POSITIVE OUTCOMES THAT DRIVE RESILIENCY FOR THE ENVIRONMENT, PEOPLE AND COMMUNITIES.

This worthwhile endeavor drives our strategy and informs a purposeful approach to everything from water and waste management to how we farm and enhance the lives of those around us. We employ a full-time regenerative development manager to identify and develop solutions for complex sustainability issues while continuing to push the envelope on how we can lead the change in redefining sustainability in the wine industry and beyond. We are already seeing the benefits of our regenerative approach as we make progress toward our goals, meeting our energy and water use targets ahead of schedule, operating more efficiently in our production facilities, and driving the more widespread adoption of regenerative agriculture in California.

Doing so requires a paradigm shift, as our business looks to give back more than we take from the world—and inspire others to do the same. There are no shortcuts or easy solutions on this journey, but no effort is more worthwhile—and no path forward is more important.

SUSTAINABILITY IN WINE

A core tenet of sustainability is continuous improvement, and at Fetzer Vineyards this philosophy is implicit in our regenerative approach. We carry numerous sustainability-focused certifications that indicate that we are doing business in a way focused on responsible practices and ongoing improvement.

These certifications address our practices in the winery, vineyards and to an extent our communities and supply chain, collectively allowing us to demonstrate that we are pursuing broad efforts throughout our business and beyond to minimize our impacts, conserve and enhance natural resources, and be a force for good:



OUR COLLECTION



BRINGING WINES OF CHARACTER TO THE MARKET

We aim to deliver expressive wines and spirits offering complexity and depth of flavor alongside our pioneering sense of purpose. Each vintage brings new challenges and opportunities, reminding us of the privilege of working hand-in-hand with nature.



ONE PORTFOLIO. TWO HEMISPHERES. DOZENS OF STYLES.

A GROWING COLLECTION OF ACCLAIMED WINES AND SPIRITS FOR CONSUMERS ALL OVER THE WORLD

Sampling the Fetzer Vineyards portfolio affords a journey across origins, flavors, and winemaking styles. What ties it all together is commitment to quality and dedication to delivering wines for all occasions. The California collection includes the flagship Fetzer brand, leading organically farmed wine brand Bonterra Organic Vineyards, and the innovative, spirits barrel-aged wines of 1000 Stories. The addition of Viña Concha y Toro's U.S. exports in 2018 brought to our portfolio acclaimed South American selections with global recognition, including icon Cabernet Sauvignon Don Melchor, global power brand Casillero del Diablo, and Argentina's awarded Trivento Reserve. Our diverse, award-winning wines and spirits are available in more than 50 countries.

WINE REGIONS OF ORIGIN	TOTAL ANNUAL PRODUCTION & REPRESENTATION	PORTFOLIO
California, Chile, and Argentina	Approx. 5.2 million cases	More than 20 wine brands and acclaimed Kentucky whiskey

FEATURED BRANDS

BONTERRA ORGANIC VINEYARDS

Bonterra Organic Vineyards, the nation's leading wine from organic grapes, draws on over 30 years of organic farming to offer an expanding collection of acclaimed wines.

1000 STORIES

1000 Stories, the original bourbon barrel-aged wine, has grown to encompass a trio of bold reds that are batch-released in the tradition of classic spirits.

FETZER

Iconic wines such as Sundial Chardonnay and Valley Oaks Cabernet Sauvignon are American classics, standing for quality and Earth-friendly practices.

DON MELCHOR

Among the most-acclaimed Cabernets in the world, Don Melchor is a sought-after expression of the renowned Puente Alto Vineyard and its seven distinct parcels.

CASILLERO DEL DIABLO

Twice named the second most powerful wine brand in the world,* Casillero del Diablo offers an awarded selection of wines inspired by a legend over 150 years in the making.

MARQUES DE CASA CONCHA

Marques de Casa Concha epitomizes the quality and heritage embodied in over 50 years of expert winegrowing in Chile's most intriguing terroirs.

TRIVENTO

Shaped by the confluence of winds that sweep through Mendoza in Argentina, Trivento wines include the Reserve, Amado Sur, Golden Reserve, and Eolo lines.

* Global Wine Brand Power Index, 2018 & 2019



OUR U.S. COLLECTION



Bonterra
ORGANIC VINEYARDS

BONTERRA BIODYNAMIC®

ELYSIAN
COLLECTION



1000
STORIES



FETZER



ADORADA



LITTLE BLACK DRESS



KENTUCKY
PEERLESS
DISTILLING CO.

Named Global Craft
Producer of the Year (2019)
by Whisky Magazine, family-
owned Kentucky Peerless
Distilling Co. offers craft
Bourbon and its celebrated
Rye Whiskey. We are proud
to represent Kentucky
Peerless in the marketplace.



FRINGE
COLLECTIVE



SANCTUARY



BECKON



ANTHONY'S HILL
FETZER VINEYARDS



PURSUING SUSTAINABLE FARMING
RELAY
WINES



OUR SOUTH AMERICAN COLLECTION

DON MELCHOR



**Casillero
del
Diablo**



**MARQUES
CASA CONCHA**



BODEGA
TRIVENTO
ARGENTINA



Cono Sur



D I A B L O



FRONTERA



VINA **MAIPO**



SERIE RIBERAS
GRAN RESERVA



TERRUNYO



Amelia



Certified



Corporation

MAKING BUSINESS BETTER FOR THE WORLD

A COMMITTED MEMBER OF THE B CORP COMMUNITY

In

2015, we became a Certified B Corporation by meeting rigorous standards of social and environmental performance, accountability, and transparency. We admire many of the brands who've also made this commitment—these include Patagonia, Ben & Jerry's, and Seventh Generation—and stand with more than 2,700 companies worldwide that seek to fulfill the B Corp mission of using business as a force for good.

As we map the road ahead, the B Corp framework provides us a clear, third-party-verified road map for how to take Fetzer Vineyards forward. The B Impact assessment—reporting on which is required for Certified B Corps every three years—is a practical tool for understanding how we can improve our operations, measuring business impacts related to the environment, community, workers, and governance.

At the time of our initial certification in 2015, our B Impact score was 80.2 (out of 200 possible points), and by our second assessment in 2017, our score had improved to 95.1. This improvement earned Fetzer Vineyards a “Best for the World – Changemaker” recognition from B Lab, awarded to B Corps that made the most positive improvement on their overall impact. While we were proud to receive this recognition, we realize that we can do better—and continue to focus on the road ahead as we pursue our goal of a 100-point score by 2020.

PROGRESS ON THE B IMPACT ASSESSMENT

- 2015 -
80.2PTS.

- 2017 -
95.1PTS.



- GOAL FOR 2020 -
100+PTS.

UKIAH, CA

BECOMING A BENEFIT CORPORATION

UNITING PRINCIPLES AND PERFORMANCE IN EVERYDAY OPERATIONS

In 2017, we formally changed the legal structure of our business and became a benefit corporation in the State of California. A benefit corporation is legally empowered to pursue positive stakeholder impact alongside profit. Stakeholder impacts include beneficial outcomes for the environment and communities, and the move to elevate their consideration to the level of traditional business priorities reflects a transformational shift in how we view our role in the world.

For us, the transition affirms our belief that our values and mission should have as much say in how we operate as our bottom line. A few examples of what being a benefit corporation meant to us in 2017–18 include investing in a pioneering soil study to advance awareness of the benefits of regenerative agriculture, offering an innovative new loan program to build financial awareness and stability in our workforce, contributing hundreds of hours of volunteer-led support in our community, and going above and beyond our goals for water and energy efficiency. The future opens wide from here.

GOOD BUSINESS FOR THE LONG TERM

Benefit corporations balance impacts on ecosystems, stakeholders, communities, and profits as measures of business performance.

“In a time of great change and exciting new milestones at Fetzer Vineyards, becoming a benefit corporation stands out as a key moment that sets the course for our next 50 years.”
—Giancarlo Bianchetti,
CEO, Fetzer Vineyards

MEASURING OUR IMPACT

TRACKING TOWARD NET POSITIVE IN 2030—WITH GOALS FOR 2020

In 2015, we set ambitious 2020 goals to improve our performance in six key impact areas: water consumption, energy use, greenhouse gas emissions, waste diversion, supply chain, and the B Impact Assessment. During 2017-18, we continued making progress toward our vision of being net positive in 2030.

2020 GOALS

IMPACT AREA	GOAL	PROGRESS
Water	By 2020, reduce water use at our Hopland winery campus by 15% (gallons of water/gallon of wine produced) from our 2015 baseline.	We met our goal in 2017, using 3.09 gallons of water per gallon of wine, a 15% reduction from our 2015 baseline, 3.65. In 2018, we exceeded our goal, using just 2.75 gallons of water per gallon of wine, a 25% reduction.
Energy	By 2020, reduce energy use by 20% (kWh/case produced) from our 2015 baseline.	In 2018, we used 1.93 kWh per case of wine, down from 2.43 in 2015, a 21% reduction that allowed us to meet our 2020 goal two years early.
GHG emissions	Achieve carbon neutrality by 2020.	In 2016, we took responsibility for our unavoidable emissions to become certified CarbonNeutral, which we sustained in the 2017–18 period.
Waste	By 2020, divert 99.9% of waste from landfills or incineration.	We diverted 98.34% of waste from landfills or incineration in 2017 and 98.21% in 2018. The slight dip from our 2016 diversion rate (99.2%) was the result of campus-wide clean-up efforts.
Supply chain	Purchase 90% or more of grapes from certified sustainable or organic growers by 2020.	In 2018, 70% of grapes purchased were certified sustainable or organic, while more than 80% of our contracts were certified or in transition to sustainable or organic certification.
B Impact Assessment	By 2020, increase B Impact Assessment score to 100 (Certified B Corps must score a minimum of 80 out of 200 possible points).	In 2017, our B Impact Assessment yielded a score of 95.1, nearly 15 points higher than our 2015 score of 80.5.

NET POSITIVE AT FETZER VINEYARDS

In keeping with our regenerative approach, we strive to operate in a way that puts more into society, the environment, and the economy than we take out.



WINEMAKING GROUNDED IN A THOUGHTFUL APPROACH

The natural world is our most precious shared resource. So at Fetzer Vineyards, we strive to leave a positive impact on the environment by taking a regenerative approach to farming, winemaking, and business operations.

ENVIRONMENT

THE WORLD WE SHARE

REGENERATIVE FARMING OPENS A BRIGHT HORIZON

W

ith a warming planet and increasingly urgent research highlighting a shrinking window to address climate change, the challenges before us are numerous and real. Yet there is promise in an approach to agriculture that focuses on one of the planet's most abundant resources to help recover the planet's health: the soil beneath our feet.

Regenerative farming practices build soil vitality, support greater water retention and enhance a farm's vibrant, biodiverse ecosystem. Simultaneously, this approach promotes land's natural power to keep carbon in the ground, which helps to rebalance the carbon cycle—a key element in the effort to slow climate change. Given all of these benefits, it's probably no surprise that regenerative farming is catching on.

We practice this type of climate-smart agriculture on all 960 acres of vineyards in Mendocino County that we farm for Bonterra Organic Vineyards. At the heart of our regenerative approach are beneficial farming practices that include planting cover crops, reducing tillage, applying compost, planting for biodiversity, and using planned animal grazing.

Together, the benefits from this approach to farming are manifold: increased soil fertility, drought resiliency and biodiversity levels, and support for soil's natural ability to reintegrate carbon from the atmosphere. It's not only a smart way to farm—it's the right thing to do for the planet.



REGENERATIVE FARMING PRACTICES



COVER CROPPING

Each year in early spring, we plant nitrogen-rich cover crops between vineyard rows to increase soil fertility, prevent topsoil erosion, and naturally suppress weed growth.



SHEEP GRAZING

Every winter, we partner with a local sheepherder to bring sheep into our vineyards to graze weeds—adding natural fertility to the soil and eliminating the need for mowing or spraying synthetic herbicides.



APPLYING COMPOST

Following harvest, we compost all of the pomace left over from our winemaking process and later reintroduce this material into our vineyards as a natural boost to soil health, closing the nutrient loop in the process.



AVOIDING SYNTHETIC INPUTS

As a certified organic grower, we disallow the use of harmful synthetic inputs in our vineyards, instead opting for farming methods that foster the natural vitality of the farm through integrated pest management and building healthy soil.



REDUCED TILLAGE

Our vineyard team reduces tillage by pursuing an alternate-row regime, which promotes topsoil stability, reduces soil compaction, and decreases greenhouse gas emissions while supporting healthy vines.



PLANTING FOR BIODIVERSITY

Around our vineyards, protected riparian areas and habitat corridors planted with shrubs, fruit trees, and native plant species harbor beneficial insects and create ecosystem balance.



PUTTING SOIL IN THE SPOTLIGHT

PIONEERING RESEARCH CONDUCTED BY BONTERRA ORGANIC VINEYARDS

The planet's carbon cycle is out of balance—but what if we could do something about it?

Bonterra Organic Vineyards, farming organically since the 1980s, commissioned a two-year study beginning in 2017 with Pacific Agroecology of Davis, California, to investigate how carbon is stored in vineyard landscapes—with the longer-term goal of understanding how regenerative farming practices can help restore the planet's natural carbon balance, a key element in mitigating climate change.

The study compared carbon storage in conventional, organic, and Biodynamic vineyards. Researchers examined 108 individual soil samples from 13 vineyards in Mendocino County, taking soil samples over the course of a year and measuring the amount of soil organic carbon (SOC) in each.

Findings showed that vineyards farmed with organic and Biodynamic methods stored 9.4% – 12.8% more SOC per acre, respectively, than conventionally farmed acreage. These results offer preliminary evidence of the power of regenerative agriculture to help address the challenge of

climate change. As a longstanding supporter of organic agriculture, Bonterra is currently pursuing peer review and publication for the results of the study. Looking ahead, we are continuing to pursue innovative research opportunities that reveal how vineyard management choices contribute to soil health and help combat climate change, in hopes that we can inspire others to join us in adopting regenerative practices.

Discover more about this pioneering study at bonterra.com/soil-study

KEY FINDINGS FROM THE STUDY



- Total carbon storage (above and below-ground) in vineyards is substantial, averaging 51,481 lbs. per acre—with 89% of the total stored underground as SOC.
- Vineyards farmed with organic and Biodynamic methods stored 9.4% – 12.8% more SOC per acre than conventionally farmed acreage.

LAND CONSERVATION AND CARBON STORAGE



Nearly half of all our land in Mendocino County is preserved as undeveloped wildlands. These wild areas store a significant amount of carbon, in addition to providing other ecosystem services like erosion control, water catchment, and natural pest management.



WATER STEWARDSHIP AT FETZER VINEYARDS

With water scarcity growing in California, we are committed to pursuing a comprehensive approach to water stewardship that allows us to conserve and reduce water use whenever possible. Since 2015, we have decreased our water intensity by almost 25 percent, from 3.65 to 2.75 gallons of water used in the winery per gallon of wine produced, as a result of using water efficiently and continuing to think outside the box about water stewardship.

This 25 percent reduction comes from a combination of innovative new technologies—we use worms and microbes to efficiently treat our wastewater, and use cloud computing to monitor for water leaks—and ongoing, iterative improvements to our operations. These efforts allowed us to exceed our 2020 water reduction goal by 10 percent, and to do so two years ahead of schedule.



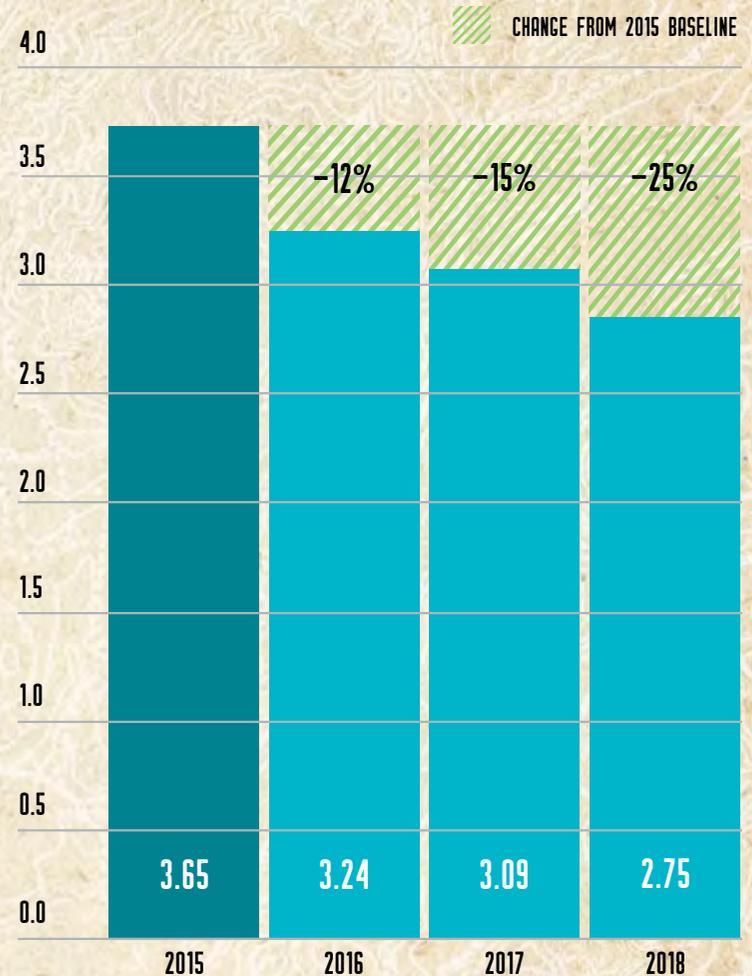
CONSERVING A VITAL RESOURCE

At Fetzer Vineyards, our use of technology is an extension of our mission-driven approach to business, integrating innovative solutions into our operations to help reduce our impacts.

In 2017, we completed installing more than two dozen smart water meters designed by APANA, Inc. Part of APANA's Industrial Internet of Things solution, the smart water meters and associated technology use data analytics to track our water use patterns in real time, allowing us to quickly spot variances and identify savings opportunities. In the event of an equipment malfunction, the smart technology also enables us to pinpoint and correct the problem before significant water volumes are lost.

A variety of other operational initiatives contributed to our reduced water footprint, including the installation of waterless urinals and the ongoing use of peracetic acid in the winery, which eliminates the need for a second rinse during sanitation. Using worms and microbes in our BioFiltro BIDA® System for wastewater treatment is more energy-efficient than earlier wastewater treatment technology, and upgrades to our centrifuge system to recirculate cooling water reduce the water required during a key winemaking process. And finally, our new bottling lines installed in 2017—which increase efficiency and packaging flexibility—came with a secondary benefit of reducing the water volume required for sanitation processes.

WINERY WATER INTENSITY OVER TIME



Water intensity figures represented as gallons of water used per gallon of wine produced.

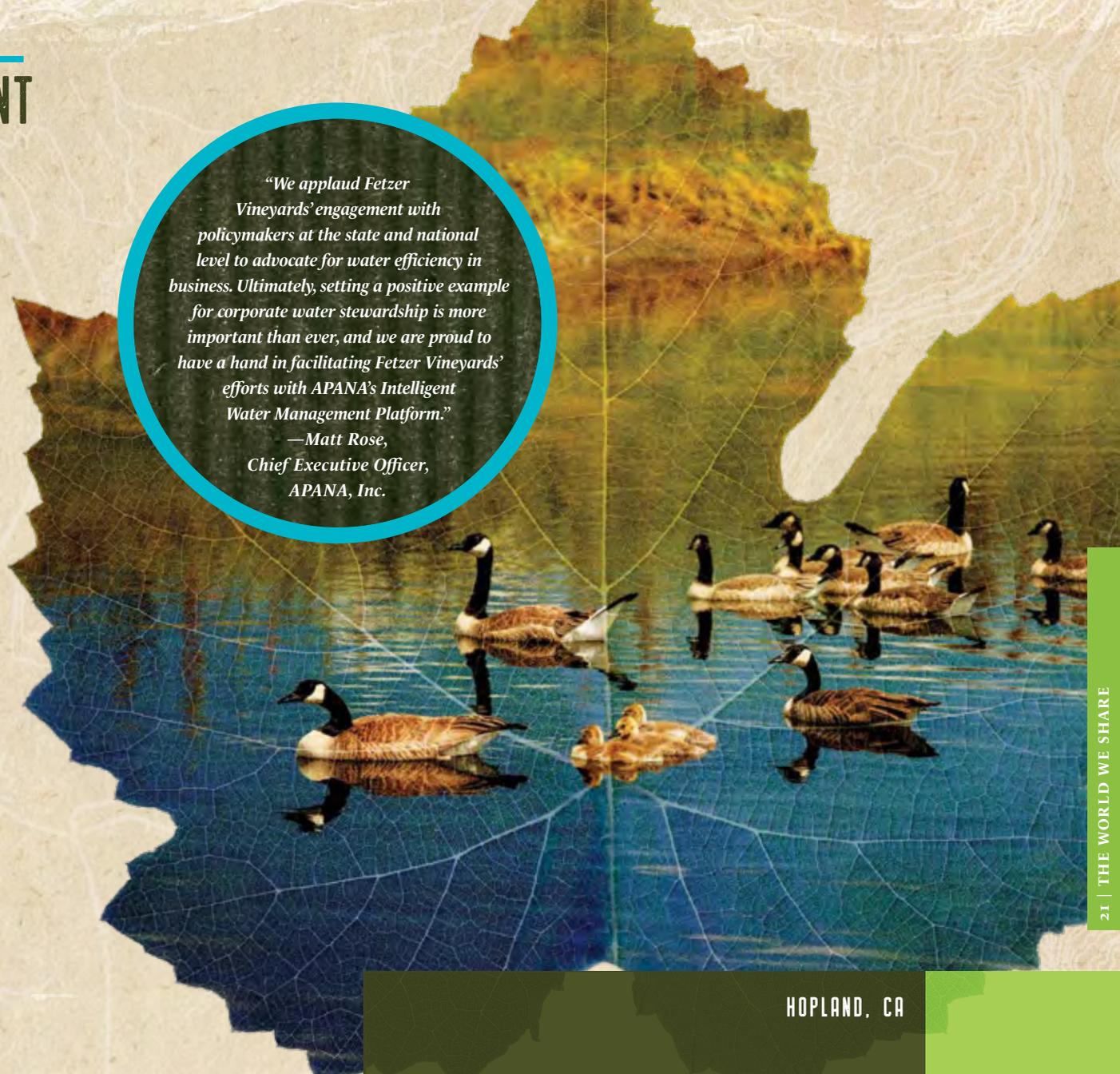
MAKING EVERY DROP COUNT

Fetzer Vineyards is committed to supporting water stewardship and helping map the road to a more water-resilient California. In partnership with forward-thinking businesses across industries—including Danone, Levi Strauss & Co., and Salesforce—we support the Connect the Drops initiative led by Ceres, a nonprofit dedicated to tackling the world’s biggest sustainability challenges, including climate change and water scarcity.

The Connect the Drops initiative recognizes that water is critical to the environmental and economic vitality of California, and that business leaders and policymakers must do more to protect this resource. With like-minded businesses, Fetzer Vineyards advocates for smart water policies and solutions that help conserve, reuse, and maximize our state’s water supply. In 2018, Ceres Connect the Drops members were instrumental in getting two water efficiency measures passed—Assembly Bill No. 1668 and Senate Bill No. 606—that will help make water conservation a way of life in California.

“We applaud Fetzer Vineyards’ engagement with policymakers at the state and national level to advocate for water efficiency in business. Ultimately, setting a positive example for corporate water stewardship is more important than ever, and we are proud to have a hand in facilitating Fetzer Vineyards’ efforts with APANA’s Intelligent Water Management Platform.”

*—Matt Rose,
Chief Executive Officer,
APANA, Inc.*

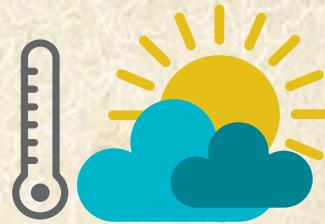


SPOTLIGHT: ADVOCATING FOR CLIMATE-SMART POLICY

It has never been more important to help advance climate solutions and build inspiration for how agriculture, the wine industry, and the business community can drive positive change. In 2017–18, we engaged on multiple fronts to support climate-smart policy at home and abroad. A CarbonNeutral company, we partner with the Ceres BICEP (Business for Innovative Climate and Energy Policy) coalition to raise the collective voice of business to call on the U.S. government to pass broad, bi-partisan energy and climate legislation.

SENATE BILL NO. 100

In a multi-faceted effort with the Ceres BICEP Network, representatives from our Regenerative Development team made multiple trips to the state capitol in 2017–18 to voice support for Senate Bill No. 100, a measure that set a goal for California to procure 60 percent of its energy from renewable sources by 2030 and 100 percent by 2045. Our CEO, Giancarlo Bianchetti,



amplified our support when he wrote an op-ed for the *Sacramento Business Journal* stating our support of Senate Bill No.

100, highlighting the need to keep California's climate policies "the most ambitious in the nation." Signed into law in 2018, the bill solidifies California's position on the path to a more climate-resilient future.

THOUGHT LEADERSHIP AT COP23

COP23—the United Nations' annual climate conference held in 2017 in Bonn, Germany—brought international political leaders, non-profits, and businesses together to address pressing environmental issues. Sitting alongside then-Governor of California Jerry Brown, our COO Cindy DeVries participated as a panel member at the U.S. Climate Action Center in

Bonn, Germany, during COP23. The discussion, titled "The Business Case for Advancing Strong Climate Leadership and Policy in California," championed the role of California businesses in advancing climate policy and achieving the goals of the Paris Agreement.

“ *To successfully address complex, large-scale issues like climate change and water scarcity, policy advocacy is a key driver of change. Fetzer Vineyards has been an instrumental part of the collective business voice working to advance climate-smart policies and push for solutions in California and beyond.* **”**

—KIRSTEN JAMES

Director of California Policy and Partnerships, Ceres

DeVries also advocated for solutions to sustainability challenges alongside representatives from Ceres, delivering two addresses and giving media interviews while in Bonn.

As we look ahead, we will continue to lend our voice to policies that align with our regenerative approach and pave the way for a more climate-resilient future.

“ *Tomorrow will bring new opportunities for impact. We look forward to standing beside thoughtful partners in support of causes and policies that take us all forward.* **”**

—ELIZABETH DRAKE

Regenerative Development Manager,
Fetzer Vineyards



STANDING UP FOR CLIMATE ACTION
AT HOME AND ABOARD

COMMITTED TO GREEN ENERGY

CHOOSING RENEWABLE SOURCES AND REDUCING OVERALL ENERGY CONSUMPTION

In 1999, Fetzer Vineyards became the first U.S. winery to transition to 100-percent renewable energy—and while we've maintained that commitment for the last 20 years, we still seek ways to reduce our overall energy consumption. In 2018, we met our 2020 energy efficiency goal two years ahead of schedule, realizing energy savings from efficiency upgrades and innovative, energy-saving projects.

In 2018, the BioFiltro BIDA® system helped drive a 50-percent reduction in annual energy consumption related to wastewater treatment. The system uses millions of red worms and beneficial microbes, rather than energy-intensive aeration ponds, to treat winery wastewater while generating nutrient-rich castings that are returned to the soil as compost.

The rooftop solar array at our headquarters continued to supply electricity for roughly 15 percent of our annual operational needs, which we supplement with wind, geothermal, and other off-site certified-renewable sources. We purchase credits for any electricity that we must draw from the traditional grid to ensure that our operations keep running on 100 percent renewable sources.

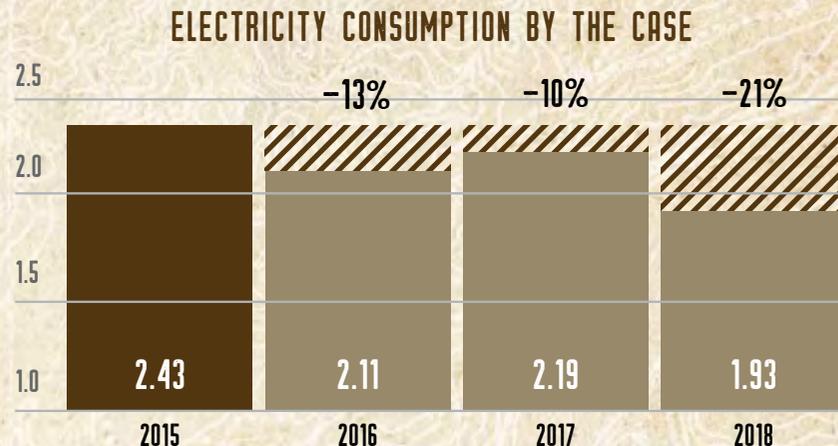
In 2015, we set a goal to reduce our energy intensity (kWh per case of wine produced) by 20 percent by 2020. In 2017, we achieved a 10 percent reduction, from 2.43 kWh/case to 2.19 kWh/case. In 2018, we achieved a 21 percent reduction from the 2.43 kWh/case baseline, using just 1.93 kWh/case.

STRIVING FOR CONTINUOUS IMPROVEMENT

IN THE COURSE OF THREE YEARS—2016 TO 2018—FETZER VINEYARDS DECREASED ENERGY INTENSITY BY 21%.

 CHANGE FROM 2015 BASELINE

Energy intensity figures represented in kWh/case produced.

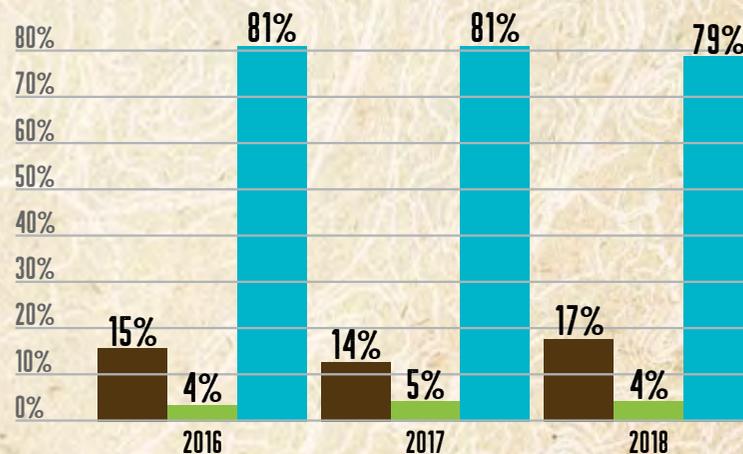


We structure our energy consumption to maximize reliance on renewable sources. When necessary, we use the traditional grid in remote locations where renewable sources are not accessible. All traditional power is offset through renewable energy certificates (RECs).

ENERGY SOURCE  ON-SITE SOLAR  TRADITIONAL GRID  OFF-SITE RENEWABLE

Energy mix figures represented as percentages of total energy consumption.

POWERED BY RENEWABLE ENERGY



GREENHOUSE GAS EMISSIONS

PURSUING RESPONSIBLE, CLIMATE-SMART OPERATIONS

Reducing the climate impact of our operations is essential to our overall commitment to regeneration and net positive operations. In 2005, we began voluntarily and publicly reporting our greenhouse gas (GHG) emissions to The Climate Registry, in a first among U.S. wineries. From that time forward, we've reduced our overall GHG emissions through a variety of initiatives, including energy efficiencies, improvements in how we treat wastewater, and diverting over 98% of our waste from landfill or incineration.

In 2016, we became CarbonNeutral certified for our direct emissions, taking responsibility for unavoidable emissions by supporting pioneering offset projects around the world. The third party-verified emissions offsets created by these projects enable us to mitigate our Scope 1, Scope 2, and Scope 3 emissions from waste and business travel. Looking beyond our operational boundaries, we are working on expanding Scope 3 measurement to account for the carbon impact of our supply chain. We continue to adhere to the CarbonNeutral Protocol.

In 2017–18, our Verified Emission Reductions (VERs) focused on projects around the world that align with our regenerative approach.

COLORADO GRASSLANDS

Located on approximately 18,000 acres in southeast Colorado, this project creates financial incentives for conserving grasslands through payments for belowground soil carbon. Developed in conjunction with the Environmental Defense Fund, 100 percent of the net

revenue from the sale of carbon benefits the Southern Plains Land Trust, a nonprofit organization that works to preserve the shortgrass prairie ecosystems of the Great Plains.

SENECA MEADOWS LANDFILL GAS

In addition to capturing methane from landfill gas emitted by the Seneca Meadows site, this project has also created almost 420 acres of new wetlands, established an environmental education center, and generates electricity to power 18,000 homes. The project demonstrates that significant reductions in the greenhouse gas impact of landfill projects are possible, a critical component of managing waste impacts.

MINNESOTA IMPROVED FOREST MANAGEMENT CONSERVATION

Located in Northern Minnesota, this forest was traditionally managed for commercial timber production, but was signed into a perpetual conservation easement in 2010, protecting 173,386 acres of hardwood forest. In addition to delivering emission reductions each year, the project supports conservation and forest management education, protects water resources for local communities, and provides critical wildlife habitat.

“Fetzer Vineyards has a long-standing commitment to caring for the earth, demonstrated by being a certified CarbonNeutral company since 2016. To reduce its emissions to net zero, it sources 100 percent renewable electricity and supports a portfolio of carbon projects. This work builds on Fetzer Vineyards' leadership in regenerative agricultural practices and sustainability, and we are delighted to support their leadership and achievements.”

— SASKIA FEAST
VP Western Region, Natural Capital Partners

EMISSIONS BY THE NUMBERS

WE'VE ACHIEVED A 19% REDUCTION FROM 2016 TO 2018.

	2016	2017	2018
SCOPE 1 SCOPE 2 SCOPE 3* EMISSIONS	2813	2313	2286

Emissions figures represented as metric tons of carbon dioxide equivalent (mtCO₂e).

*Scope 3 figure includes emissions from business travel and waste.



U.N. CLIMATE NEUTRAL NOW

Fetzer Vineyards has been a member of the United Nations' Climate Neutral Now initiative since 2016. The initiative—which grew out of the Paris Agreement adopted the previous year—encourages and supports companies, organizations, governments, and citizens to take climate action to achieve a climate-neutral world by mid-century. Organizations are encouraged to work toward climate neutrality by reducing their climate footprint by measuring, reducing and offsetting unavoidable emissions.

DOING MORE WITH LESS

RETHINKING THE ROLE OF MATERIALS IN OUR OPERATIONS

At Fetzer Vineyards, we look to reduce impact from our waste stream through several coordinated efforts.

Since 1990, we've reduced our annual waste sent to landfill by more than 98 percent, striving to prevent unnecessary material from entering our operations and maintaining comprehensive recycling, reuse, and composting programs.

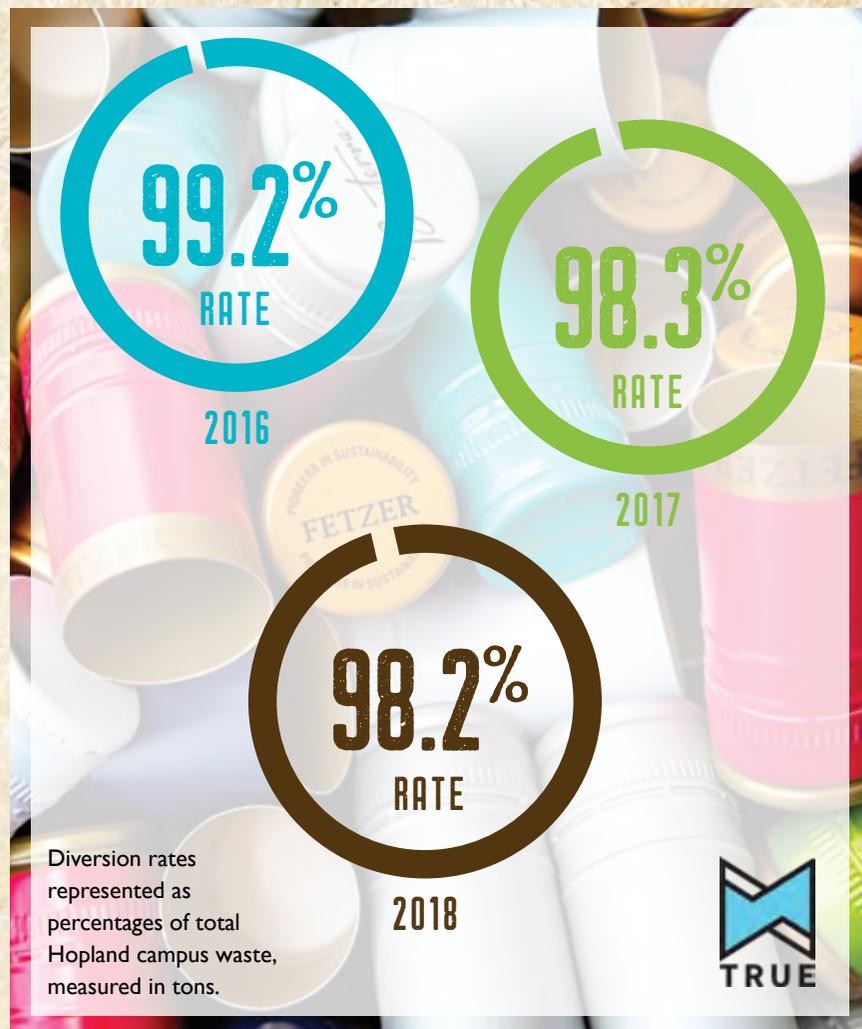
Following the winemaking process, we collect pomace—grape skins, stems, and seeds—and reintroduce this material into our vineyards as compost. Our commitment to a zero waste approach is championed every day by our team members, who play a key role in implementing our waste diversion policies and coming up with creative solutions to reuse, recycle, or eliminate materials. Additionally, we look for upstream solutions, working with our dry goods suppliers to identify opportunities to remove waste and non-recyclable materials from our production stream.

In 2014, Fetzer Vineyards became the first U.S. winery certified Zero Waste by the U.S. Zero Waste Business Council (now Green Business Certification, Inc.'s TRUE Zero Waste Certification).

This designation goes to companies that show a certified track record of results in their commitment to changing how materials flow through society—with the end goal of optimizing resource lifecycles and leaving no waste behind. We diverted 98.3 percent of waste from landfill or incineration in 2017, and 98.2 percent in 2018.

The decrease in our diversion rate from 2016, when we diverted 99.2 percent, is due to a campus-wide clean-up effort at our headquarters, which coincided with a tightening international market for recyclable materials. We are actively looking for new, innovative ways to address ongoing recycling challenges and divert materials from our waste stream in today's dynamic recycling environment.

ANNUAL WASTE DIVERSION



NEW BOTTLING LINES, NEW PRODUCTION EFFICIENCY

Q&A WITH JAMES SOBBIZADEH, DIRECTOR OF PRODUCTION

In 2017, Fetzer Vineyards made a major infrastructure update, replacing our legacy bottling lines with cutting-edge equipment that allows us to run bulk glass and unassembled cardboard cartons through our bottling system.

Q: *What makes the new bottling lines an important change for Fetzer Vineyards?*

JS: The change to new bottling lines brings financial, sustainability and efficiency benefits, and impacts our bottling process in important ways. Previously, we received glass in the case, placed it directly on the line for filling, corking, capsuling and labeling; we would then return the bottled wine to the same box in which it arrived. Now, we are able to receive glass in bulk and build our boxes from scratch, using lay-flat cases and pressure-sensitive labels.



Q: *What's the biggest impact from the new lines?*

JS: With our new lines, operational since mid-August 2017, we are more resource-efficient in manufacturing and transportation. For example, fuel use and emissions are reduced thanks to more efficient packing of materials in trucks. Before, suppliers could pack just 2,400 fully constructed 9-liter cases of glass into a 53-foot truck; following our line updates, we bring in more glass, cardboard and partitions per equivalent truckload. We also enjoy greater capacity for real-time packaging decisions—making us nimbler in response to changes in packaging needs and on-demand bottling runs, avoiding glass minimums and overages.

Q: *How have the new lines helped Fetzer Vineyards reduce material consumption?*

JS: In keeping with our regenerative approach, eliminating unneeded materials from our



production stream is important. The new bottling lines allow us to shift to lay-flat cases, which can be packed more densely onto pallets, so we can ship more efficiently and we also take in fewer pallets overall. Because we're now controlling the specifications on the cases, we worked with our suppliers to shift to shunted partitions that use less cardboard and still deliver the same quality. Pressure-sensitive labels are less energy-intensive for our printing suppliers because they don't require multiple passes through the printer. Finally, we're sizing labels to virtually eliminate wasted paper on the printing sheets.

Q: *What's next for the Fetzer Vineyards production team?*

JS: Running an efficient operation means reducing resource inputs wherever possible. We're inspired by the challenge.

SUSTAINABILITY IN OUR SUPPLY CHAIN

As a sustainable business focused on continuous improvement, we have a responsibility to drive innovation and positive change in our supply chain.

In 2016, we set a goal to purchase at least 90 percent of our fruit from certified sustainable or organic growers. In 2018, 70 percent of all fruit purchased met these standards, while more than 80 percent of our contracts either met the standards or were in transition to sustainable or organic certification.

"Certified sustainable" refers to grapes from vineyards certified under one of the following programs: Certified California Sustainable Winegrowing, LODI RULES, SIP, Napa Green, Fish Friendly Farming®, or GLOBALG.A.P.

PACKAGING WITH PURPOSE

We partner with dry goods suppliers who help us minimize the impact of our packaging through use of recycled materials. On average, the glass we use is made of 35% recycled material, while cases are made from an average of 56% recycled material. Bonterra Organic Vineyards labels are made from 100% post-consumer recycled material. Looking ahead, we will keep looking for new ways to incorporate sustainable components into our packaging as we innovate in our products and processes.

PEOPLE IN IT TOGETHER

PROMOTING EMPLOYEE WELLNESS, PRIORITIZING WORKPLACE SAFETY

Inspired, healthy employees are essential to any successful business. As a benefit corporation, we are committed to creating an engaging work environment and creating a positive impact on the lives of our team members.



CULTIVATING TEAM SUCCESS

As a reflection of our regenerative approach, we are committed to supporting employees' personal and professional development. In addition to health and wellness benefits, we offer programs that promote quality of life, education, and continuous improvement.

EMPLOYEE ENGAGEMENT

Fetzer Vineyards team members participate in employee-run programs devoted to a safe and engaging work environment. Our Re³ (restore, revitalize, regenerate) team is a cross-departmental group that meets monthly to develop sustainability, wellness, and employee engagement initiatives, such as publishing a quarterly newsletter celebrating company-wide sustainability progress and employee achievements and organizing a biennial health fair to provide employees with information and resources on healthy living.

The CARE³ team is devoted to communication, awareness, recognition, and education—with the goal of promoting an environment where employees feel valued for positive contributions to Fetzer Vineyards, communities, and the environment. This team recognizes employees for excellence in areas of continuous improvement, environmental impact, safety, innovation, and economic impact, and administers department-wide recognitions. The Patrick Healy Award is given each year to an employee or team that developed an innovative new way to further Fetzer Vineyards' focus on creating positive impacts on ecosystems, communities, and business.

EMPLOYEE DEVELOPMENT AND SAFETY

Employee safety is a top priority, and we work diligently to ensure that employees are supported with training programs and job-specific functional courses.

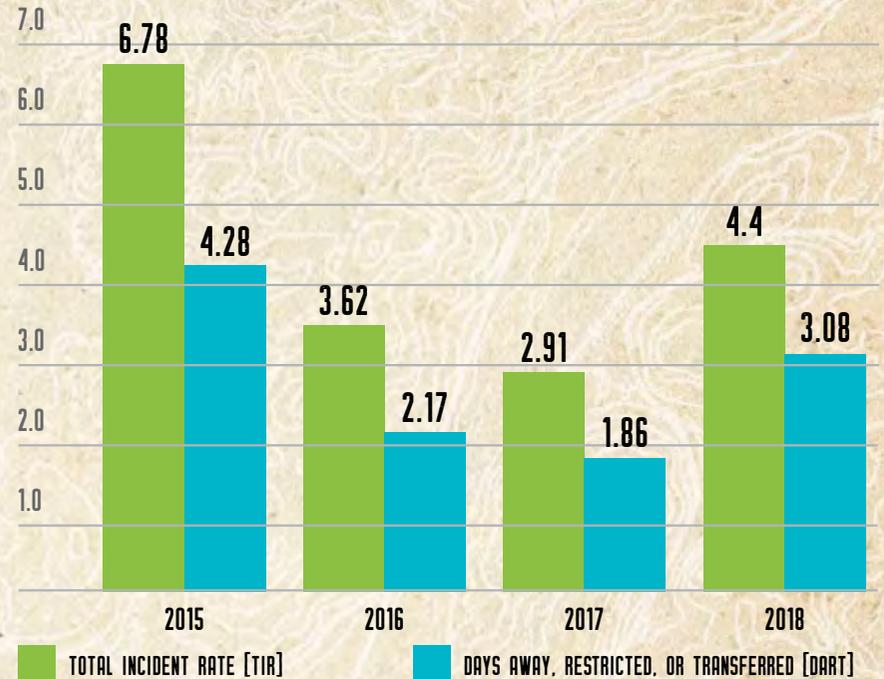
BETWEEN 2017–2018

500

We provided more than 500 hours of trainings, such as operational instruction for our new bottling lines and injury-prevention techniques in the vineyard.

OUR KEY SAFETY METRICS

OUR TEAM IS DEVOTED TO BUILDING THE SKILLS AND KNOWLEDGE NEEDED TO MINIMIZE RISK THROUGHOUT OUR OPERATIONS.



- Total incident rate (TIR) refers to the number of recordable injuries per 100 employees.
- Days away, restricted, or transferred (DART) refers to necessary scheduling and workflow adjustments related to injuries.

During the 2017-2018 period, we saw an initial decrease in key safety metrics, followed by an increase. Net, we made progress beyond our 2015 baseline, though we acknowledge the need for ongoing continuous improvement in this area.



SPOTLIGHT: GROWING PRODUCE, CULTIVATING HEALTH

THE EMPLOYEE ORGANIC GARDEN INSPIRES ACTION AND NOURISHES OUR TEAM

Fetzer Vineyards team members run an on-site organic garden that provides nutritional, seasonal produce to employees at no cost. During the growing season, team members give away what's grown in the garden at our Employee Farmer's Market, open weekly on our Hopland campus. In addition to produce from the employee garden, many other delicious offerings like cherries and pomegranates come in from our Biodynamic ranches, rounding out the market bounty made available to our team.

The employee organic garden provides many direct and indirect benefits—including healthy food, workplace stress-reduction, and greater employee confidence to start organic gardens at home.

“Raising vegetables alongside colleagues is a great way to break up the workday and create stronger team bonds.”

—LYNNETTE PORTER,
Vice President of Human Resources, Fetzer Vineyards

EXPANDING THE MEANING OF WELLNESS

Our business is growing, and so are the programs we offer to ensure that we remain a vibrant and engaged team. We believe that fostering a diverse workforce and inclusive culture benefits the wellbeing of our employees and improves the performance of our business.

HEALTH AND WELLNESS

In 2017 and 2018, we continued to provide health and wellness activities for employees, including seminars on topics like nutrition and diabetes prevention, fitness challenges, biennial health fairs, and financial wellness and retirement planning workshops.

FINANCIAL STABILITY

Building further on employee health and wellness benefits, we initiated a new financial health program in 2018 called HEAL (Helping Employees Access Loans) that helps employees avoid predatory lending at times of emergency. The program, offered in partnership with Savings Bank of Mendocino County, is available to employees of local B Corps who are facing a financial challenge. The program offers access to short-term loans for emergency expenses, such as medical, auto, house repairs, or

other bills that must be paid immediately, while helping build credit and financial literacy. The program reflects our commitment to supporting our team and finding ways to embody our mission as a benefit corporation.

LANGUAGE SKILLS

An important dimension of our effort to build a diverse and inclusive workforce is offering English as a Second Language (ESL) courses to employees who wish to enhance their speaking and reading skills. Team members who participate in this program receive three hours of English language training per week, for eight weeks, provided on-site during the workday. Improved English skills facilitate clearer team communication and enhance performance, while also providing secondary benefits outside the workplace. In 2017-18, 32 employees completed the program.



DIVERSITY AND INCLUSION IN THE WORKFORCE

50%+

MANAGEMENT POSITIONS HELD BY WOMEN AND/OR INDIVIDUALS FROM UNDERREPRESENTED POPULATIONS

100%

EMPLOYEES PAID A LIVING WAGE

93%+

EMPLOYEES PARTICIPATED IN TRAINING OPPORTUNITIES IN 2018

50%+

NON-MANAGERIAL POSITIONS HELD BY WOMEN AND/OR INDIVIDUALS FROM UNDERREPRESENTED POPULATIONS

Figures represent the most recent data from 2018.

COMMUNITY

ENGAGING LOCALLY

SUPPORTING THE COMMUNITIES WHERE WE LIVE AND WORK

We've called Mendocino County our home for more than 50 years. Contributing to our community has always been important to us. Whether it's working alongside nonprofit groups or supporting youth and causes we believe in, we look for opportunities to help meet local needs and build enduring community strength.



AT HOME IN MENDOCINO COUNTY

ENGAGING WITH PARTNERS, SUPPORTING OUR COMMUNITY

At

Fetzer Vineyards, building mutually beneficial relationships is essential to good business. That's why in 2017–18, we collaborated with local organizations to make targeted impacts that embody our values and help strengthen our community.

EFFORTS AROUND THE COUNTY

SUPPORTING LOCAL AGRICULTURE

In 2017 and 2018, we supported the Mendocino Agricultural Families' Scholarship Fund, whose mission is to offer people effective ways to advance the wellbeing of local communities. We also purchased animals from Future Farmers of America participants at the Redwood Empire Fair Junior Livestock Auction to use later as meat at company functions, including celebratory barbecues.

HONORING VETERANS

To show our appreciation for their service, we supported veterans at work and in the community in 2017–18. Fetzer Vineyards employees who are military veterans were encouraged to spend a workday attending the annual Marine Corps birthday celebration in Ukiah, where we were also a wine sponsor.

INVESTING IN EMPLOYEE CHILDREN

The Fetzer Vineyards Children of Employee Scholarship helped eight deserving students further their secondary educational pursuits with financial awards that open doors and facilitate next steps.

CULTIVATING COMMUNITY GARDENS

In 2017 and 2018, we continued supporting North Coast Opportunities Gardens Project, which builds community gardens and increases access to fresh food for community members in need.

CONTRIBUTING TO FIRE RELIEF

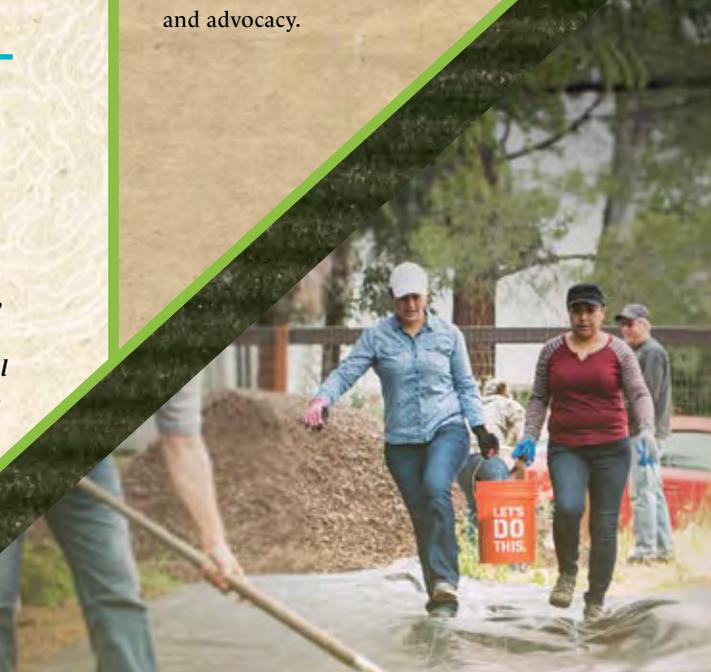
In 2017–18, a time when wildfires took a significant toll on our community, we supported fire relief efforts through contributions to local and professional aid organizations and by encouraging volunteer firefighters on our team to join firefighting efforts, continuing to pay their salaries on missed work days.

“Fetzer Vineyards' support of the Gardens Project allows for the growth of our program year after year. This year, contributions will be allocated to a scholarship fund for plot fees for community gardeners experiencing financial crisis, allowing them to continue to grow food to nurture themselves and their families.”

—SARAH MARSHALL,
Gardens Project Manager, North Coast Opportunities

PAYING IT FORWARD

We are committed to creating positive impacts in our communities and around the world by supporting organizations that align with our values. In 2017-2018, we provided financial and in-kind support to a variety of organizations working to better the world around us. These contributions and social business investments included over \$350,000 in payments to 501(c)(3)s and organizations whose focus areas encompass community resiliency, health, education, or environmental impact initiatives including carbon offsets, certifications, and advocacy.



SPOTLIGHT: FIRST ANNUAL FETZER VINEYARDS FORCE FOR GOOD DAY

SENDING HELPING HANDS INTO THE COMMUNITY

In

May 2018, we inaugurated Force for Good Day, a paid volunteer day focused on making a difference in our communities. Fetzer Vineyards' Northern California team members supported six organizations in Sonoma and Mendocino Counties, who benefited from a total of 655 volunteer hours put in by 133 employees.

As a B Corp, we are committed to continuously discovering new ways to create positive impact and use business as a force for good. Our 2017 B Impact assessment showed us that we could increase our impact through focused community outreach. In 2018, we organized Force for Good Day as a step in this direction, bolstering community engagement efforts and strengthening our underlying commitments. The volunteer day provided team members an opportunity to lend a helping hand on a variety of important projects.

Some team members improved community gardens alongside the North Coast Opportunities Gardens Project, while others contributed time at Plowshares and the Redwood Empire Food Bank, packing 480 boxes for seniors and helping prepare more than 17,000 meals for people struggling with food insecurity. We also worked with the Ukiah Valley Trail Group, the UC Hopland Research & Extension Center, and the Clean River Alliance to help build trails, conduct research, and remove nearly 3,000 pounds of trash from the banks of the Russian River.

In 2018, we were proud to make this step in strengthening our community impact, taking our learnings from the B Impact Assessment and translating them to action. Looking to the future, we will continue to look to the assessment to illuminate new ways we can create positive impacts on the community, environment, and people.

133 EMPLOYEE VOLUNTEERS

We engaged with various organizations in Mendocino and Sonoma Counties, grooming community gardens, preparing and serving meals, maintaining trails, picking up trash, assisting with ecological research and cleaning up the Russian River.



655 HOURS OF WORK



COMMUNITY ORGANIZATIONS WE HELPED:

- North Coast Opportunities Gardens Project
- Plowshares
- Redwood Empire Food Bank
- Ukiah Valley Trail Group
- UC Hopland Research & Extension Center
- Clean River Alliance



Clean River ALLIANCE
Where talking trash is OK

2018 FORCE FOR GOOD DAY

AWARDS AND RECOGNITIONS

WE ARE PLEASED TO SHARE THE ACCOLADES WE RECEIVED IN 2017–18

2017



DRINKS BUSINESS GREEN AWARDS – AMORIM SUSTAINABILITY AWARD

the drinks business recognized Fetzer Vineyards with this award for excellence in waste management, recycling and sustainable practices over the prior three years, and more particularly in the preceding 12 months.



DRINKS BUSINESS GREEN AWARDS – WATER MANAGEMENT AWARD

the drinks business honored Fetzer Vineyards with the Water Management Award for employing initiatives that promote efficient use of water, improvement in wastewater processing, and water policies that benefit the community.



UNITED NATIONS – MOMENTUM FOR CHANGE CLIMATE SOLUTIONS AWARD

The United Nations recognized Fetzer Vineyards as a Momentum for Change “Lighthouse Activity” for sustainability leadership in the wine industry and for efforts to raise awareness of the need to pursue climate-smart practices.



ENVIRONMENTAL LEADER – PROJECT OF THE YEAR

Fetzer Vineyards was awarded a Project of the Year Award from Environmental Leader for installation of the innovative BioFiltro BIDA® wastewater-treatment system, becoming the first winery in the U.S. to use this regenerative system to treat 100 percent of winery wastewater.



BUSINESS FOR INNOVATIVE CLIMATE AND ENERGY POLICY (BICEP) – “GOLDEN STATE WARRIOR” AWARD

Fetzer Vineyards was awarded BICEP’s “Golden State Warrior” Award for taking an active role in lobbying for clean energy and climate-smart policies at both the state and federal levels.

2018



CALIFORNIA GOVERNOR’S ENVIRONMENTAL AND ECONOMIC LEADERSHIP AWARD (GEELA) – WASTE REDUCTION

Recognized in the category of Waste Reduction, Fetzer Vineyards was selected for a 2018 GEELA for expanding on a longstanding commitment to sustainability with our pacesetter waste management program.



DRINKS BUSINESS GREEN AWARDS – GREEN PERSONALITY OF THE YEAR

International publication *the drinks business* recognized Fetzer Vineyards COO Cindy DeVries among a global pool of nominees for her role in leading organizational transformation at Fetzer Vineyards and advancing climate change action in the wine industry, exemplifying the highest level of commitment to sustainability and positive change.



B CORP BEST FOR THE WORLD – CHANGEMAKER

B Lab recognized Fetzer Vineyards as a “Changemaker” among Certified B Corporations. The Changemakers List highlights global B Corporations that made the most positive improvement on their overall impact based on an independent, comprehensive assessment administered by the nonprofit B Lab.

CHANGE: IT'S HARD TO COME BY. LET'S GO FOR IT.

A NOTE FROM OUR CHIEF OPERATING OFFICER

As I reflect on our world today, I acknowledge that there is much to do. Climate change is a legitimate and growing concern, driving extreme weather events of growing magnitude. Water scarcity and food insecurity challenge at-risk communities, and women and minorities still struggle for equal representation in the workplace.

But in spite of these challenges—in many ways because of these challenges—we are inclining more intentionally than ever before to what matters most: our values, our communities, and a driving desire to affect change.

COMMITTING TO CLIMATE ACTION

In 2018, California adopted the most ambitious climate-focused legislation of any state in the nation, committing to 100% carbon-free electricity by 2045 when it passed Senate Bill No. 100, which Fetzer Vineyards supported. This framework is now considered a model for other states and nations, and it looks like many will follow California's lead in making ambitious commitments that will help the world achieve its goals to reduce greenhouse gas emissions.

ADDRESSING THE GENDER GAP

Though our leadership at Fetzer Vineyards is diverse, we, like many other organizations, still have room to grow in diversity and inclusion initiatives. I spoke before a room of mostly male senior leaders at the 2018 National Alcohol Beverage Control Association conference on the topic of the gender gap, noting that while the wine industry increasingly reflects diversity and inclusion, there remains a gap to close in representation of women in key roles.

“TAKING A STAND ON ISSUES LIKE THIS IS THE ONLY WAY WE’LL SEE REAL CHANGE—AND I’M OPTIMISTIC THAT AUDIENCES ARE RECEPTIVE, OUR VOICES ARE BEING HEARD, AND PROGRESS IS BEING MADE.”

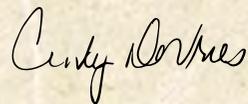
SUPPORTING WILDFIRE RECOVERY

In both 2017 and 2018, wildfires ravaged California, including communities, farms and wildlands in Mendocino County, as well as in nearby Lake, Napa and Sonoma Counties, and many other areas. We responded with support including financial assistance to impact-making nonprofits, and are evaluating how to go even further—to help lead initiatives to better prepare local communities for wildfire, while restoring impacted areas through donated volunteer hours for wildfire rehabilitation.

At moments like these, I cannot help from seeing a bright horizon for our industry, and the world. In spite of the uncertainties around us, positive gains we see at home—highlights of which we detailed in this report—and beyond our doors show that we are making progress.

We look forward to continuing to build toward better together.

Sincerely,



CINDY DEVRIES
Chief Operating Officer, Fetzer Vineyards



AWARDED FOR LEADERSHIP

Cindy DeVries received the *drinks business* “Green Personality” award in 2018 for leadership of Fetzer Vineyards’ forward-looking approach to sustainability—including helping the winery achieve Zero Waste and CarbonNeutral certifications, and advancing California’s efforts to adopt 100-percent carbon-free electricity by 2045.

FETZER
VINEYARDS



HOPLAND, CALIFORNIA

CONTACT: ELIZABETH DRAHE
REGENERATIVE DEVELOPMENT MANAGER
(707) 744-7600



@FETZERVINEYARDS



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