



CROSBY HOPS™

COMMITMENT IS MORE THAN A WORD

2022 CORPORATE SOCIAL RESPONSIBILITY REPORT



In Our World, People and Nature Thrive

These are challenging times. From social inequality and political unrest to global war and accelerating climate change, it's hard to remember a time when change and leadership were in such demand. As a Certified B Corporation® that balances profit and purpose to be a force for good, we believe companies play a vital role in answering the urgent call to create a future that benefits all.

This report, our inaugural Corporate Social Responsibility report, outlines our efforts to be good stewards of the planet and to invest in the people and communities that make what we do possible. Importantly, it also serves to increase visibility and responsibility.

It offers transparency to the communities and customers we serve. The report also creates accountability. By listing our efforts and accomplishments, we can see not only our successes but where we fell short as well. By committing our goals to record, we establish a roadmap to the future and a commitment to improvement, a promise that we must hold ourselves to – and one that you should hold us to as well.



PURPOSE

As a global business, we have the opportunity to be changemakers who put purpose into action. Recognizing the significant role that the environment and our communities play in our success, we're committed to a business model that contributes to a triple bottom line of people, planet, and profit.



VISION

In our world, people and nature **THRIVE**.

THRIVE:

- Teamwork
- Health
- Relationships
- Investment
- Vision
- Enthusiasm



MISSION

We grow, source, and process world-class hops to create remarkable shared experiences.



CORE VALUES

- Quality
- Innovation
- Sustainability
- Community

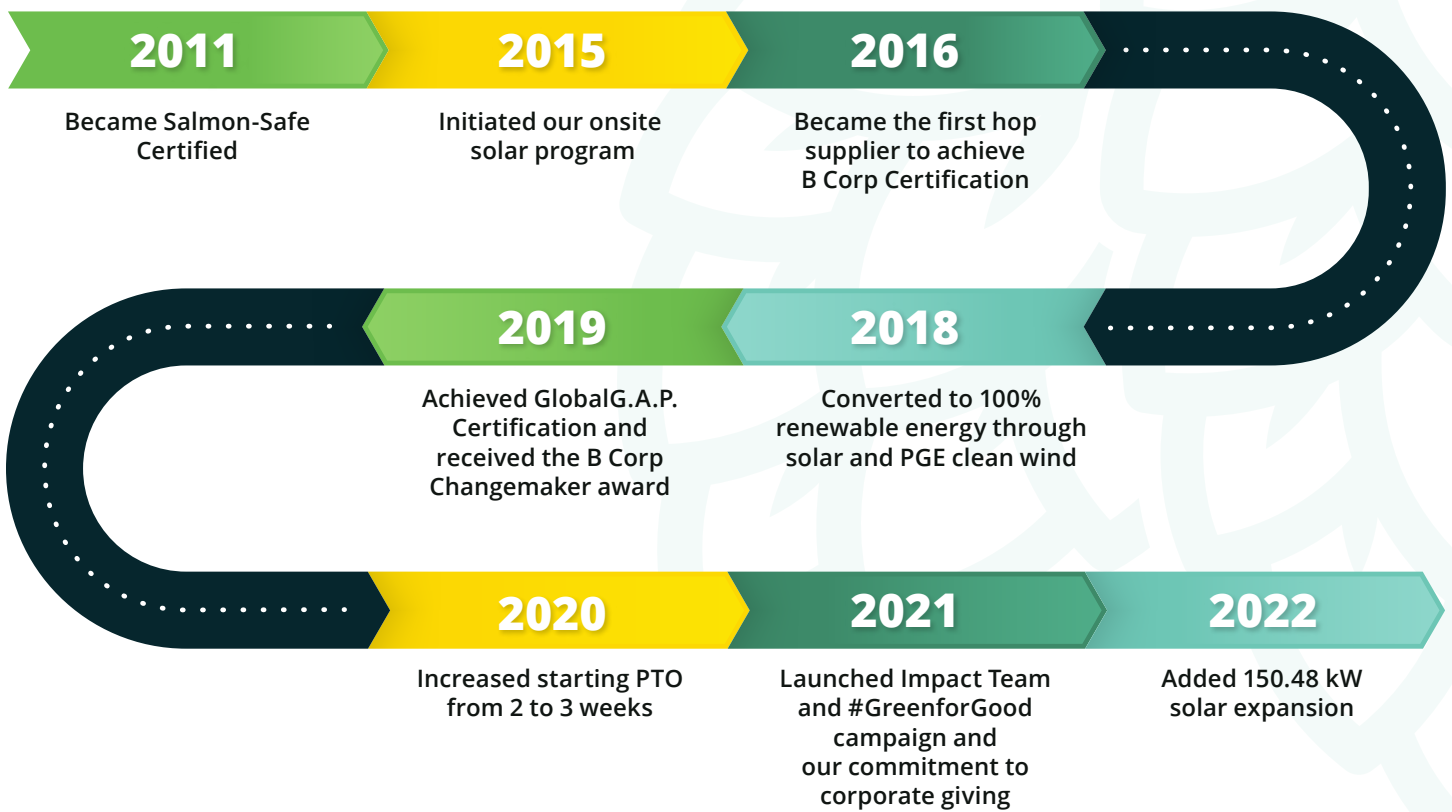
HOW OUR VALUES COME TO LIFE EVERY DAY

- Impact:** In every action, we strive to create lasting value for all.
- Purpose:** We stay grounded in what really matters.
- Passion:** We really care about what we do...seriously.
- We show up as we are:** Open, honest, transparent, seeking connection.
- Growth mindset:** We always strive to be better and to make things better.
- Grit:** We embrace doing hard things to create great results.
- Curiosity:** We believe the best ideas can come from anyone, anywhere, at any time.



PAST

Past is prologue, as the saying goes. Our social responsibility efforts aren't isolated to a single calendar year; they are part of a continuum. This journey started several years ago, and with each step, we've built momentum to do more. Our past accomplishments, big and small, have made this year's accomplishments – and all future efforts – possible.



PEOPLE

Businesses should serve people, not the other way around. We aim to foster relationships with our employees, customers, and communities that leave them better for having been part of our journey.



#GreenForGood

Putting purpose into action, we spearheaded fundraising initiatives for Sweet Relief Musicians Fund, the Michael James Jackson Foundation, the National Brain Tumor Society, and state brewing guilds.



Family Health Care

We improved health benefits, expanding our health insurance network and making family benefits more attainable.



Gender Equality

Over the past year, we've continued to develop female leaders and create better gender parity on our team, bringing it close to a 50/50 split.



Work-Life Synergy

Expanded starting PTO to three weeks and 15 paid holidays, including the full week between Christmas and New Year's.



401(k) Eligibility

Every full-time Crosby employee is now eligible to join our 401(k) and receive a 4% match on contributions.



\$15/Hour Minimum Wage

To ensure everyone at Crosby Hops – including seasonal workers – earns a living income, we raised our minimum wage to \$15 an hour.



Extended Paternity Leave

Doubling our paternity leave, employees now get four weeks of fully paid leave to be with their family, with the option to take up to three months using short-term disability and PTO.



Flexible Schedules and Remote Work

To help our team better manage their work-life balance and personal needs, we offer flexible work schedules and the ability to work remotely.



Full-Time Farm Team

By shifting our farm team to full-time employees rather than seasonal workers, we can offer year-round employment and industry-leading benefits. The continuity enables skill retention that's key to producing consistently great hops.



PLANET

We do not own the land; we borrow it from future generations. As such, our impact on the planet is a primary consideration in all our business practices. In addition to Crosby Hops being B Corp certified, our estate-grown hops are Salmon-Safe and GlobalG.A.P. certified.

Smart Refrigeration

We use KE2 Therm® smart refrigeration management to optimize cooling, fan, and defrost cycles at our headquarters in Woodburn. Keeping our hops cool is imperative but costly and has a significant environmental impact. This technology helps reduce our energy consumption by up to 20%.

Preservation

As part of our Salmon-Safe certification, 5% of the land mass we farm is preserved for biodiversity habitat, including the preservation of our natural riparian areas.

Sustainable Pellet Processing

Our T-90 pellets are produced using 100% renewable energy.

Fleet Conversion

In an effort to move away from diesel, we converted our fleet of farm and harvest equipment to newer, cleaner, more fuel-efficient vehicles.

Expanded Solar

The third implementation of a \$300,000 investment to expand our on-farm capabilities moved us closer to our 2025 goal for energy independence. With a total solar capacity of 265 kW, each year we are expecting to offset 270,000 pounds of CO2 emissions.

Zero Waste®

Advancing our Zero Waste program, we recycled 85% of the waste we generated, preventing 15 metric tons of waste from going to landfills in 2021.

Sensor-Based Irrigation

Using sensor-based irrigation to monitor moisture and automatically water plants only when needed, we're able to conserve water. Our farm will expand the use of this technology from 50% to 90% this season.

Measured Technology

Kiln automation allows us to measure moisture and automatically adjust airflow to improve efficiency and energy output.

More Sustainable Logistics

Using a unique intermodal approach, we began shipping hops via freight train. A more sustainable option, trains emit approximately 5.4 pounds of carbon dioxide per 100 ton-miles, whereas trucks emit approximately 19.8 pounds. For Crop Year 2021, we estimate we saved over 130,000 pounds of CO2 emissions from entering the atmosphere using this approach.

CGX™ Lupulin Pellets

Our CGX concentrated lupulin pellets use significantly less packaging, are more efficient to ship and cool, and require less storage, reducing their overall environmental impact.

Renewable Energy

The Green Future Enterprise program through Portland General Electric makes up the balance of our annual renewable energy needs. It offsets all other energy uses, closing the delta between solar use and our energy demand. We use an estimated 76,945 kWh per month and 923,000 kWh per year.

PROFIT

Our success is not ours alone. As such, it's our responsibility to deliver value to all our stakeholders, not just shareholders. Because our team and community make profits possible, we're committed to reinvesting some of those profits back into our people and our shared communities.

Annual Financial Audit

We undertake an annual financial audit to measure the health and success of the company as a means to ensure the organization and its people are thriving and pave the way for reinvestment in our capabilities and communities.

Employee Bonus Program

All Crosby employees are eligible to receive a bonus based on the financial health and success of the company. In 2021, our employees achieved 100% of their bonus payout.

Reinvestment in Capabilities

As a direct result of the success of our people and customers, we continue to reinvest in our capabilities, including the forthcoming launch of CGX, the expansion of sensor-based irrigation, solar array additions, and leadership development, initiatives that will help the company and its employees thrive and grow.

Ongoing Charitable Initiatives

Being a profitable, stable company allows us to continue to champion causes that we are passionate about by donating time, money, and resources.



THE PATH FORWARD

Ongoing improvement is a hallmark of B Corporations and one that we take pride in. While we always take a moment to celebrate our successes and honor our achievements, we recognize that we can always do better. To that end, the final chapter of our Corporate Social Responsibility report also serves as the start of our future efforts.

B Corp Recertification

We look forward to being recertified as a B Corporation in the coming year and also aim to improve our score from 82.4 to 90 as a result of the work we've done to be changemakers.

SQF Certification

In the coming year, we aim to achieve Safe Quality Food (SQF) certification, which would reflect our commitment to a culture of food safety and operational excellence in food safety management.

100% Sensor-Based Irrigation

Building on our recent effort to expand automated watering, we aim to have 100% of the farm using sensor-based irrigation.

Energy Independence

By 2025 Crosby Hops plans to be 100% energy independent, producing enough energy on-farm to cover all our operations.

Increase Wages

Raising our minimum wage was just the first step in a goal to offer all our employees pay that affords them the ability to live happy, healthy lives.

Intermodal Expansion

We aim to expand our warehouse locations to meet our goal of being able to deliver hops to a brewery anywhere in the country within 48 hours while greatly reducing the carbon footprint per pound of hops shipped.

Carbon Neutral

In the near future, Crosby Hops aspires to achieve carbon neutrality.

Life Cycle Assessment

To benchmark our environmental impact on the environment, we will perform a life cycle assessment with the ultimate goal of having the lowest-impact pound of hops that are delivered door to door.



CROSBY
HOPSTM

Pacific Northwest Headquarters
18564 Arbor Grove Rd NE, Woodburn, Oregon 97071

(503) 982-5166 (7:30am - 4:30pm PST)

hops@crosbyhops.com

www.crosbyhops.com

