SUSTAINABILITY OVERVIEW

Columbia Crest was one of the first wineries to pioneer vinifera grape growing in Washington state's Columbia Valley. Today, we are proud to be a leader in viticultural research and sustainability.

We believe that environmental stewardship and responsible practices in our vineyards and winemaking facilities not only help us to make the best quality wines possible, they are the right things to do for our winery and our community.

We focus our efforts in a variety of areas in the vineyards, winery, and community. Below is an overview of some of our significant efforts to date.

IN OUR VINEYARDS

Columbia Crest is committed to using sustainable agricultural practices in our vineyards, focusing on the following areas:

Soil and Plant Management:

• Planting of a green cover of beneficial native grasses and cereal grains to combat erosion and provide habitat to attract beneficial insects to the vineyards. Working to strengthen soil fertility through application of dairy manure compost and grape pomace recycled from winery operations, both of which can contribute to increased amounts of nitrogen in the soil.

Pest Management:

• Expansion of the registered virus-free mother block and increased use of reduced risk pest control agents and soft materials such as soaps, oils, and plant extracts.

Water Management:

• Use of weather stations, soil moisture-measuring probes, and drip irrigation systems to monitor water use, increase conservation and efficiency, and eliminate vineyard waste water.

GROWER VINEYARDS

Columbia Crest and our parent company, Ste. Michelle Wine Estates (SMWE) were lead drivers in the creation of VineWise, Washington's sustainability self-assessment program for wine grape growers. We have encouraged all of our contract growers to implement the program and strive for high grades in each area.

IN OUR WINERIES

We work continually to exercise sustainable practices in our wineries. Notable successes across properties include:

Energy Conservation:

 Replacement of certain lighting fixtures, compressor equipment, waste pond aeration pumps, and refrigeration units with newer, higher-efficiency models has helped to reduce winery electrical and natural gas energy consumption.

Water Conservation:

• Tactics include reuse of winery rinse water, implementation of enhanced heat exchangers which reduce water needs in the fermentation cellars, employee education on water conservation during performance of job duties, use of water-conserving nozzles on cellar hoses, and maintenance of water-efficient landscaping on winery grounds.

Solid Waste Reduction and Management:

• Wide-ranging winery recycling programs for materials including glass, paper, cardboard, pallets, stretch wrap, cell phones, batteries and fluorescent bulbs. Columbia Crest increased its

recycling program to 450 tons total in 2011, from 142.55 tons in 2010. Reuse of grape pomace leftover from winemaking processes for use as fertilizer and livestock feed.

Packaging:

• In 2011, we transitioned to lighter weight glass bottles for Columbia Crest Two Vines, and have reduced glass material usage by an estimated 1.4 million pounds. The use of lighter weight glass in the coming years will further reduce glass material usage.

Employee Safety:

• Columbia Crest is extremely proud of its first-class employee safety programs in both our wineries and vineyards. Program components include: workers right-to-know, safety training, materials handling, prevention planning, and safety inspections. All of these components foster a sustainable, safe workplace environment.