



20 22

IMPACT REPORT

Sweetwater



OUR MISSION

Our mission is simple — always do the right thing. Whether for customers, visitors, fellow employees, or business partners, our goal is always to exceed expectations and conduct ourselves with integrity, honesty, and respect for others.

Our commitment to serving others starts in our own backyard and extends to communities all over the world.



A letter from **JOHN HOPKINS**

Dear Sweetwater Community,

For more than four decades, Sweetwater has been honored to help music makers as they explore their passions and create the songs and sounds that have the power to inspire, comfort, heal, and unify. But our impact as an organization goes way beyond the customer stories that we help create: we are privileged to also play a positive role in the lives of our employees, vendors, communities, and the environment.

We've been committed for years to initiatives aimed at growing our impact in these areas, and, while there is still more work to be done, I am proud to share this annual report that highlights just some of our efforts over the past year. We are unwavering in our dedication to being a positive influence across all these areas, and I am grateful to our amazing team members who help make this work possible.

Sincerely,

John Hopkins
CEO

OUR ENVIRONMENT

Our dedication to serving the community extends from preserving the Earth's natural resources with our aggressive recycling programs all the way to maintaining a safe, healthy work environment with plenty of natural light. By implementing energy-efficient practices in our facilities and using eco-friendly packaging materials, we are working to create a better future for our planet.

Because of our commitment to the environment and to ensure that our approach matches world-class standards, in 2022 we initiated an independent third-party review of key areas like product packaging and lifecycle impacts, waste and materials management, energy management, climate, and environmental health and safety. The review by ERM, the largest global pure play sustainability consultancy, recognized Sweetwater as exceeding industry competitors in many of those areas.



“ERM applauds the Sweetwater team for their interest and passion in integrating sustainability through their operations and ambitions to be a sustainability leader within their industry. We have enjoyed working with the team and our collaboration to make a meaningful impact.”



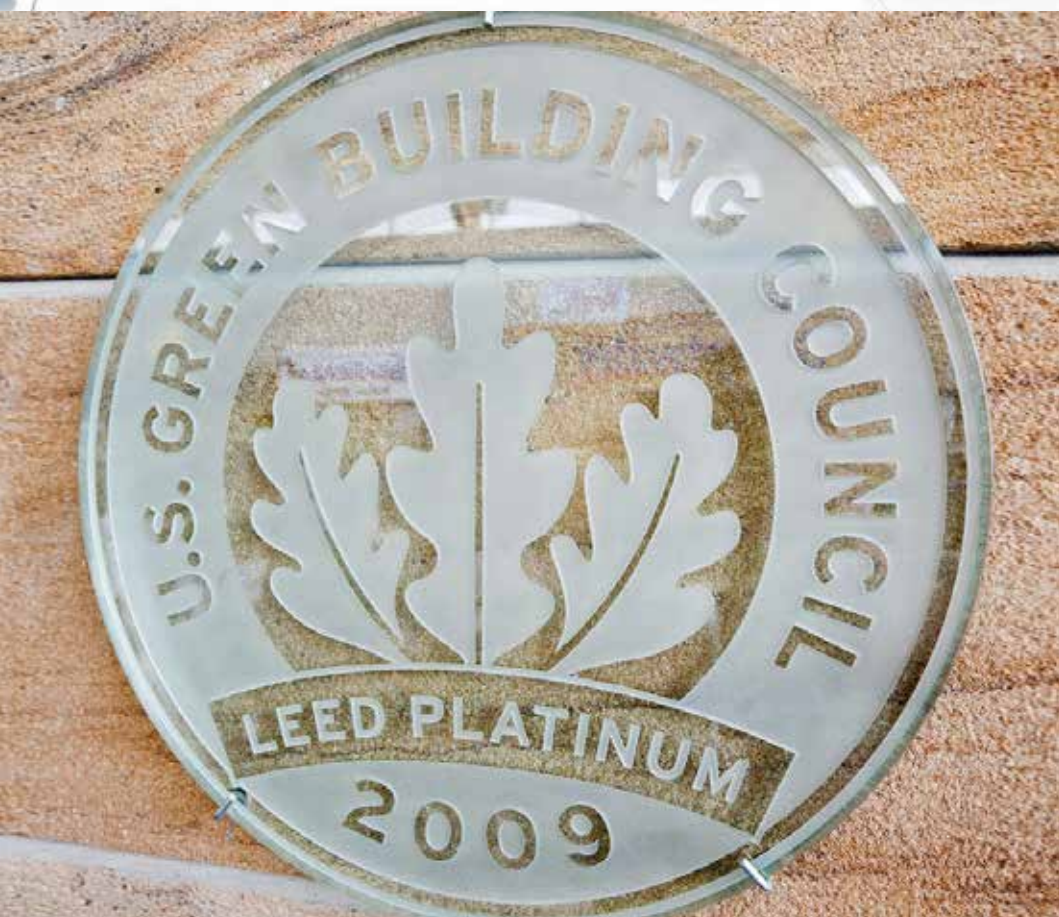
93,000

SQ. FT. OF SOLAR PANELS

1.7 MILLION

KILOWATT HOURS PER YEAR

In 2022, Sweetwater installed more than 93,000 square feet of solar panels on top of its Fort Wayne fulfillment center. The system is expected to generate 1.7 million kilowatt hours per year and **reduce carbon dioxide emissions by more than 1.5 million pounds**, which is the equivalent of nearly 79,000 gallons of gasoline.



Since the beginning, Sweetwater has been committed to doing the right thing. Our 965,000 square-foot facility is 21st-century **LEED-Certified** and was one of the first in the region to be recognized by the U.S. Green Building Council. Every aspect of our campus reflects our commitment to being a good steward of our environment.



490
TONS
OF PLASTIC

395
TONS
OF CARDBOARD



9,200
WOODEN PALLETS

16
TONS
OF SCRAP METAL

Sweetwater takes recycling seriously! In 2022, nearly 490 tons of plastic and paper, 395 tons of cardboard, 16 tons of scrap metal, and 9200 wooden pallets were recycled. Compared to the previous year, that's an improvement of **58% for plastic & paper, 27% percent for wooden pallets, and 32% for cardboard.**



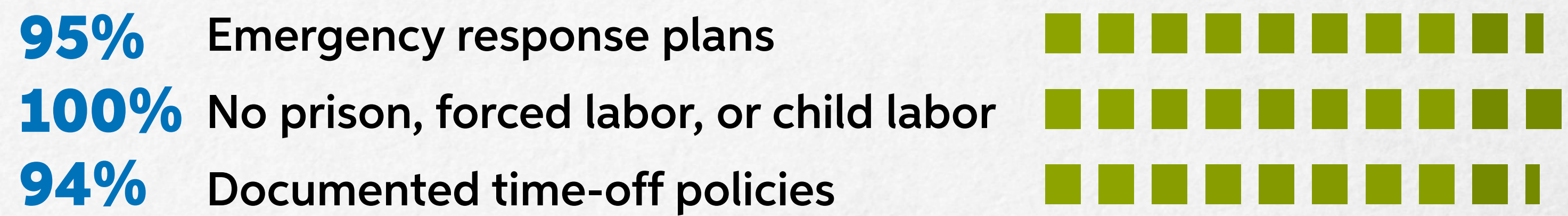
SUPPLY CHAIN RESPONSIBILITY

We're committed to only work with companies that share our passion for people and our world. When we say we always do the right thing, we mean it. And that includes everyone we work with in the music industry, shipping, manufacturing, and beyond.



Vendor Survey

We care about people being treated right, knowing that the music we help create only rings true when everyone in our industry is being taken care of. In 2022, we reviewed our own labor practices and renewed our pledge to put our employees' wellbeing first. With that in mind, we reached out to all of our vendor partners to ensure they are also operating with high integrity and commitments to human rights. We asked them more than a dozen detailed questions covering every aspect of their labor practices. Among the findings, respondents let us know that 95% had facility emergency response plans, 100% confirmed non-use of prison labor, forced labor, or child labor, and 94% have documented time off policies.



As a result of the survey, many vendors expressed gratitude for Sweetwater's dedication to doing the right thing.

*We, too, are very conscious of how some places/countries treat their people. **We appreciate Sweetwater being mindful of the world today.***

SHELLEY WALLER, ISP TECHNOLOGIES

Kudos to Sweetwater for opening a dialogue about the working conditions of all the souls involved in making the music industry function. Thank you so much for shining a light into the shadows of our business.

We are heartened to see Sweetwater taking the right direction into the future.

EBEN GRACE, GRACE DESIGNS



OUR PEOPLE

Our team members are the driving force behind what we affectionately call the Sweetwater Difference. Our commitment to their success and wellbeing is evident in the [Sweetwater Cares](#) initiative, which is a holistic approach that provides resources designed to enhance an employee's mental, physical, financial, social, and professional health. Here are just a few programs we've implemented.



Physical Health

The **Sweetwater Medical Clinic** provides free medical care to employees and their families. In 2022, the clinic's full-time physician and nurse conducted more than **2000 office visits**, coordinated care through **22,000 email & virtual visits**, and administered nearly **1200 flu shots and COVID vaccines & boosters**.

Sweetwater's Fitness Center offers state-of-the-art equipment and access to our personal trainer, who conducted nearly **2000 appointments** and created **200+ fitness plans** in 2022.

Professional Health

In 2022, more than 150 managers completed our **Manager Development Program (MDP)**, developed exclusively for leaders across every department.

In addition to management training, each department facilitates job-specific onboarding training to ensure employees are equipped with the skills to perform their job. Employees who are looking to grow beyond their job-specific skills are encouraged to attend our monthly **Food for Thought** lunch & learn sessions that reached a record-breaking number of 600+ attendees. Since its inception, dozens of employees have taken advantage of Sweetwater's **tuition reimbursement program**, which covers up to \$10,000 per employee in tuition reimbursement benefits. We understand the importance of creating a supportive environment for employee success — both inside and outside the workplace.





Mental Health

Sweetwater's investment in mental health counseling onsite has been a tremendous asset to employee wellbeing. Through the **Sweetwater Cares Initiative**, mental health professionals are made available for private and confidential counseling sessions in the workplace. This has not only improved work morale, but also boosted productivity, and ultimately improved overall corporate performance. In 2022, we facilitated a total of **997 counseling sessions**. Personal mental health is a priority for Sweetwater, and we're excited to lead the way toward creating a healthier, happier workforce for our team members.



Financial Health

Employees are encouraged to engage in financial planning with the support of our financial literacy programming, including free lunch & learn sessions and one-on-one financial counseling. We also offer interest-free employee loan programs as well as DailyPay options that enable employees to both manage their finances more conveniently and gain access to their wages prior to payday if needed. **In 2022, more than 1200 employees took advantage of either free financial planning sessions, our emergency loan program, or our DailyPay program.**

It means so much that an employer cares about the mental health of its employees! Thank you to Sweetwater for providing this free of charge.



Social Health

We recognize that the post-pandemic era has employees yearning for the chance to reconnect in a safe space. Our social health activities have been crucial in bolstering employee wellbeing and fostering strong connections in and outside of the workplace. In 2022, Sweetwater hosted **53 free Live at Lunch concerts** in the Sweetwater diner, organized multiple employee-appreciation events, including a picnic for families at the Fort Wayne Children's Zoo, and provided nearly **3,000 complementary tickets** to local basketball, baseball, and hockey games. These activities allow employees to have numerous opportunities to de-stress, socialize, and build meaningful relationships with their colleagues, fostering a sense of community.

We value feedback from our employees so that we can continue to make Sweetwater a world-class place to work. Honest assessments from our team members have led to many of the recent initiatives designed to enhance their experience.

In 2022, Sweetwater was the proud recipient of multiple Comparably Best Workplace Awards.

These are based solely on the feedback provided by current, verified employees who anonymously rated their employers on 16 different workplace topics, including compensation, perks & benefits, work-life balance, career growth, and leadership. The final winners are compiled from over 15 million ratings across 70,000 companies.



We are more like family than just coworkers.

My team's 'work hard, play hard' attitude makes me be productive while also feeling excited and enjoying my time in the office.

I believe everyone is treated fairly and equally.

I love the fact that we get extra for nothing. It really shows that this company goes out of its way to care for the employee.

DIVERSITY & INCLUSION

We come from all walks of life, but we are unified by our passion for music and helping people. We believe it's our differences that make us stronger. That's why we actively recruit for an even more diverse workforce by partnering with historically black colleges and universities (HBCUs), offer ongoing diversity training opportunities, track promotions and equal pay measures throughout our company, and support organizations like [Women's Audio Mission](#) and the [National Black Musicians Coalition](#).



In 2022, the number of new female employees

increased
29%

over the previous year, and the number of diverse hires

increased
15%.

WE ABSOLUTELY,
UNEQUIVOCALLY
BELIEVE IN TREATING
EVERY PERSON
FAIRLY
AND WITH
RESPECT.



Sweetwater's diversity & inclusion focus group meets regularly and has outlined several initiatives centered around creating greater visibility and transparency and increasing employee engagement. We strive to become the industry leader in supporting and promoting women and minorities in the music instrument retail space.



We've partnered with HBCUs (Historically Black Colleges and Universities) like Tennessee State University to generate internship opportunities and prepare students for careers in the music industry. By spending time on campus, Sweetwater personnel have been able to make meaningful connections and be a valuable resource for instructors and students.





OUR COMMUNITY

Sweetwater continues to partner with local, regional, and national organizations to have a far-reaching, significant impact on the lives of others. We are committed to improving our communities through **meaningful contributions**.

42%
Music & Arts



31%
Social Services

18%
Community/
Other

9%
Education

In 2022, we donated more than
\$750,000
to music, arts, education, and
social service organizations.

In addition, we gave more than
\$60,000 worth of instruments and audio gear
to schools, music programs, and other groups.



These featured organizations are just a few of our proud partners.



Music Will (formerly Little Kids Rock)

Sweetwater's long-standing partnership with Little Kids Rock has transformed lives by restoring, expanding, and innovating music education. More than one million students in 400 school districts nationwide have benefitted from Music Will's programs. Provided with an opportunity to make a donation at checkout, our customers have given nearly \$225,000 to the organization, adding to Sweetwater's significant corporate gift.



Alice Cooper's Solid Rock Teen Centers

Solid Rock's primary goal is to help meet the spiritual, economical, physical, and social needs of teenagers in the Phoenix area through music, dance, and art. Sweetwater's sponsorship of the Proof Is in the Pudding Music & Dance Competition gives young musicians and dancers an opportunity to showcase their talents.





Warrior Music Foundation

Sweetwater is proud to support the Warrior Music Foundation, which provides music therapy programs to help veterans and active military members cope with the challenges of combat-related stress and trauma. By joining forces, Sweetwater and the Warrior Music Foundation are making a meaningful impact on the lives of veterans and active military members.



Beats by Girlz

Sweetwater has partnered with Beats by Girlz to empower the next generation of women through music and technology. By working together, Sweetwater and Beats by Girlz are helping to create a more equitable and representative music industry for everyone.



Habitat for Humanity

Sweetwater's partnership with Habitat for Humanity includes financial support as well as volunteer resources to help build homes for families and individuals. In August, nearly 100 Sweetwater team members spent the day constructing the exterior and interior walls of a 3-bedroom, 1100 square-foot house.



Other Supported Organizations





2022 was a year of great progress, building on Sweetwater's long-standing commitment to promoting environmental sustainability, giving back to communities in a meaningful manner, and fostering a culture that welcomes all employees and invests in their growth.

We recognize, however, that there is more to be done. We are excited about the future and remain as dedicated as ever to creating a positive impact that extends to our music making customers and beyond.

