



2023 IMPACT REPORT

Sweetwater[®]



Dear Sweetwater Community,

On behalf of our entire team, I'm excited to once again share with you our annual Impact Report.

Throughout history, music has deeply touched the lives of billions of people — bringing comfort, hope, and inspiration around the globe. It is our great privilege at Sweetwater to serve the music makers and creators who make this possible. Their passion and dedication compel us to always do more in support of their tremendous abilities. Their impact on the world is a guiding motivation behind all that we do.

We also recognize that our direct influence shows up in many other ways — especially in the lives of our employees, our vendors, our communities, and the environment. For over 40 years, we've been committed to impacting each of these areas with a deep heart of care. While we have much to celebrate this year, we also recognize that our work will never be completely done.

In the same way that the creation of great music involves a journey, we as an organization are always seeking to increase our impact. Our leadership team, together with more than 2,500 employees, remain unwaveringly dedicated to this pursuit. I am grateful for their efforts and thankful for your taking the time to learn more about the impact that all of us together have helped create.

Sincerely,

Mike Clem
CEO / President



OUR MISSION

Our mission is simple — always do the right thing. Whether for customers, our visitors, our fellow employees, or our business partners, our goal is always to exceed expectations and conduct ourselves with integrity, honesty, and respect for others. Our heart for all those we serve starts in our own backyard and extends to communities all over the world.

A man with a beard and a black beanie is playing an acoustic guitar. He is wearing a black t-shirt. The background is a dense forest of evergreen trees under a clear blue sky. The scene is reflected in a body of water in the foreground.

2023 IMPACT REPORT:

OUR ENVIRONMENT

Our heart for serving others drives us to carefully manage the resources and the impact of our operations on our environment. From preserving the Earth's natural resources through packaging reduction initiatives to implementing energy-efficient practices in our facilities, we are always working to create a better future for our planet.

SOLAR PANELS



93,000

SQ. FT. OF SOLAR PANELS

1.4 MILLION

KILOWATT HOURS PRODUCED

FUN FACT:

In 2023, 93,000 feet of solar panels on our Fort Wayne Fulfillment Center generated 1.4 million kilowatt hours of electricity — enough electricity to drive an electric car 4,963,176 miles — **or 199 times around the world!**

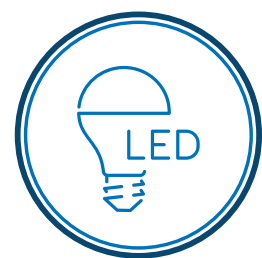


Sweetwater is one of the leaders... [their] solar installation is the largest nonutility owned installation on our distribution system.

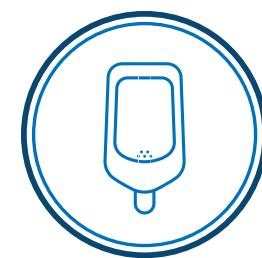
JIM EITSERT, Vice President at Northeastern Rural Electric Membership Corporation

IN 2023, OUR FULFILLMENT CENTERS CONVERTED OVER 2,000 ITEMS TO “SHIP IN THEIR OWN CONTAINER.”

This resulted in nearly 400,000 packages going out to customers without the need for additional packing materials — significantly reducing the impact on the environment!



Our LED transition initiative has led to our Fort Wayne campus now being 75% LED powered... and on our way to 100%.



In 2023, our flushless urinals saved over 2.4 million gallons of water — enough to fill up five Olympic sized swimming pools!



We switched to Betco cleaning chemicals that are peroxide based for an improved disinfectant and EPA-certified, more environmentally friendly option.

SWEETWATER TAKES RECYCLING SERIOUSLY!

In 2023, nearly 14 tons of scrap metal, 25 tons of e-waste, 445 tons of plastic, and 1128 tons of cardboard were recycled.

14
TONS
OF SCRAP METAL

25
TONS
OF E-WASTE

445
TONS
OF PLASTIC

1128
TONS
OF CARDBOARD





2023 IMPACT REPORT: SUPPLY CHAIN RESPONSIBILITY

We can't do what we do without the help of our committed partners — and that means joining forces with other 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 Impact

In 2023, we partnered with our vendors to evaluate our collective environmental practices and to share industry-leading resources to aid in our stewardship efforts. We were pleased to see strong efforts from so many across our supply chain network — and to receive so much appreciation for leading the cause!

SWEETWATER SUPPLY CHAIN ENVIRONMENTAL SURVEY RESULTS

Have at least one initiative focused on energy utilization <i>(Including use of energy-efficient HVAC and lighting systems, active monitoring of energy usage, and/or use of renewable energy sources)</i>	91%
Are engaged in waste reduction efforts <i>(Minimizing physical waste creation from processes)</i>	80%
Have a recycling program	77%
Have packaging reduction initiatives	55%
Have initiatives focused on ensuring their transportation and supply chains are environmentally friendly	52%

Thanks for being a leader in conservation and best practices to limit environmental impact in our industry! You guys are the BEST!

Hey, I would like to thank Sweetwater for being environmentally responsible! It motivates smaller companies like ourselves to do what we can and will hopefully move customers to push for more reasonability in other areas of business.

Thank you for investigating this with your partners. I truly feel that this will only strengthen our partnership together.

Thank you for looking at this! There are so many ways to reduce our impact on the environment and we appreciate Sweetwater considering our feedback!

A photograph of three people sitting on a red patterned rug in a modern office setting. On the left, a woman with grey hair and glasses is smiling and looking at a laptop. In the center, a man with a mustache and glasses is smiling and looking at the laptop. On the right, a woman with long curly hair is smiling and looking at the laptop. They are all wearing business casual attire. There are several documents and a laptop on the rug in front of them. The background shows a black leather sofa and a wooden wall.

2023 IMPACT REPORT: OUR PEOPLE

Our team members are the driving force behind the Sweetwater Difference. Doing the right thing starts with how we care for those who serve our customers each day. When our team members are doing well, everyone wins.

In 2023, Sweetwater was the grateful recipient of eight Comparably awards.

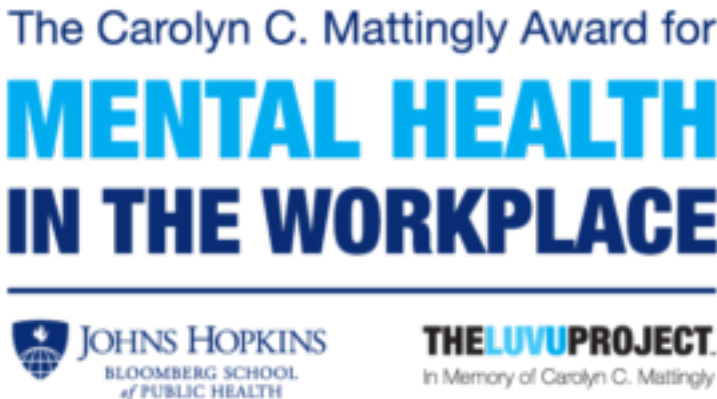
Comparably awards are based on current employee sentiment feedback and are given to only the top 100 employers from among 70,000 companies.



WE WERE PROUD TO BE NATIONALLY RECOGNIZED AS LEADING THE WAY IN CARING FOR OUR EMPLOYEES AND CREATING AN OUTSTANDING WORK ENVIRONMENT.



Received Newsweek's America's Greatest Workplaces 2023 award.



Sweetwater was one of only six organizations from across the country to be recognized as a 2023 Carolyn C. Mattingly Mental Health in the Workplace National Honoree.

BE WELL expo

In 2023, we hosted our first ever Be Well Expo — inviting to our Fort Wayne campus dozens of nonprofit and wellbeing vendors to give back to our employees and to support their holistic wellbeing.



OUR CARE FOR OUR TEAM MEMBERS EXTENDS ACROSS FIVE KEY AREAS OF WELLBEING



CAREER GROWTH



485

PROMOTIONS

24% Increase

over 2022 by increased focus on career paths and development opportunities



In 2023, we added a new Adoption Reimbursement Program, further expanding our longtime commitment to supporting team members' families.

dedicated customer-focused
 driven hard-working
 fun collaborative welcoming
fast-paced
 integrity diverse efficient
 supportive focused friendly motivated
 professional
 caring innovative positive
 passion

Coming from a background of mainly warehouse work, I can say Sweetwater is the best one I've worked at. I feel valued as an employee and get rewarded for the hard work I put in. I like the culture that is instilled here.

In our recent employee survey, we showed company-wide improvements in scores across more than 70% of our survey question categories.

The top 20 most used descriptors of the Sweetwater culture are shown to the left.

I am so blessed to be here throughout my days and weeks. I have never been surrounded by a better group of people and consider myself immensely blessed to work here.

In 2023, our senior leaders engaged in dozens of new in-person listening sessions throughout the company as an expanded commitment to gathering employee feedback and making changes.



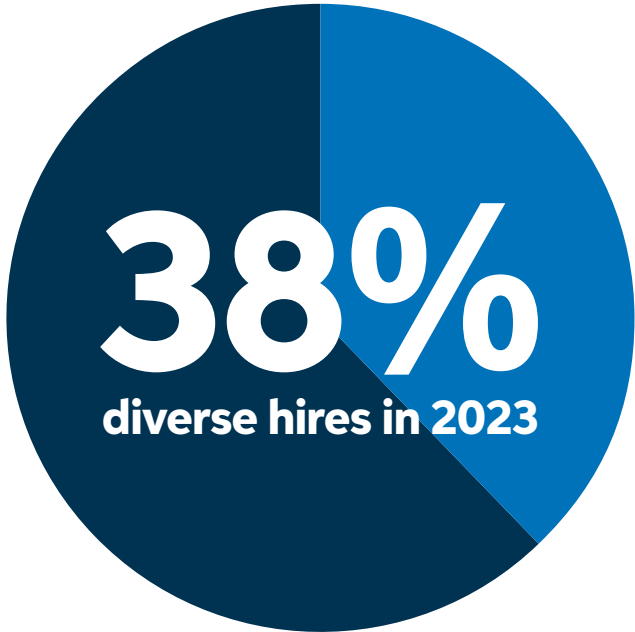
We believe that our individual differences make Sweetwater stronger and a better place to work.

We engaged in efforts throughout 2023 to foster a stronger sense of inclusion and belonging.

In 2023, the number of new diverse hires increased

25%

over the previous year, including key additions at all levels, including senior leadership.



SWEETWATER'S CULTURE IS ONE THAT IS BUILT ON THE CREATION AND CELEBRATION OF MUSIC, WHICH UNIFIES PEOPLE FROM ALL WALKS OF LIFE.



We launched our *Faces of Music* internal Lunch & Learn series in which Sweetwater employees from various departments and a range of cultural backgrounds discussed their expertise and passion for music in the context of the experiences of artist and cultures from around the world.



We were grateful to receive Newsweek's America's Greatest Workplaces for Diversity 2023 award. The award was based directly upon employee feedback rating Sweetwater as one of the country's best workplaces for respecting and valuing a diverse range of people.





2023 IMPACT REPORT: OUR COMMUNITY

We were proud to partner with over 200 local, regional, and national organizations to have a significant impact on the lives of others. Our commitment to making a difference extends far beyond the walls of our buildings.



In 2023, we gave more than
\$800,000
in funding, gear, and volunteer
support to our partners.

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



Guitars Over Guns offers students from our most vulnerable communities a powerful combination of music education and mentorship with professional musicians to help them overcome hardship, find their voice, and reach their potential as tomorrow's leaders.



Women's Audio Mission is dedicated to the advancement of women and gender-expansive people in music/audio production and creative technology. WAM's award-winning curriculum weaves art and music with science, technology, and computer programming and works to close the critical gender gap in creative technology careers.



SongwritingWith:Soldiers.

SongwritingWith:Soldiers holds weekend retreats across the US for veterans from all conflicts that connect hundreds of veterans and military families, creating a safe and inspiring environment to share their experiences and write songs with professional songwriters. These songs reach and connect more veterans and raise civilian awareness of the challenges the military community faces.



National Black Musicians Coalition

The NBMC nurtures Black musical excellence and leadership, actively pursues pathways to equity, formalizes educational and professional structures to mentor future musicians, and, most importantly, cultivates strategic solutions for the enduring health and wellness of our members. They identify channels of opportunity for individual Black musicians to advance collective wealth and security.



Easterseals Arc is leading the way to full equity, access, and inclusion by serving people with disabilities and their families with life-changing programs and services — including an expanded music therapy program from Sweetwater.

Other Supported Organizations Include:



A person with short, wavy brown hair is seen from the side, playing an acoustic guitar. They are wearing a black t-shirt and a red and black patterned guitar strap. The person is standing in a field of tall, green grass that is slightly out of focus. In the background, there are rolling hills and a sky filled with soft, white clouds. The overall mood is peaceful and artistic.

Sweetwater