

Peddler's Son™

ESG Report 2023 Pathway to Sustainability



By Dr. Anastasia Psomiadi



Contents

Introduction	4
Messages	6
Peddler's Son at a Glance	10
Business Model	12
Stakeholder Engagement Overview	14
Case Study: PeddlerCon – A Best Practice in Stakeholder Engagement	16
Our Approach to ESG	19
Materiality Matrix	20

OUR ENVIRONMENTAL FOOTPRINT

Greenhouse Gas Emissions Strategy	24
Environmental Risks and Mitigation Strategies	26

OUR SOCIAL IMPACT

Employee Well-being and Job Satisfaction	30
Family Support and Empathy	32
Fair Labor Practices and Human Rights	33
Community Engagement and Development	34
Training and Development Opportunities	36
Product Quality and Safety	38

CORPORATE GOVERNANCE

Risk Management	42
Ethical Business Practices and Anti-Corruption	43
Certifications and Auditing	44
Cybersecurity	45
Customer Service and Customer-Focused Strategy	46
Supplier and Customer Agreements	47
Supply Chain Management	48
Procurement Practices	49
Marketing Strategy	50
Transparency and Reporting	51

APPENDIX	53
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Introduction

We are pleased to present the first Peddler's Son ESG Report, which aims to provide a comprehensive overview of our environmental, social, and governance (ESG) initiatives. Aligning with global sustainability demands, this report is our response to the growing expectations of our stakeholders and demonstrates our commitment to maintaining the consistent high quality of our products while addressing key sustainability challenges.

Purpose of the 1st ESG Report of Peddler's Son

- Present complete and comprehensive information to our stakeholders regarding our company's sustainable development.
- Inform about our emphasis on sustainable development through our new business strategy.
- Serve as a tool to improve our performance concerning the most important sustainable development issues that concern us and to which we can contribute.
- Continuously improve the report by enriching published data to comprehensively cover our company's operations.

About the Report

This report is based on the frameworks and standards provided by the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP) and the EU Corporate Sustainability Reporting Initiative Directive (CSRD)/ European Sustainability Reporting Standards (ESRS). It also aligns with the Sustainable Development Goals (SDGs). With its publication, we aim to inform our stakeholders about our strategy, goals, and performance transparently, addressing the substantial issues of sustainable development for the period 1.1.2023 - 12.31.2023.

The calculations for Scope 1, Scope 2, and Scope 3 GHG emissions have been conducted using methodologies and tools from the GHG Protocol and the US Environmental Protection Agency (EPA). The data has been measured and presented in this report by Dr. Anastasia Psomiadi, founder and CEO of APSON,LLC.

We encourage you to submit any comments and are available for clarifications, comments, or information about the report at the following email addresses: Lefty Karropoulos at lkarropoulos@peddlerson.com and Dr. Anastasia Psomiadi at anastasia@sotlglobalmovement.com.





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I am honored to present our first Environmental, Social, and Governance (ESG) Report. Our journey from a small, family-run business to a leading foodservice distribution company has always been guided by our commitment to quality, integrity, and community.

At Peddler's Son, we understand that true success extends beyond financial performance. It includes the positive impact we have on our employees, customers, suppliers, communities, and the environment.

We've made big strides in reducing our environmental impact through waste management, energy efficiency, and cutting emissions. By focusing on recycling and climate change efforts, we are doing our part to protect the planet for future generations.

Our people are our greatest asset. We are committed to creating a safe, inclusive, and supportive work environment that encourages professional growth and well-being. We engage with our community out of a genuine desire to give back, supporting local initiatives and building strong community ties.

Transparency, integrity, and ethical conduct are the foundations of our business. We've put in place strong governance practices to ensure we operate with the highest standards of accountability and transparency. Our commitment to ethical sourcing and supply chain management shows our dedication to responsible business practices.

At Peddler's Son, our passion for creating value for our stakeholders drives our every action.

Ted Palmisano
 Founder & CEO
 Peddler's Son



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This ESG Report marks our transition into a new phase of growth, where sustainability is prioritized at every level of our operations.

Our vision for Peddler's Son is clear: to be a trusted leader in sustainable foodservice, delivering high-quality products with integrity, transparency, and environmental responsibility.

Our mission is to foster a sustainable future by integrating advanced technologies, minimizing our environmental impact, building strong partnerships, engaging stakeholders, and supporting local communities and economies.

In this new era, our dedication to environmental stewardship drives us to implement effective waste management, embrace recycling, and reduce our carbon footprint. Continuous innovation and commitment are essential for a sustainable future. Social responsibility remains core to our mission as we create a safe, inclusive environment for employees and foster strong community relationships. Our governance practices are built on transparency, integrity, and accountability, ensuring alignment with the highest ethical standards.

This report highlights our ongoing efforts and achievements, showcasing our commitment to sustainability and responsible growth. We are excited to take Peddler's Son to the next level, where our focus on sustainable practices will drive long-term value for all our stakeholders.

Together, we are not just building a better company, but a better future.

Joe Palmisano
 Co-Owner & Vice President of Sales
 Peddler's Son



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I am thrilled to share Peddler's Son's journey and commitment to sustainability, transparency, and ethical business practices. Peddler's Son has always embodied the principles of ESG, even before formally recognizing it.

From the beginning, Peddler's Son has operated with an open-minded approach, fostering an environment where kindness and integrity are paramount. The visionary leadership of Ted and Joe Palmisano, along with the dedication of the executives and employees, has created a company culture that truly embraces the spirit of ESG. Their history and evolution are a testament to the fact that sustainability and ethical business practices are not just goals but integral parts of their identity.

Looking ahead, we are dedicated to setting ambitious ESG goals to enhance our social, environmental, and ethical standards. We aim to educate and engage our stakeholders, helping them understand and integrate ESG principles into their methods.

By deepening our knowledge and experience in ESG, we strive to create a sustainable future for everyone involved.

We invite you to leverage our expertise and resources to benefit from our commitment to sustainability.

Dr. Anastasia Psomiadi

Entrepreneur, Sustainability & ESG Expert, Social Innovator

Founder & CEO APSON LLC

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Peddler's Son at a Glance

<p>Company Name Palmisano Brothers Produce Co., Inc. d/b/a Peddler's Son</p>	<p>Operations</p>	
<p>Location Phoenix, AZ</p>	<p>150 Employees</p>	<p>51 trucks</p>
<p>Industry Foodservice distribution</p>	<p>1 Distribution Center</p>	
<p>Products Produce, groceries, provisions, chemicals, and disposables</p>		

Our Services:

We proudly serve a diverse range of clients including mom-and-pop shops, fine dining establishments, the prison system, healthcare facilities, educational institutions from K-12 to universities, restaurants, military and federal agencies, as well as resorts and the hospitality industry. Our commitment is to provide exceptional service and quality products to meet the everyone's unique needs, ensuring satisfaction and excellence across the board.

Partnerships and Affiliations:

International Fresh Produce Association (IFPA), Golbon, Arizona 1st

Our strategic partnerships with the International Fresh Produce Association (IFPA), Golbon, and Arizona 1st are integral to our mission of delivering the highest quality produce to our customers. Collaborating with IFPA allows us to stay at the forefront of industry standards and innovations, ensuring our practices are aligned with the best and latest in fresh produce management.

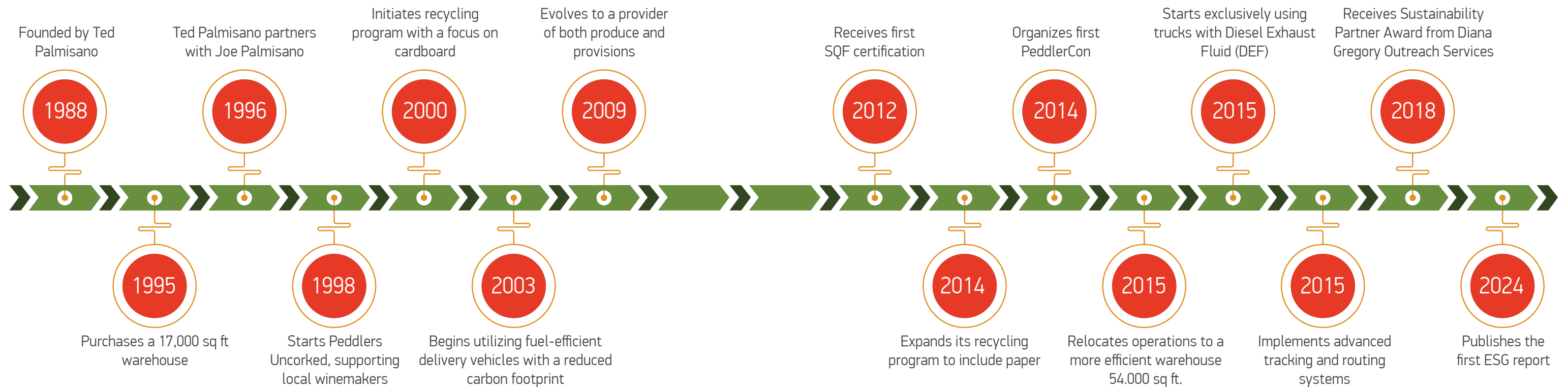
Our alliance with Golbon, a national foodservice buying group, enhances our procurement capabilities, giving us access to a wide range of high-quality products and enabling us to meet diverse customer needs efficiently.

Partnering with Arizona 1st strengthens our local engagement, promoting community-based initiatives and fostering sustainable practices that benefit both the local economy and our operations. These partnerships collectively enhance our ability to provide exceptional value, quality, and service, reinforcing our commitment to excellence and sustainability in the fresh produce industry.

Board Composition and Structure

Peddler's Son's Management Team is composed of a diverse group of individuals with various backgrounds and expertise to ensure comprehensive oversight and strategic direction for the company.

- **CEO:** Ted Palmisano serves as the Chairperson, responsible for leading meetings and ensuring effective governance.
- **VP of Sales:** Joe Palmisano serves as the Vice President of Sales, responsible for the overall sales management and strategic sales direction of the company.
- **COO:** Orlando Andrade serves as the Chief Operating Officer, overseeing operations and ensuring operational sustainability.
- **CBDO:** Lefty Karropoulos serves as the Chief Business Development Officer, overseeing business development and ensuring compliance with industry standards
- **Director of Sales:** Kelley Garvey serves as the Director of sales, overseeing our whole sales team and our partners-customers



Business Model

Creating Shared Value (CSV) at Peddler’s Son

At Peddler’s Son, our strategic philosophy revolves around “Creating Shared Value” (CSV), emphasizing the interdependence between the success of our business and the well-being of the communities we serve. By aligning our operations with CSV principles, we ensure that our activities generate economic, societal, and environmental benefits. Our value chain—encompassing strategy, resources, processes, corporate intentions, and stakeholder interactions—is managed to make sustainability a core part of our company identity.

Our business model is built on quality, integrity, and transparency. We source and deliver fresh produce and provisions for a diverse range of customers, including restaurants, educational institutions, healthcare facilities, government agencies, hospitality businesses, and caterers. By building long-term partnerships and leveraging advanced technology for order tracking and customer outreach, we consistently meet and exceed customer expectations.

We are committed to quality and food safety, upheld by stringent certification processes and our industry best practices. Additionally, we prioritize environmental sustainability through proactive waste management, recycling initiatives, and innovative technology to reduce emissions.

Our dedicated employees are central to our success, and we invest in their growth, well-being, and safety through continuous training and supportive workplace practices.

The annual PeddlerCon food show serves as a cornerstone for stakeholder engagement, fostering collaboration and innovation. This event brings together suppliers, customers, and industry experts to share insights, explore new opportunities, and strengthen community ties.

This holistic approach ensures that as we grow, we also uplift the communities and environment around us, creating a resilient and sustainable future for all.



Our Commitments

Safety

Prioritizing a safe working environment where health, professional development, work-life balance, and fair treatment reflect our core values.

Ethics

Upholding ethical behavior, transparency, integrity, and quality in all business activities.

Corporate Responsibility

Contributing collectively to our company’s success, pursuing transparency, and honoring our commitments.

Environmental Responsibility

Minimizing the environmental impact of our operations and protecting natural resources through proactive waste management, recycling initiatives, and innovative technology to reduce emissions.

Innovation

Continuously improving our expertise through excellence and investing in the development of innovative technologies.

Value

Providing exceptional value to our customers to achieve outstanding results.

Sense of Urgency

Acting with a commitment to quality in our products and services, aligning with customer needs.

Stakeholder Engagement Overview

At Peddler’s Son, we are dedicated to cultivating meaningful relationships and sustainable partnerships with all our stakeholders. Our approach to engagement is built on transparency, integrity, reliability, responsiveness, and reciprocity.

Below is a detailed overview of our key stakeholder groups, their interests, the strategies we employ to engage with them, and the SDGs that align with these efforts.

Stakeholder Engagement Matrix

Key Stakeholder Group	Stakeholder Interests	Engagement Methods	Aligned SDGs
Customers	Service quality, product quality, sustainability initiatives, health and safety standards, environmental impact	Feedback forms, customer service interactions, dedicated account managers, newsletters, webinars, training	SDG 3 (Good Health and Well-being), SDG 12 (Responsible Consumption and Production)
Employees	Professional development, workplace safety, work-life balance, environmental training	Training sessions, employee surveys, wellness programs, webinars, training, meetings	SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)
Suppliers and Partners	Ethical sourcing, supply chain transparency, innovation, sustainability practices, environmental standards	Regular meetings, supplier assessments, strategic partnerships, webinars, online training, online meetings	SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 17 (Partnerships for the Goals)
Local Communities	Community development, social initiatives, environmental conservation, education and health, local environmental projects	Community outreach programs, sponsorship of local events, volunteer initiatives, and partnerships with local organizations	SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action)
Regulatory Bodies and Industry Associations	Regulatory compliance, industry best practices, advocacy for sustainable policies	Compliance reports, industry conferences, policy advocacy	SDG 16 (Peace, Justice, and Strong Institutions), SDG 17 (Partnerships for the Goals)



Case Study: PeddlerCon – A Best Practice in Stakeholder Engagement

PeddlerCon: A Hub for Stakeholder Engagement

PeddlerCon stands out as a premier example of effective stakeholder engagement. This annual event serves as a dynamic platform connecting a diverse array of stakeholders, including suppliers, local farmers, customers, media, industry associations, employees, potential clients, community leaders, local government representatives, academic institutions, and even the stakeholders of our stakeholders. By facilitating meaningful interactions and collaborations, PeddlerCon drives sustainable development and strengthens our relationships throughout our industry.

Engagement Highlights:

- Suppliers and Local Farmers:** PeddlerCon provides an opportunity for suppliers and local farmers to showcase their products and practices, fostering direct connections with end-users and enhancing supply chain transparency and trust.

Aligned SDGs: SDG 2 (Zero Hunger), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production)
- Customers:** Through interactive sessions and product demonstrations, customers gain insights into the quality and sustainability of the products they purchase, reinforcing their trust and satisfaction.

Aligned SDGs: SDG 3 (Good Health and Well-being), SDG 12 (Responsible Consumption and Production)
- Media and Industry Associations:** PeddlerCon attracts media attention and participation from industry associations, amplifying our sustainability initiatives and positioning Peddler's Son as a leader in the foodservice distribution sector.

Aligned SDGs: SDG 9 (Industry, Innovation, and Infrastructure), SDG 17 (Partnerships for the Goals)
- Employees:** The event engages employees by involving them in the planning and execution, offering professional development opportunities, and fostering a sense of pride and belonging.

Aligned SDGs: SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)
- Potential Clients:** By showcasing our commitment to quality, sustainability, and community engagement, PeddlerCon helps attract potential clients and partners.

Aligned SDGs: SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities)
- Community Leaders and Local Government Representatives:** Local leaders and government officials gain insights into our sustainable practices and community contributions, fostering public-private partnerships and regional development.

Aligned SDGs: SDG 11 (Sustainable Cities and Communities), SDG 16 (Peace, Justice, and Strong Institutions), SDG 17 (Partnerships for the Goals)
- Academic Institutions:** Universities and research organizations participate to share knowledge, collaborate on sustainability projects, and explore innovative solutions in foodservice distribution.

Aligned SDGs: SDG 4 (Quality Education), SDG 9 (Industry, Innovation, and Infrastructure)
- Community and Stakeholders of Stakeholders:** PeddlerCon extends its reach to the broader community and the stakeholders of our stakeholders, promoting social well-being and environmental stewardship.

Aligned SDGs: SDG 3 (Good Health and Well-being), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), SDG 17 (Partnerships for the Goals)
- Local Development Practice:** PeddlerCon significantly contributes to local economic development by attracting attendees from all over the country to Phoenix. This influx of visitors boosts local businesses, including hotels, restaurants, and retail establishments, and highlights Phoenix as a hub for sustainability and innovation in foodservice distribution.

Aligned SDGs: SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities)



Event Features:

- Informative Sessions:** Expert-led discussions on sustainability practices, industry trends, and innovative solutions in foodservice distribution.

Aligned SDGs: SDG 4 (Quality Education), SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production)
- Networking Opportunities:** Facilitated networking sessions that enable stakeholders to build valuable connections and explore collaborative opportunities.

Aligned SDGs: SDG 17 (Partnerships for the Goals)
- Product Showcases:** Exhibitions highlighting the latest products, technologies, and sustainable practices from our suppliers and partners.

Aligned SDGs: SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production)

By bringing together these varied groups, PeddlerCon not only strengthens our direct relationships but also enhances our collective impact on the local economy and the broader community. This event exemplifies our commitment to transparency, collaboration, and sustainability, making it a cornerstone of our stakeholder engagement strategy.



Our Approach to ESG

Sustainable Development is fully integrated into Peddler’s Son’s strategy, supporting the local economy. We set goals related to Sustainable Development that are embedded in our operations, recognizing that long-term business growth and social welfare can only be achieved through sustainable practices. We focus on waste management and recycling and invest in new technologies to reduce our company’s environmental impact. Concurrently, we ensure a safe and fair work environment and financially support social initiatives and local communities in need. Peddler’s Son systematically organizes its ESG actions, focusing on economic growth (Profit), environmental stewardship (Planet), and social well-being (People).

Our Key ESG Strategies

Optimizing Corporate Governance

- **Transparency in Governance Structures and Operations:** Ensuring clarity and openness in the company’s governance and operational frameworks.
- **Merit-Based Evaluation and Selection Processes:** Implementing fair and objective procedures for assessing and selecting partners and suppliers.
- **Systematic Stakeholder Information:** Providing regular and thorough information to all stakeholders.
- **Adoption of Sustainable Practices within the Value Chain:** Integrating sustainable methods and principles throughout the entire value chain.

Adopting Excellent Labor Practices

- **Developing a Culture of Excellence:** Fostering a culture that promotes organizational excellence and distinguishes us in the marketplace.
- **Employee Training and Development:** Offering continuous training and development opportunities to enhance employee skills and career growth.
- **Health and Safety:** Ensuring a safe and healthy work environment through rigorous safety protocols and health initiatives.
- **Work-Life Balance:** Encouraging practices that support a healthy work-life balance, contributing to employee well-being and productivity.

Aligning Business Goals with Social Progress

- **Effective Customer Service:** Providing reliable and attentive service to customers both before and after the sale is complete.
- **Supporting Local Communities:** Engaging in synergies and actions with local communities to foster progress and social cohesion.

Environmental Protection and Climate Action

- **Improving Environmental Performance:** Developing strategies to enhance environmental performance and reduce our operational environmental footprint.
- **Effective Waste Management:** Implementing comprehensive waste management practices to minimize waste and promote recycling.
- **Climate Change Actions:** Taking proactive steps to mitigate climate change impacts through emission reduction and sustainable practices.
- **Transforming Supply Chain into Value Chain:** Enhancing our supply chain processes to create added value at every stage, ensuring sustainability, efficiency, and social responsibility throughout the entire supply chain.

Sustainability Committee

All Peddler’s Son executives form a sustainability committee that meets bi-weekly.

This committee, under the guidance of Dr. Anastasia Psomiadi, is dedicated to overseeing the company’s sustainability initiatives and ESG (Environmental, Social, and Governance) strategies. It ensures that sustainability goals are integrated into our company’s operations.

Materiality Matrix

To ensure that our sustainability efforts align with the priorities of our stakeholders and our business objectives, we conducted a thorough materiality assessment. The following materiality matrix highlights the key ESG issues identified through our engagement process and their alignment with the Sustainable Development Goals (SDGs).

Environmental Issues

ESG Issue	Impact on Business	Stakeholder Concern	Aligned SDGs
Waste Management	High	High	SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action)
Energy Use and Emissions	High	High	SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action)
Emission Reduction and Climate Change	High	High	SDG 13 (Climate Action)
Climate Change Mitigation	High	High	SDG 13 (Climate Action)

Social Issues

ESG Issue	Impact on Business	Stakeholder Concern	Aligned SDGs
Employee Health and Safety	High	High	SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth)
Community Engagement	Medium	High	SDG 11 (Sustainable Cities and Communities), SDG 17 (Partnerships for the Goals)
Employee Well-being	High	High	SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth)
Food Safety and Quality	High	High	SDG 3 (Good Health and Well-being), SDG 12 (Responsible Consumption and Production)
Customer Satisfaction	High	High	SDG 3 (Good Health and Well-being), SDG 12 (Responsible Consumption and Production)

Governance Issues

ESG Issue	Impact on Business	Stakeholder Concern	Aligned SDGs
Business Ethics and Transparency	High	High	SDG 16 (Peace, Justice, and Strong Institutions)
Supply Chain Management	High	Medium	SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 17 (Partnerships for the Goals)

Innovation and Technology

ESG Issue	Impact on Business	Stakeholder Concern	Aligned SDGs
Innovation and Technology	High	High	SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production)
Digital Transformation	High	High	SDG 9 (Industry, Innovation, and Infrastructure)
Research and Development	High	High	SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production)
Technological Advancements in Sustainability	High	High	SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action)



A close-up photograph of a person's hands holding a small, vibrant green seedling with soil. The person is wearing a blue t-shirt. The background is softly blurred, showing more of the person's torso and arms. A semi-transparent green banner is overlaid across the middle of the image, containing the text.

OUR ENVIRONMENTAL FOOTPRINT

Greenhouse Gas Emissions Strategy



Our Approach

At Peddler's Son, we are committed to reducing our environmental impact through a comprehensive strategy that addresses greenhouse gas emissions across all aspects of our operations.

- **Board Oversight:** Our Executive team at Peddler's Son oversees environmental and climate-related issues through regular meetings, dedicated committees, and specific roles focusing on sustainability.
- **Fleet Management:** Peddler's Son operates a fleet of 50 trucks, leveraging advanced systems like Samsara and Dispatch Track to enhance routing efficiency, track vehicles, and reduce diesel consumption.
- **Fuel Monitoring:** We partner with a mobile refueling company to meticulously monitor and manage fuel usage, ensuring sustainable and environmentally friendly operations.
- **Sustainable Sourcing:** We prioritize suppliers based on their commitment to sustainability and local sourcing. We buy 60% of our products from farms within 170 miles to reduce transportation emissions and support local economies.
- **Energy Efficiency Initiatives:** We have implemented energy-efficient lighting and equipment in our facilities to reduce energy consumption and our overall carbon footprint.

Our Performance

Scope 1 GHG Emissions

- **Diesel Fuel Consumption:** 89,790 gallons
- **Gasoline Consumption:** 0 gallons
- **DEF Consumption:** 8,055 gallons
- **Total Distance Traveled by Company Vehicles:** 900,000 miles
- **Total Scope 1 GHG Emissions:** 916.67 metric tons CO₂e

Scope 2 GHG Emissions

- **Total Electricity Consumption:** 1,540,800 kWh
- **Total Scope 2 GHG Emissions:** 660.84 metric tons CO₂e

Scope 3 GHG Emissions

1. Packaging:

- All our product packaging is Recyclable

2. Waste Generated in Operations:

- **Total Waste Generated:** 542 tons
- **Types of Waste:** Non-hazardous food waste (395.66 tons), recyclable cardboard (146.34 tons)
- **Disposal Methods:** Landfill (73%), Recycling (27%)
- **Total Scope 3 Emissions:** 183,049.918 kg CO₂e

- Note on Scope 3 Emissions Calculation

The calculation of Scope 3 emissions is a complex process that involves multiple variables and data from various sources. While we have used the best available data and methodologies to estimate our emissions, we are continuously working to enhance the accuracy of our emissions reporting through improved data collection, supplier engagement, and adoption of advanced methodologies.

Looking Ahead

Reduce Carbon Footprint:

- Peddler's Son aims to reduce its carbon footprint by 15% by 2025. This involves decreasing greenhouse gas emissions from our operations, including energy use and transportation.

Fleet Management and Fuel Efficiency:

- Achieve a 5% reduction in diesel consumption per mile by 2025 through optimized routes and implementing customer training focused on efficient ordering and driver training programs focused on eco-driving techniques.

Sustainable Sourcing:

- Our goal is to source 50% of our products from suppliers who follow sustainable farming practices by 2025. This includes purchasing from local farms to reduce transportation emissions.

Waste Management:

- We aim to reduce waste generated during production and distribution by 25% by implementing better waste management practices and increasing recycling efforts.
- Reduce waste to landfill by 10% by 2025 by enhancing recycling programs, increasing composting efforts, and exploring partnerships with waste-to-energy facilities.

GHG Emissions Reduction:

- Achieve a 15% reduction in overall GHG emissions by 2025, with specific targets for Scope 1, Scope 2, and Scope 3 emissions.
- Investigate carbon offset projects and set a goal to offset 20% of remaining emissions by 2025, with a long-term aim to achieve carbon neutrality by 2035.



Environmental Risks and Mitigation Strategies



Primary environmental risks



Water Scarcity

Water scarcity in regions where our suppliers are located, which can lead to reduced agricultural yields and impact the availability of certain products.



Pesticide and Chemical Use

Environmental and health risks from the use of pesticides and chemicals in farming practices by some suppliers.



Transportation Emissions

The environmental impact of transportation emissions from delivering products from suppliers to our warehouse and then to customers.

Our Approach

At Peddler's Son, we mitigate environmental risks and enhance sustainability through a comprehensive strategy that encompasses supplier diversity, sustainable farming practices, and efficient logistics. By adopting these measures, we aim to minimize our environmental footprint and ensure a stable, sustainable supply chain.

- **Supporting Sustainable Practices:** We encourage and support our suppliers in adopting sustainable farming practices, such as reducing pesticide use and implementing water conservation techniques.
- **Efficient Logistics:** We optimize our transportation routes and methods to minimize emissions and reduce the environmental impact of product delivery.

Our Performance

We have identified opportunities to improve environmental sustainability in food distribution and sourcing, and we have adopted innovations in all areas of our operations:

- **Optimized Transportation Routes:** We reduced fuel consumption and emissions by 20% through optimized transportation routes.
- **Local Sourcing:** We prioritize sourcing products from local suppliers to reduce transportation distances.
- **Waste Reduction Initiatives:** We have implemented programs to reduce waste in our operations, including recycling and composting organic waste. We recycled 27% of our waste.
- **Energy-Efficient Practices:** We upgraded facilities with energy-efficient lighting and equipment, achieving a 25% reduction in energy consumption.



Looking Ahead

- **Customer-Focused Emission Reduction Strategy:** Engage customers in our GHG emission reduction strategy by 2025, providing them with tools and resources to track and reduce their own emissions
- **Stakeholders Informative Gatherings & training programs:** Organize quarterly informative sessions and webinars for our stakeholders to educate them on our sustainability initiatives and how they can support these efforts by making eco-friendly decisions.
- **"Sustainable Customer Award":** Starting in 2025, during PeddlerCon, which will include exclusive guidance and resources, support, and recognition to clients who commit to sustainable practices and purchasing decisions.
- **Sustainability Audits:** Provide personalized feedback and action plans for suppliers, supporting their journey toward more sustainable practices.
- **Increase Local Procurement:** Increase the percentage of products sourced from local suppliers further reducing transportation emissions and supporting local economies.
- **Grow our "Local Supplier Network" by 2025,** facilitate knowledge sharing and collaboration among local suppliers, promoting best practices in sustainable sourcing.
- **Customer Sustainability Education:** Create a series of educational materials, including videos, brochures, and blog posts, highlighting the benefits of sustainable food sourcing and distribution.



OUR SOCIAL IMPACT



Employee Well-being and Job Satisfaction



Our Approach

At Peddler’s Son, our commitment to our employees’ well-being and job satisfaction is evident through a variety of initiatives and practices designed to foster a supportive and engaging work environment.

Employee Engagement Initiatives:

- We run various engagement initiatives such as team-building activities, employee recognition programs, and regular feedback sessions to ensure our employees feel valued and heard.
- We celebrate monthly birthdays and anniversaries in each department with events like pizza parties, annual parties, and holiday parties.

Professional Growth:

- We invest in our employees’ professional growth through training programs, workshops, and opportunities for career advancement within the company.

Open Communication:

- We maintain an open communication culture where employees can freely share their ideas and concerns with management, fostering a supportive and collaborative work environment.
- All staff can email or message through payroll for any queries or concerns.

Employee Purchasing Program:

- We currently have an employee purchasing program, where employees can purchase any product, at cost.

Flexibility and Fairness:

- We always strive for a win/win in each situation, being flexible and fair to do what is best for everyone.
- Peddler’s Son believes in helping employees balance their work and personal lives.

Positive Communication:

- We post and email positive messages, articles, and quotes to motivate our team.

Safety and Work Environment:

- Peddler’s Son ensures a safe and positive work environment by adhering to strict safety protocols and promoting a culture of respect.
- We always put safety first, creating a safe environment through regular reminders and training sessions during group meetings, emails, and articles.

Our Performance

- **High Retention Rate:** We are proud to have a high employee retention rate. This longevity is a testament to our supportive work environment and the satisfaction of our team members.
- **Special Moments Celebration:** At Peddler’s Son, we believe in celebrating our employees not just for their hard work, but also for their special moments. By honoring each employee’s birthday and work anniversary, we foster a culture of appreciation and recognition, ensuring everyone feels valued and part of our family. These celebrations are a testament to our commitment to creating a positive workplace where every milestone is cherished.
- **Recognition Programs:** Our “Employee Shoutouts” and milestone celebrations acknowledge and motivate our team members, fostering a culture of appreciation and excellence.
- **Enhanced Communication:** The screens improve communication and collaboration by providing real-time updates and a platform for information sharing.



Creating a Super-Friendly Work Environment at Peddler’s Son

Our HR department at Peddler’s Son is dedicated to fostering a supportive, engaging, and growth-oriented work environment through innovative initiatives, personalized engagement, and comprehensive recognition programs, all contributing to our high employee retention rate and overall job satisfaction.

Interactive Screens: We have installed interactive screens in all corridors and waiting rooms to foster a sense of community and continuous engagement. These screens display:

- **Tips and Knowledge Sharing:** Health, wellness, productivity, and other relevant topics.
- **Celebrating Milestones:** Personal milestones like birthdays and work anniversaries.
- **Employee of the Month:** Recognizing outstanding achievements.
- **Invitations and Announcements:** Keeping everyone informed about events and important news.
- **Rewards and Recognitions:** Announcing internal award recipients.
- **Charity Participation:** Celebrating involvement in charitable activities.
- **Bonding Activities:** Promoting team-building activities.

Personalized Engagement: We tailor messages and announcements to create a personalized experience, ensuring every employee feels valued and connected to our company’s culture.

Looking Ahead

- **Advanced Training:** Launch specialized leadership programs, and training programs on systems literacy and sustainability.
- **Enhance Team Collaboration:** Organize monthly team-building activities with at least 75% employee participation.

Family Support and Empathy



Our Approach

At Peddler's Son, we are dedicated to creating a supportive and empathetic workplace where our employees and their families feel valued.

- **Emergency Financial Assistance:** Peddler's Son offers emergency financial assistance to employees facing unexpected hardships, such as medical emergencies or family crises. Over the past year, we have supported multiple employees with financial aid, vacation payouts, and loans or advances to help them navigate today's challenging economy.
- **Flexible Leave Policies:** Our flexible leave policies allow employees to take time off for family emergencies, illnesses, or other personal matters without the fear of losing their job. This policy has provided vital support to many employees during difficult times.
- **Supportive Work Environment:** Peddler's Son fosters a supportive work environment where managers and colleagues are encouraged to offer help and understanding to employees going through tough times. We have seen numerous instances of peer support and compassion within our team.
- **Regular Check-ins:** Managers at Peddler's Son conduct regular check-ins with their team members to ensure they feel supported and to identify any potential issues early. This proactive approach enables employees to handle personal challenges more efficiently.
- **Community Resources:** While we strive to provide as much help internally as possible, we also maintain a list of community resources to direct employees to additional support.

Our Performance

- **Emergency Financial Assistance:** Supported multiple employees with financial aid, vacation payouts, and loans or advances over the past year.
- **Flexible Leave Policies:** Offered vital support to many employees during difficult times.
- **Supportive Work Environment:** Numerous instances of peer support and compassion within our team, including financial collections, food offerings for funerals, and sending out cards.
- **Regular Check-ins:** Managers conduct regular check-ins to provide support and address issues early.

Looking Ahead

- **Family Support Initiatives:** Develop family support programs to include wellness activities and resources, promoting family health and well-being.
- **Community Engagement:** Increase local community involvement through partnerships and service projects, fostering a stronger community connection.
- **Career Development:** Create clear career pathways with mentorship programs and continuous learning opportunities to support employee growth.
- **Employee Recognition:** Enhance recognition programs with new awards and events to celebrate achievements and contributions.

Fair Labor Practices and Human Rights



Our Approach

At Peddler's Son, we are dedicated to maintaining the highest standards of fair labor practices and human rights across our supply chain.

Supplier Code of Conduct:

- Peddler's Son has a strict Supplier Code of Conduct that all suppliers must adhere to, ensuring fair labor practices and respect for human rights.

Regular Supplier Audits:

- We conduct regular audits of our suppliers to ensure they comply with our fair labor and human rights standards. In the past year, we have conducted '3' supplier audits.

Non-Compliance Monitoring:

- We closely monitor any non-compliance incidents and work with suppliers to correct them.

Training for Suppliers:

- We provide training and resources for our suppliers to help them understand and implement fair labor practices and human rights standards.

Partnership with Ethical Organizations:

- Peddler's Son partners with ethical trade organizations to ensure our supply chain upholds the highest standards of fair labor practices and human rights.

Transparent Reporting:

- We maintain transparency in our supply chain practices by always keeping records of our audits, non-compliance incidents, and corrective actions taken.

Our Performance

Regular Supplier Audits:

- In the past year, we have conducted '3' supplier audits.

Non-Compliance Monitoring:

- In the past year, we identified '0' non-compliance incidents and took corrective actions.

Transparent Reporting:

- Last year, we resolved '0' corrective actions.

Looking Ahead

- **Increase Supplier Audits:** Expand our supplier audits annually to ensure compliance with fair labor and human rights standards.
- **Strengthen Partnerships:** Explore partnerships with additional ethical trade organizations to further uphold high standards in our supply chain.
- **Zero Tolerance for Non-Compliance:** Aim for zero non-compliance incidents through proactive monitoring and supplier engagement.
- **Develop Code of Ethics:** Create and implement a comprehensive Code of Ethics to guide all business practices and supplier interactions.

Community Engagement and Development



Our Approach

At Peddler's Son, we are committed to making a positive impact in the communities we serve through various initiatives and partnerships.

Charitable Contributions:

- Peddler's Son regularly donates to local charities and non-profit organizations, supporting causes such as education, healthcare, and community development.

Partnerships with Local Organizations:

- We partner with local organizations and NGOs to support community initiatives. For example, we work closely with associations that support veterans, local farmers, and underprivileged communities.

Support for Local Farmers:

- Peddler's Son supports local farmers by sourcing produce directly from them, ensuring fair prices and promoting sustainable farming practices.

Volunteer Programs:

- Our employees volunteer their time to support community projects, such as food drives, community clean-ups, and mentoring programs.

Initiatives for Veterans:

- We actively support veterans through various initiatives, including hiring programs, donations to veteran organizations, and participation in events that honor their service.

Educational Programs:

- Peddler's Son funds and participates in educational programs for local schools and communities, providing resources and support to improve educational outcomes.

Community Support During Emergencies:

- During times of crisis, such as natural disasters, we provide immediate support to affected communities through donations of goods, and volunteer efforts.

Environmental Initiatives:

- We engage in environmental initiatives, such as tree planting and sustainability workshops, to promote environmental awareness and conservation within the community.

Local Event Sponsorship:

- We sponsor local events and festivals, contributing to the cultural and social vitality of our community.

Delivery to Isolated Communities:

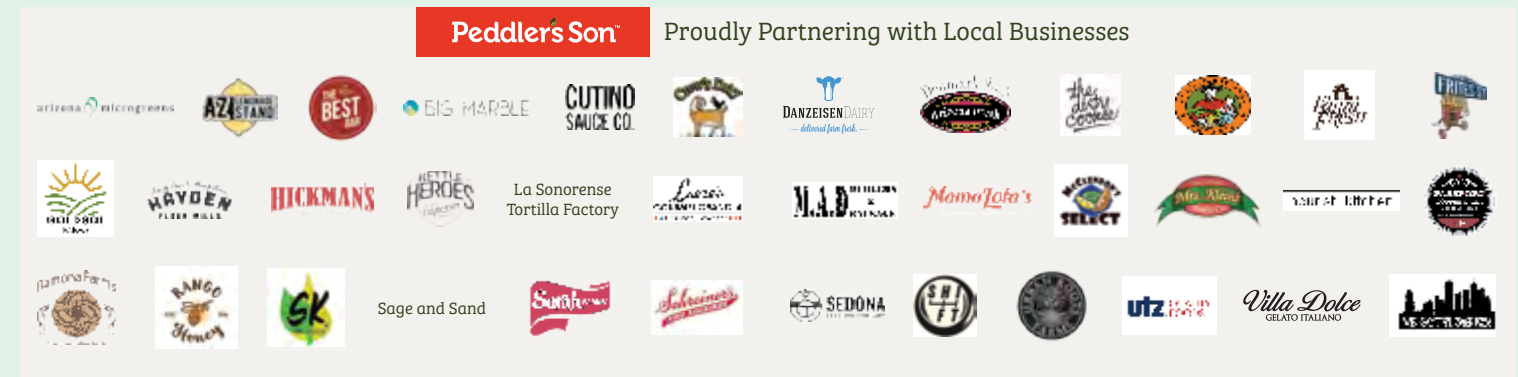
- Peddler's Son goes the extra mile to deliver products to isolated and underserved communities, ensuring they have access to essential goods and fresh produce."

PeddlerCon

- We organize PeddlerCon, a major annual event which serves as a comprehensive gathering for industry professionals, customers, and partners."

Peddler's Uncorked:

- Peddler's Uncorked is an exclusive ordering platform dedicated to offering the finest winegrapes sourced from top vineyards.



Our Performance

Charitable Contributions and local event sponsorships:

- Over the past year, Peddler's Son has made substantial contributions to various charitable causes, donating products and funds totaling over \$800,000.

Partnerships with Organizations:

- We have proudly collaborated with associations supporting veterans and underprivileged communities, including St. Mary's Food Bank, Phoenix Children's Hospital, the Pat Tillman Foundation (Pat's Run), Dianna Gregory Outreach, Activate Food AZ, Childhelp and others. Through these partnerships, we strive to make a meaningful impact, providing resources and support to those in need.

Support for Local Farmers:

- Our commitment to supporting local businesses and farmers has strengthened the local economy and also helped us foster valuable relationships within the community.

Delivery to Isolated Communities:

- Peddler's Son reaches isolated areas that other distributors won't, bridging gaps in food accessibility and supporting the community.

Recognitions and Awards

- We have been recognized as a 2023 Hunger Hero by St. Mary's Food Bank for the tenth consecutive year. Additionally, we have received numerous awards for our contributions to social issues from various organizations.

Looking Ahead

Expand Volunteer Programs:

- Increase employee participation in community projects, including mentorship programs and environmental clean-up events.

Strengthen Local Partnerships:

- Forge new collaborations with local organizations to support underprivileged communities and promote sustainable practices.

Increase Charitable Contributions:

- Allocate more funds to local charities, focusing on education, healthcare, and community development.

Support Education in Arizona

- Build a relationship with Educational Institutions in Arizona and help create future leaders in the Grand Canyon state.

Training and Development Opportunities



Our Approach

We prioritize continuous growth and development for our employees through comprehensive training and development opportunities.

In-house Training Programs:

- Peddler's Son offers a range of in-house training programs to enhance employees' skills and knowledge. These programs include workshops on leadership, communication, and technical skills. Each employee could participate in numerous programs each year.

External Training and Certifications:

- We support employees in pursuing external training and certifications relevant to their roles, therefore enhancing their expertise and contributing to their career growth.

Online Learning Platforms:

- Employees have access to online learning platforms where they can take courses on a variety of topics, from business management to personal development.

Mentorship Programs:

- Peddler's Son has a mentorship program that pairs experienced employees with newer team members to provide guidance, support, and career advice.

Career Development Workshops:

- We organize career development workshops focused on topics such as resume building, interview skills, and career planning.

Leadership Development Programs:

- To prepare our future leaders, we offer a leadership development program that includes training in management skills, strategic thinking, and decision-making.

Performance Reviews and Skill Assessments:

- Regular performance reviews and skill assessments are conducted to identify areas for improvement and development. Based on these assessments, personalized training plans are created for each employee.

Support for Continued Education:

- Peddler's Son provides financial assistance for employees who wish to continue their education. This includes support for degree programs, professional courses, and industry conferences.



Our Performance

In-house Training Programs:

- Each employee participated in in-house training programs last year, covering leadership, communication, and technical skills.

Career Development Workshops:

- Our career development workshops had a participation rate of 75%, with 90% of attendees providing positive feedback on the resume building, interview skills, and career planning sessions.

Performance Reviews and Skill Assessments:

- Conducted performance reviews and skill assessments for all employees.

Looking Ahead

Mentorship Programs:

- Expand the mentorship program and successfully pair experienced employees with newer team members, helping them advance their careers within the company.

Leadership Development Programs:

- Create a leadership development program, which will include intensive training in management skills, strategic thinking, and decision-making for our employees.

Product Quality and Safety



Our Approach

We are devoted to ensuring the highest standards of product quality and safety to safeguard the well-being of our customers.

- **Strict Supplier Standards:** Peddler’s Son enforces strict standards for all suppliers to ensure they meet our quality and safety requirements. Suppliers must adhere to these standards before their products are accepted.
- **Regular Quality Control Audits:** We conduct regular quality control audits to ensure that all products meet our stringent quality and safety criteria.
- **Supplier Certifications:** All our suppliers are required to have relevant certifications, such as USDA Organic, Global GAP, and FDA compliance, to ensure they meet high standards of quality and safety.
- **In-house Testing:** We perform in-house testing on incoming products to verify their quality and safety. This includes checking for contaminants and ensuring proper labeling.
- **Traceability Systems:** Peddler’s Son uses advanced traceability systems to track products from supplier to customer. This allows us to quickly identify and address any issues that may arise.
- **Product Recall Procedures:** We have a robust product-recall procedure in place to quickly and effectively remove any unsafe products from the market.
- **Employee Training:** Our employees undergo regular training in quality control and food safety practices to ensure they are equipped to maintain our high standards. We provide training during onboarding and orientations, conduct annual safety training meetings, and offer department-specific and group training sessions. Safety is included in daily meetings.
- **Customer Feedback:** We actively collect and analyze customer feedback to continuously improve product quality and safety. This feedback is used to make necessary adjustments and improvements.
- **Third-party Audits:** In addition to our internal audits, we engage third-party auditors to conduct independent reviews of our quality and safety processes. This ensures an unbiased assessment and helps us maintain high standards.
- **Food Safety Management Systems:** We have implemented comprehensive food safety management systems, such as HACCP (Hazard Analysis and Critical Control Points), to systematically identify, evaluate, and control food safety hazards.
- **Partnerships with Industry Experts:** Peddler’s Son collaborates with industry experts and organizations to stay updated on best practices and regulatory changes in food safety and quality. This ensures we are always at the forefront of industry standards.

Our Performance

- **Regular Quality Control Audits:** Over the past year, we have successfully completed multiple internal quality control audits, achieving compliance rates ranging from 96 to 100%.
- **Product Recall Procedures:** Over the past year, we have conducted multiple mock and real-time product recalls, all resolved promptly and efficiently.
- **Customer Feedback:** Over the past year, we have received numerous feedback submissions and addressed every issue raised.
- **Employee Training:** Our employees have completed 20 hours of training in product quality and safety over the past year, ensuring they are well-equipped to maintain our high standards.

Looking Ahead

Strict Supplier Standards:

- Integrate sustainability and ethical standards into supplier evaluations by Q4 2025.
- Conduct bi-annual supplier audits starting in 2025.

Product Recall Procedures:

- Continue conducting quarterly mock recalls.
- Develop and implement a customer notification system for recalls by Q1 2025.

Employee Training:

- Increase annual training to 50 hours per employee by 2024.
- Introduce training modules on the latest food safety technologies by Q3 2024.

Partnerships with Industry Experts:

- Form more partnerships with leading food safety organizations.
- Participate in at least two industry conferences annually starting in 2024.

A hand holding a globe of the Earth against a starry space background. The globe is the central focus, showing continents and oceans. The hand is positioned as if cradling the globe. The background is a dark, starry space.

CORPORATE GOVERNANCE

Risk Management



Our Approach

We have a comprehensive risk management process to identify, assess, and manage various risks, including financial, operational, and reputational risks.

- **Identification:** The company conducts regular risk assessments to identify potential risks across all areas of operation, including delays in product receiving, traffic and delivery delays, bad weather, product quality issues, and the implementation of new systems requiring changes in operations, procurement methods, and warehouse setup to comply with all regulations, including the upcoming FSMA 204.
- **Assessment:** Once identified, risks are assessed based on their potential impact and likelihood. This involves both qualitative and quantitative analysis.
- **Management:** For each identified risk, Peddler's Son develops and implements mitigation strategies. This includes setting up internal controls, developing contingency plans, and conducting regular audits.
 - **Operational Risks:** Strategies include diversifying suppliers, using real-time traffic monitoring systems, routing systems, implementing robust quality control processes, having backup suppliers for weather-related disruptions, and adapting operations and procurement methods to the new system requirements.
 - **Technology Risks:** Implementing new software systems, training employees, and modifying warehouse setups to ensure compliance with all regulations, and conducting regular system audits to prevent cybersecurity threats.
- **Monitoring:** The company continuously monitors risks and reviews risk management strategies to ensure they remain effective and up-to-date.

Our Performance

- **Operational Disruptions:** Reduced by 15% over the past year.
- **Regulatory Compliance Rate:** 94% in the most recent audit.
- **Cybersecurity Incidents:** Zero significant incidents reported in the past year.
- **Stakeholder Feedback:** Positive feedback from 97% of stakeholders questioned.

Looking Ahead

- **Predictive Analytics:** Implement AI tools for early risk detection.
- **Robust Contingency Plans:** Enhance supplier diversity and inventory management.
- **Technological Upgrades:** Strengthen cybersecurity and compliance measures.
- **Employee Training:** Ongoing risk management training programs.
- **Sustainability Focus:** Integrate environmental and social risks.
- **Stakeholder Engagement:** Improve communication for 100% positive feedback.



Ethical Business Practices and Anti-Corruption



Our Approach

We uphold ethical business practices, comply with laws, and prevent corruption through a robust framework of policies and procedures.

- **Code of Ethics:** The company has a comprehensive Code of Ethics that outlines the expected standards of behavior for all employees. It covers areas such as honesty, integrity, and fairness in all business dealings.
- **Compliance Programs:** Peddler's Son has established compliance programs to ensure adherence to legal and regulatory requirements. These programs include regular training sessions and audits to monitor compliance.
- **Anti-Corruption Policies:** We enforce anti-corruption policies that strictly prohibit any corrupt practices. Employees are regularly trained to understand and comply with these policies.
- **Reporting Mechanisms:** We provide secure and anonymous channels for employees to report any unethical behavior. All reports are investigated thoroughly, and appropriate disciplinary actions are taken.

Our Performance

- **Number of Ethics Training Sessions:** 2 per year
- **Compliance Audit Results:** 100% compliance in the most recent audit
- **Incidents of Non-Compliance:** Zero incidents reported in the past year
- **Anti-Corruption Training Participation Rates:** 95% of employees completed training

Looking Ahead

- **Increase Training Frequency:** Add more ethics and anti-corruption sessions.
- **Enhance Reporting:** Introduce new secure, anonymous reporting channels.
- **Quarterly Audits:** Conduct compliance reviews every quarter.

Certifications and Auditing



Our Approach

We implement the highest standards of quality, safety, and sustainability, following global and local demands for quality.

- **Quality Certifications:** Peddler's Son always operates under ISO 9001, which ensures that our quality management systems meet international standards.
- **Safety Certifications:** We hold a GFSI certification, demonstrating our commitment to maintaining a safe and healthy workplace.

Auditing Processes:

- **Internal Audits:** We conduct regular internal audits to ensure compliance with our certifications. These audits are performed by our trained internal auditors who review processes, documentation, and practices.
- **External Audits:** In addition to internal audits, we undergo external audits by accredited certification bodies. These audits are conducted annually to verify our compliance with the standards.
- **Continuous Improvement:** Findings from both internal and external audits are used to drive continuous improvement. We implement corrective actions and monitor their effectiveness to ensure ongoing compliance.
- **Training and Awareness:** We provide regular training for our employees on the importance of compliance and the specifics of our certifications. This helps maintain a high level of awareness and adherence to our standards.

Our Performance

- **Number of Internal Audits Conducted:** 4 per year
- **Number of External Audits Conducted:** 1 per year
- **Compliance Rate:** 96% compliance in the last audit cycle
- **Corrective Actions Implemented:** All identified issues from audits have been addressed and resolved

Looking Ahead

- **New Certifications:** We aim to obtain additional quality and safety certifications.
- **Enhanced Training:** We will offer more advanced compliance training for employees.
- **More Audits:** We plan to increase the number of internal audits.
- **Tech Integration:** We are exploring advanced auditing technologies.
- **Stakeholder Feedback:** We will engage stakeholders to refine our processes.



Cybersecurity



Our Approach

We manage cybersecurity through several key practices:

- **Cybersecurity Policies:** We have strict policies in place to protect our data. These include rules for data access, password protection, and regular updates.
- **Security Measures:** We use advanced security software and firewalls (Sophos) to guard against cyber threats. Regular system updates and patches are applied to prevent vulnerabilities.
- **Employee Training:** Our employees receive regular training on cybersecurity best practices, including how to recognize phishing attempts and secure their devices.
- **Incident Response:** We have a dedicated team to handle cybersecurity incidents. They can act quickly to address any breaches and minimize damage.

Our Performance

- **Number of Cybersecurity Incidents:** No incidents in the past year
- **Investment in Cybersecurity Infrastructure:** Increased by 20% over the past year

Looking Ahead

- Enhance employee training on the latest cybersecurity threats.
- Stay up to date with advanced security technologies.
- Implement a comprehensive cybersecurity risk assessment.

Customer Service and Customer-Focused Strategy



Our Approach

We provide excellent customer service and maintain a customer-focused strategy through several key initiatives:

- **Customer Feedback:** We actively seek customer feedback through social media, and direct communication. This feedback helps us understand customer needs and areas for improvement.
- **Complaint Handling:** We have a dedicated customer service team that promptly addresses and resolves customer complaints. We use a structured process to ensure that all complaints are tracked and resolved efficiently.
- **Training Programs:** Our customer service representatives undergo regular training to enhance their skills and ensure they provide the best possible service. This includes training in communication, problem-solving, and product knowledge.
- **Personalized Service:** We strive to offer personalized service to each customer by understanding their unique needs and preferences. This includes customized product recommendations.
- **Technology and Tools:** We leverage advanced technology and tools to manage customer interactions effectively.

Our Performance

- **Customer Satisfaction Scores:** Consistently high customer satisfaction scores, with an average rating of 4.8 out of 5.
- **Response Time to Complaints:** Average response time of less than 2 hours for resolving customer complaints.
- **Customer Retention Rates:** High customer retention rates, with a 92% retention rate over the past year.

Looking Ahead

- **Expand Feedback Channels:** Increase ways for customers to share feedback.
- **Enhance Training:** Improve training for customer service teams.
- **Personalization:** Develop better techniques to tailor services.
- **Technology Investment:** Invest in new technology to improve service.
- **Boost Retention:** Implement loyalty programs to keep customers.

Supplier and Customer Agreements



Our Approach

We are committed to ensuring ethical and sustainable practices through comprehensive management of supplier and customer agreements:

- **Ethical Guidelines:** We have established clear ethical guidelines that all suppliers and customers must adhere to. These guidelines cover fair labor practices and anti-corruption measures.
- **Sustainability Criteria:** We are working on our agreements to include specific sustainability criteria, such as the use of environmentally friendly materials, reduction of carbon footprint, and adherence to sustainable farming practices.
- **Agreement Formation:** We carefully review and select suppliers and customers based on their ability to meet our ethical and sustainability standards. This process includes thorough due diligence and risk assessments.
- **Ongoing Monitoring:** We regularly monitor and review our agreements to ensure ongoing compliance. This includes periodic audits and performance reviews to assess adherence to our standards.
- **Collaboration and Support:** We work closely with our suppliers to help them improve their practices. This includes providing training, resources, and support to meet our ethical and sustainability criteria.

Our Performance

- **Number of Supplier Agreements Reviewed:** 100% of supplier agreements are reviewed annually
- **Compliance with Ethical Guidelines:** Achieved 91% compliance in recent reviews

Looking Ahead

- Achieve 95% compliance with ethical guidelines by next year.
- Include sustainability criteria in all new agreements by 2026.
- Enhance supplier support with advanced training.
- Implement real-time tracking of supplier performance.
- Ensure 100% adherence to standards by 2026.

Supply Chain Management



Our Approach

We achieve sustainability and operational efficiency in its supply chain through advanced technology and optimized systems:

- **Technology Integration:** We use advanced software to monitor and manage our supply chain. This includes real-time tracking of shipments (Samsara), automated Warehouse Inventory Management (BFC Dakota), and data analytics to forecast demand and optimize orders.
- **System Efficiency:** Our systems streamline operations, reduce errors, and enhance coordination between our suppliers, our customers, and our warehouse. This results in faster processing and fewer delays.
- **Supplier Sustainability:** We require as many suppliers as possible, to meet sustainability criteria, such as using eco-friendly materials and reducing waste.

Our Performance

- **Percentage of Suppliers Adhering to Sustainability Criteria:** 90%
- **Number of Supplier Audits Conducted:** 6 audits last year
- **Supply Chain Efficiency Metrics:** Reduced transportation costs by 10%, decreased delivery times by 15%, improved inventory turnover rate by 10%

Looking Ahead

- **Increase Audits:** Conduct 10 supplier audits next year.
- **Upgrade Technology:** Enhance predictive analytics and resource allocation.
- **Boost Efficiency:** Achieve a 10% reduction in transportation costs and improve delivery times by 5%.
- **Eco-Friendly Practices:** Collaborate with suppliers to implement sustainable practices.



Procurement Practices



Our Approach

We ensure sustainable and efficient procurement practices through:

- **Use of Software:** We use advanced ERP and procurement software to streamline our purchasing processes, track orders, and manage supplier relationships.
- **Technology Investments:** We've invested significantly in technology to enhance efficiency, reduce costs, and improve transparency in our procurement activities.
- **Sustainability Criteria:** We include sustainability criteria in our procurement policies.

Our Performance

- **Investment in Procurement Software:** Increased by 25% last year
- **Efficiency Improvements:** Reduced procurement processing time by 30%

Looking Ahead

- **Further Technology Integration:** Continue enhancing our ERP systems to automate and improve procurement workflows.
- **Supplier Collaboration:** Strengthen partnerships with suppliers to drive mutual sustainability goals.
- **Training Programs:** Implement regular training for our procurement team to stay updated on best practices and sustainability standards.

Marketing Strategy



Our Approach

We develop and implement our marketing strategy through a structured and thoughtful process that aligns with our overall corporate goals and actively engages stakeholders.

- **Market Research:** We conduct thorough market research to understand customer needs, market trends, and competitive landscape. This helps us tailor our processes to meet market demands.
- **Strategy Alignment:** Our marketing strategy is closely aligned with our corporate strategy. We ensure that our marketing goals support our broader business objectives, such as growth, sustainability, and customer satisfaction.
- **Stakeholder Engagement:** We use PeddlerCon to engage with key stakeholders, including customers, employees, and partners, to gather insights and feedback. This input is critical in shaping our marketing initiatives.
- **Execution:** We use a mix of marketing channels, including digital marketing, social media, and events to reach our target audience effectively.
- **Monitoring and Evaluation:** We continuously monitor the performance of our marketing campaigns and adjust our strategies based on data and feedback to ensure optimal results.
- **Communication Channels:** We leverage various communication channels and initiatives such as Ted's Tips, Joe's Picks, Bite-Sized, Spotlight, Instagram, LinkedIn, and Facebook to engage with our audience and promote our brand.

Our Performance

- **Growth Through Social Media Marketing:** Achieved a 5% increase over the past year
- **Customer Acquisition and Retention Rates:** Increased customer acquisition by 11% and retention by 7%
- **Brand Recognition Metrics:** Improved brand recognition.

Looking Ahead

- **Innovate:** Continuously update our strategies with the latest trends.
- **Engage:** Enhance personalized customer interactions.
- **Improve:** Enhance Communication Effectiveness Across All Channels



Transparency and Reporting



Our Approach

We ensure transparency and accountability through:

- **Financial Disclosures:** We regularly share detailed financial reports with certain key stakeholders.
- **Sustainability Reports:** We discuss all reports on our sustainability efforts and achievements bi-weekly.
- **Stakeholder Communications:** We keep open lines of communication with our stakeholders, providing regular updates and information.

Our Performance

- **Frequency of Reports:** Quarterly financial reports, annual sustainability reports
- **Adherence to Reporting Standards:** 100% compliance with industry standards
- **Stakeholder Feedback on Transparency:** Positive feedback in recent surveys

Looking Ahead

- **Advanced Tools:** Implementing better tools for accurate and accessible reports.
- **More Updates:** Increasing sustainability updates to monthly.
- **Feedback Initiatives:** Launching new programs for better stakeholder feedback.



APPENDIX

Key Topic	GRI	SASB	CDP	CSRD/ESRS	Page Reference
Introduction	102-1, 102-2, 102-3, 102-5, 102-15	General Disclosure	C0	ESRS 1.1, 1.2	4
Purpose of the 1st ESG Report	102-46	General Disclosure	C0.1	ESRS 1.1, 1.2	4
About the Report	102-50, 102-53, 102-54, 102-55	General Disclosure	C0.2 C0.4	ESRS 1.1, 1.2	4
Founder & CEO Letter	102-14, 102-16 102-32	General Disclosure	C0.1 C1.1	ESRS 2-1, 2-2	5
Vice President Letter	102-14, 102-16 102-32	General Disclosure	C0.1 C1.1	ESRS 2-1, 2-2	6
Sustainability & ESG Partner Letter	102-14, 102-32	General Disclosure	C0.1 C1.1	ESRS 2-1, 2-2	7
Company Overview and Milestones	102-7, 102-10	FB-FR-000.A FB-FR-000.B, FB-FR-000.C	C1.1	ESRS 2-1, 2-2	10, 11
Operations and Services	102-2	FB-FR-000.I	C2.1	ESRS 2-6	10
Partnerships and Affiliations	102-13	General Disclosure	C11.1	ESRS 1-2 S4	10
Board Composition and Structure	102-18	General Disclosure	C1.2 C3.1	ESRS G1-1, G1-2	11
Business Model and CSV	102-2, 102-16	General Disclosure	C2.3, C3.1	ESRS 2-1, 2-2	12
Commitment to Quality and Safety	416-1	FB-FR-310a.3, FB-FR-250a.4	C2.3 C3.1	ESRS S2-1, S2-2	12
Employee Engagement and Safety	401-1, 403-1, 403-2, 103-1, 103-2, 103-3	FB-FR-310a.1, FB-FR-310a.1, FB-FR-310a.2	C1.3 C2.3 C3.1	ESRS S1-3, S1-4	12, 13
Values and Environmental Responsibility	102-16, 302-1, 305-1, 306-2, 103-1, 103-2, 103-3	FB-FR-130a.1, FB-FR-510a.3	C1.2, C3.1	ESRS E1-1, E2-1	13
Stakeholder Engagement Overview	102-40, 102-42, 102-43, 103-1, 103-2, 103-3	General Disclosure	C2.2 C3.1 C11.1	ESRS 1-2	14
PeddlerCon Case Study	413-1, 102-42, 102-43, 103-1, 103-2, 103-3	General Disclosure	C2.2 C11.1 C3.1	ESRS 2-1, 2-2	16, 17
Event Features	102-42, 102-43, 103-1, 103-2, 103-3	General Disclosure	C2.2 C3.1	ESRS 2-1, 2-2	17
Sustainability Committee	102-18, 102-19, 103-1, 103-2, 103-3	FB-FR-330a.1, FB-FR-240a.1, FB-FR-510a.3	C1.1, C1.2, C1.3	ESRS G1-3, G1-4	19
ESG Approach and Strategies	102-15, 102-16, 102-17, 103-1, 103-2, 103-3	FB-FR-510a.3, FB-FR-330a.1, FB-FR-240a.1	C2.1 C3.1 C4.3	ESRS 2-1, 2-2	19
Materiality Matrix	102-47, 103-1, 103-2, 103-3	FB-FR-330a.1, FB-FR-510a.3	C2.4 C3.1	ESRS 2-3	20
Innovation and Technology	102-15, 103-1, 103-2, 103-3	FB-FR-230a.1, FB-FR-250a.4, FB-FR-510a.3	C4.3 C5.1	ESRS 2-1, 2-2	21, 22

Key Topic	GRI	SASB	CDP	CSRD/ESRS	Page Reference
Greenhouse Gas Emissions Strategy	305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3	FB-FR-110a.1 FB-FR-110a.2, FB-FR-330a.2	C3.1, C4.3, C5.2, C6.1, C7.1	ESRS E1-1, E1-2	24, 25
Environmental Risks and Mitigation	102-11, 102-15, 103-1, 103-2, 103-3	FB-FR-130a.1, FB-FR-510a.3	C2.1, C2.2, C2.3, C2.4	ESRS E2-1, E2-2	26, 27
Employee Well-being and Job Satisfaction	401-2, 403-6, 103-1, 103-2, 103-3	FB-FR-310a.2 FB-FR-310a.3, FB-FR-310a.5	C1.3	ESRS S1-8, S1-9	30, 31
Family Support and Empathy	401-2, 403-6, 103-1, 103-2, 103-3	FB-FR-310a.3	C1.3	ESRS S1-8, S1-9	31, 32
Fair Labor Practices and Human Rights	407-1, 408-1, 409-1, 103-1, 103-2, 103-3	FB-FR-310a.3	C1.1 C4.3	ESRS S1-5, S1-6, S1-7	33
Community Engagement and Development	413-1, 102-42, 102-43, 103-1, 103-2, 103-3	FB-FR-240a.1	C1.3, C3.1 C11.1	ESRS S3-1, S3-2, S3-3	34, 35
Training and Development Opportunities	404-1, 404-2, 103-1, 103-2, 103-3	FB-FR-310a.2	C1.3	ESRS S1-10, S1-11	36, 37
Product Quality and Safety	416-1, 103-1, 103-2, 103-3	FB-FR-250a.1, FB-FR-240a.1	C2.2, C3.1	ESRS S2-4	38, 39
Risk Management	102-11, 102-15, 103-1, 103-2, 103-3	FB-FR-250a.4, FB-FR-510a.3	C2.1, C2.2 C2.3, C2.4	ESRS G1-3, G1-4	42
Ethical Business Practices and Anti-Corruption	205-1, 205-2, 205-3, 103-1, 103-2, 103-3	FB-FR-510a.1 FB-FR-510a.3	C1.1, C3.1	ESRS G1-5, G1-6	43
Certifications and Auditing	102-56, 103-1, 103-2, 103-3	FB-FR-110a.3 FB-FR-440a.2	C9.1 C9.2	ESRS G1-1, G1-2	44
Cybersecurity	418-1, 103-1, 103-2, 103-3	FB-FR-230a.2 FB-FR-230a.1	C4.3	ESRS G1-9	45
Customer Service and Customer-Focused Strategy	102-43, 103-1, 103-2, 103-3	FB-FR-250a.3 FB-FR-260a.1	C1.1, C2.4 C4.3, C11.1	ESRS S2-1, S2-2	46
Supplier and Customer Agreements	102-9, 103-1, 103-2, 103-3	FB-FR-440a.1, FB-FR-440a.2	C1.1, C2.4 C3.1, C11.1	ESRS S4-1, S4-2	47
Supply Chain Management	102-9, 103-1, 103-2, 103-3	FB-FR-240a.1, FB-FR-310a.5	C1.1, C4.3 C5.2, C11.1	ESRS E3-1, E3-2	48
Procurement Practices	204-1, 103-1, 103-2, 103-3	FB-FR-440a.2 FB-FR-440a.1	C2.4, C3.1 C4.1, C11.1	ESRS E3-1, E3-2	49
Marketing Strategy	102-2, 103-1, 103-2, 103-3	General Disclosure	C1.1, C3.1, C4.3, C11.1	ESRS 2-1, 2-2	50
Transparency and Reporting	102-56, 103-1, 103-2, 103-3	General Disclosure	C3.1, C1.3 C9.1, C11.1	ESRS 2-1, 2-2	51
Future Goals	103-3, 305-5	General Disclosure	C1.1, C4.1 C4.2, C4.3	ESRS 2-1, 2-2	25, 27, 31 32, 33, 35 37, 39, 42 43, 44, 45 46, 47, 48 49, 50, 51

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