



delivering a better
tomorrow



2019 Corporate Social Responsibility Report

measured by our actions

In Fiscal Year 2019 Sysco continued to make progress against the public goals we announced in 2018. These goals help define the blueprint to elevate our CSR performance and become a more sustainable enterprise.



People



- Donate a total of 200 million meals in our local communities
- Contribute \$50 million to our local communities
- Increase U.S. associate ethnic and gender diversity to 62%
- Increase spend 25% with minority- and women-owned suppliers
- Double associate participation in health and well-being programs
- Expand products in our portfolio with health and wellness benefits



Products

- Publish Sysco's Animal Welfare Policy and ensure compliance by all Sysco Brand suppliers
- Identify and develop responsible sourcing commitments for five key commodities
- Ensure all high-risk first-tier suppliers abide by Sysco's Global Supplier Code of Conduct



BY 2025
WE PLEDGE
TO:



Planet

- Divert 90% of operations and food waste from landfill
- Source 20% of electricity from renewable sources
- Power 20% of the tractor fleet with alternative fuels
- Expand our sustainable agriculture program into five fresh crops
- Double the availability of Sysco Brand organic produce





bright ideas for a better future

Rethink. Reassess. Relearn. Reconsider. At Sysco, the journey to a better tomorrow begins with ideas. Across our global operations we're tackling big issues like hunger, responsible sourcing, healthier food, animal welfare, and resource conservation. We start by identifying the most important issues where we can make a difference, then innovate new approaches and take carefully targeted actions to achieve our 2025 goals. And as we celebrate 50 years of serving our customers in 2020, we're excited to share some of the bright ideas that we're working on to lead us to a better future ... for Sysco and all our stakeholders.



feed millions

Almost 40 million Americans, including more than 12 million children, are impacted by food insecurity. Food is more than our business — it's our biggest opportunity to make a difference in the communities we call home. That's why we launched Nourishing Neighbors — a North American initiative committing a portion of proceeds from local sales of Sysco Brand products to nonprofit programs that fight hunger. It's a big part of how we'll reach our goal: **to donate 200 million meals and \$50 million to local communities by 2025.**





cultivate wellness



Today more consumers are seeking vegan, vegetarian, flexitarian, and plant-based protein products. **We continue to make progress toward expanding our portfolio,** including organic choices and options for emerging dietary and lifestyle preferences while working closely with our suppliers and growers to identify sustainable agricultural practices and reduce food waste.





juice the fleet

We're committed to **reducing the carbon footprint of our fleet** — and electrification is at the core of the strategy. We've set a 2025 public goal to have 20 percent of our tractor fleet comprised of alternative fuel vehicles, and electric vehicles will play a big part in achieving that objective. Today we're collaborating with manufacturers to develop new models that can meet the specialized requirements of food delivery, while significantly reducing our impact on the planet.





include everyone

Creating an inclusive culture is vital to building a stronger Sysco — one that's more competitive, more innovative, and more in touch with our customers. That's why **we're committed to boosting total U.S. associate ethnic and gender diversity** by recruiting and training diverse team members for roles where they are currently underrepresented. We're also working to **increase spending with minority- and women-owned suppliers 25 percent by 2025.**



source smarter

Whether it's fresh produce, seafood, ground beef, or packaged products, we strive every day to ensure that every food item we source is sourced well. Respecting workers' safety and human rights is a key goal for us. And in Fiscal Year 2019, we continued to make progress with **expanding our social audit program** as well as kicking off new collaborations to address human rights and fair labor practices in Asia, including a partnership with the WWF to conserve the health of marine life and our continued work with the Aquaculture Stewardship Council.



about Sysco

Sysco is the global leader in marketing and distributing food products and related foodservice supplies to restaurants, health care and educational facilities, hotels, and other foodservice and hospitality businesses. We market quality Sysco brands, major national, regional, and ethnic brands as well as locally sourced foods. With more than 69,000 associates, the company operates more than 320 facilities worldwide and serves more than 650,000 customer locations. For Fiscal Year 2019 that concluded June 29, 2019, the company generated sales of more than \$60 billion.

In pursuing our Vision to be our customers' most valued and trusted business partner, Sysco provides a complete spectrum of quality-assured food products, from kitchen staples to fine imported gourmet items. Our non-food products range from kitchen equipment and glassware to eco-friendly disposables and chemicals. Sysco's service offerings include menu consultation, marketing support, and employee training. We succeed by partnering with our customers to understand their needs, and apply the same hands-on approach with the growers, ranchers, and manufacturers who supply Sysco Brand products.



We serve our customers through a network of local operating companies complemented by specialty companies. This structure provides an effective blend of local knowledge, wide product selection, and broad service capabilities. Sysco is a growing global company with primary operations in the U.S., Canada, Mexico, Costa Rica, Panama, Bahamas, U.K., France, Sweden, and Ireland; and serving customers in an additional 81 countries.

Sysco's portfolio includes specialty companies that enhance our ability to provide customers with premium-quality, niche, and exclusive products. FreshPoint, our specialty produce company, addresses customers' needs for fresh, unique, organic, and local produce items. Our specialty meat companies are among the industry's largest and most recognized providers of high-quality protein products. European Imports offers foodservice professionals and retail stores an extensive variety of products from around the world. SYGMA operating locations provide contract customers with logistics and operational expertise. Our

Guest Worldwide company distributes equipment, textiles, accessories, and personal care amenities to hotels and other lodging facilities. Supplies on the Fly is an innovative, 24/7 online platform offering more than 170,000 foodservice products, including heavy equipment, kitchen supplies, specialty foods, and kitchen staples. Sysco International Food Group (IFG) is the export specialty division of Sysco. More than 30 U.S.-based restaurant chains rely on IFG to deliver their brands and unique customer experiences to consumers around the world. Sysco Labs offers a suite of technology solutions that help support the business needs of our customers while also providing technology solutions for our own internal needs.



Sysco at-a-glance

Global Operations



FISCAL YEAR 2019
GLOBAL SALES:

\$60+ Billion



69,000

GLOBAL ASSOCIATES



320+

DISTRIBUTION FACILITIES
WORLDWIDE



SERVING MORE THAN

650,000

CUSTOMER LOCATIONS

GLOBAL FOOTPRINT

Our presence spans the Americas and Europe,
with operations in:

- U.S.
- Canada
- Mexico
- Costa Rica
- Panama
- Bahamas
- UK
- France
- Sweden
- Spain
- Belgium
- Luxembourg
- Ireland

Our international operations:

- Sysco France
- Sysco Canada
- Brakes UK
- KFF (UK)
- Pallas Foods (Ireland)
- Fresh Direct (UK)
- Menigo Foodservice (Sweden)
- Mayca (Costa Rica)
- Pacific Star (Mexico)
- Sysco Panama
- Bahamas Food Services
- International Food Group
- Davigel (Spain)

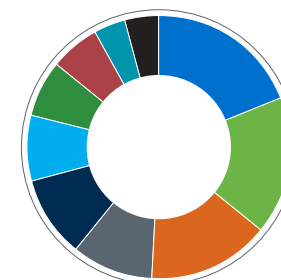


FOUR BUSINESS SEGMENTS

- U.S. Foodservice
- International Foodservice
- SYGMA
- Other

PRINCIPAL PRODUCT CATEGORIES

- 19%** Fresh and frozen meats
- 17%** Canned and dry products
- 15%** Frozen fruits, vegetables, bakery and other
- 10%** Poultry
- 10%** Dairy products
- 8%** Fresh produce
- 7%** Paper and disposables
- 6%** Seafood
- 4%** Beverage products
- 4%** Other



A MESSAGE FROM

Tom Bené, Chairman,
President, and CEO



We understand that big change takes time and we are committed to testing, learning, reassessing, partnering and continually adapting to lead the way and deliver on our 2025 goals.

game-changing ideas that make goals matter

Change begins with an idea — and at Sysco, the global leader in food service distribution, we believe our associates have the experience and qualifications to deliver great ideas. Our entire organization is committed to acting ethically and responsibly to service our customers, while producing positive, lasting change. Corporate social responsibility (CSR) has been a foundational belief since Sysco's inception 50 years ago. We understand that big change takes time, and we are committed to testing, learning, reassessing, partnering, and continually adapting to lead the way and deliver on our 2025 goals.

In 2018, we announced 14 long-term CSR goals around three pillars, People, Product, and Planet. We focused on meaningful issues, such as responsible sourcing, animal welfare, and resource conservation. These complex topics require a diligent focus on finding systemic solutions and a firm commitment to partnerships. On an ongoing basis, we run pilot projects to identify solutions that we can ultimately scale across the communities where we live and work. In this report, you'll see the progress we are making with key partners like the World Wildlife Fund (WWF) regarding sustainable seafood and Share our Strength for eradicating hunger.

We continue to expand Nourishing Neighbors, a key program of ours that engages our associates, customers, and communities by addressing food security issues. Going forward, our donations now focus on agencies working to provide healthy, nutritious food in our local communities where it's needed the most. Next year, Nourishing

Neighbors will launch in Canada, with the objective of donating \$5 million in cash and 20 million meals.

Another area of pride is the launch of two new brands in 2019: Sysco Simply, a platform that delivers healthier food solutions and Earth Plus, a brand focused on providing environmentally-friendly non-food products (including napkins, serve-ware, and on-the-go containers).

Through a partnership with NRG Energy, Inc., we were excited to accelerate our shift to renewable energy with the deployment of three solar garden sites in our home state of Texas, as part of a 25-megawatt, 10-year renewable energy agreement. The project generates approximately 10 percent of Sysco's U.S. electricity usage — halfway to our 2025 goal.

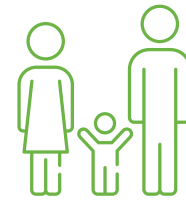
Throughout this report, you will see that we are driving continued progress with this important work. We recognize the responsibility that comes along with being the industry leader for 50 years. I hope that you will be as proud as I am of the many stories of progress and fortitude exemplified by the Sysco team in the pages that follow.

Tom Bené, Chairman, President and CEO
November 2019



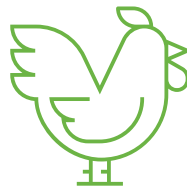
how we organize our work

Sysco's CSR priorities and initiatives are anchored in three pillars.



People

Charitable Giving
Diversity & Inclusion
Health & Well-Being



Products

Animal Welfare
Responsible Sourcing
Human Rights



Planet

Sustainable Agriculture
Energy
Waste

four decades of progress

In 1980 we launched our first initiatives to operate our business more efficiently. Since then, our CSR initiatives have grown and accelerated to encompass all the ways we can deliver improved environmental, social, and governance performance.





materiality brought to life

The foundation of Sysco's corporate responsibility strategy is based on the concept of materiality — the environmental, social, and governance topics that reflect what our stakeholders deem to be most important and/or that influence their decisions. We conducted a thorough materiality assessment in 2018 to identify these topics through a transparent and verifiable methodology.

The process included an extensive engagement exercise across a broad group of internal and external stakeholders, research with associates, customers, investors, and other influencers, and a comprehensive analysis of media sources and publications to capture emerging food industry trends. We then activated a cross-functional Advisory Committee to validate our findings and identify gaps. The Committee narrowed the research down to nine focus areas with a defined scope for each. This work led to the creation of our three distinct pillars: People, Products and Planet. Each pillar contains three focus areas to ensure we are addressing the concerns of all stakeholders in a balanced way.

In 2019, we tested our strategy and approach with our colleagues in Canada and UK for gaps and opportunities for expansion, leading to a regional goal development. Our CSR Strategy, *Delivering a Better Tomorrow*, is named purposefully to be forward-looking, driving positive change forward for the long term so that we can all thrive in a better, brighter tomorrow.



In 2019, the Canada and the U.K. teams conducted separate exercises to align their CSR efforts with our global strategy and set regional goals based on local partnerships and areas of impact. We recently held a CSR Europe Summit to integrate additional geographies into our global CSR strategy.

our stakeholders, and how we engage with them

ASSOCIATES

Our 69,000 global associates bring Sysco's strategic priorities to life and enable our growth agenda. We know that our associates and future talent care deeply about how we engage with communities, and CSR has become a valuable tool in our recruiting and retention efforts. We engage with associates via Sysco Speaks (our company-wide engagement survey), "The Dish" (our intranet site), Sysco Interactive University (our online learning platform), social media, and other channels.

CUSTOMERS

Sysco is a customer-centric organization. The needs of customers and their expectations are a foundational component of our CSR priorities. We engage with customers through multiple channels, including market associate interactions, customer service surveys, online communications, and strategic reviews, always maintaining an ongoing dialogue and partnership in delivering quality and safe food options to their patrons.

INVESTORS

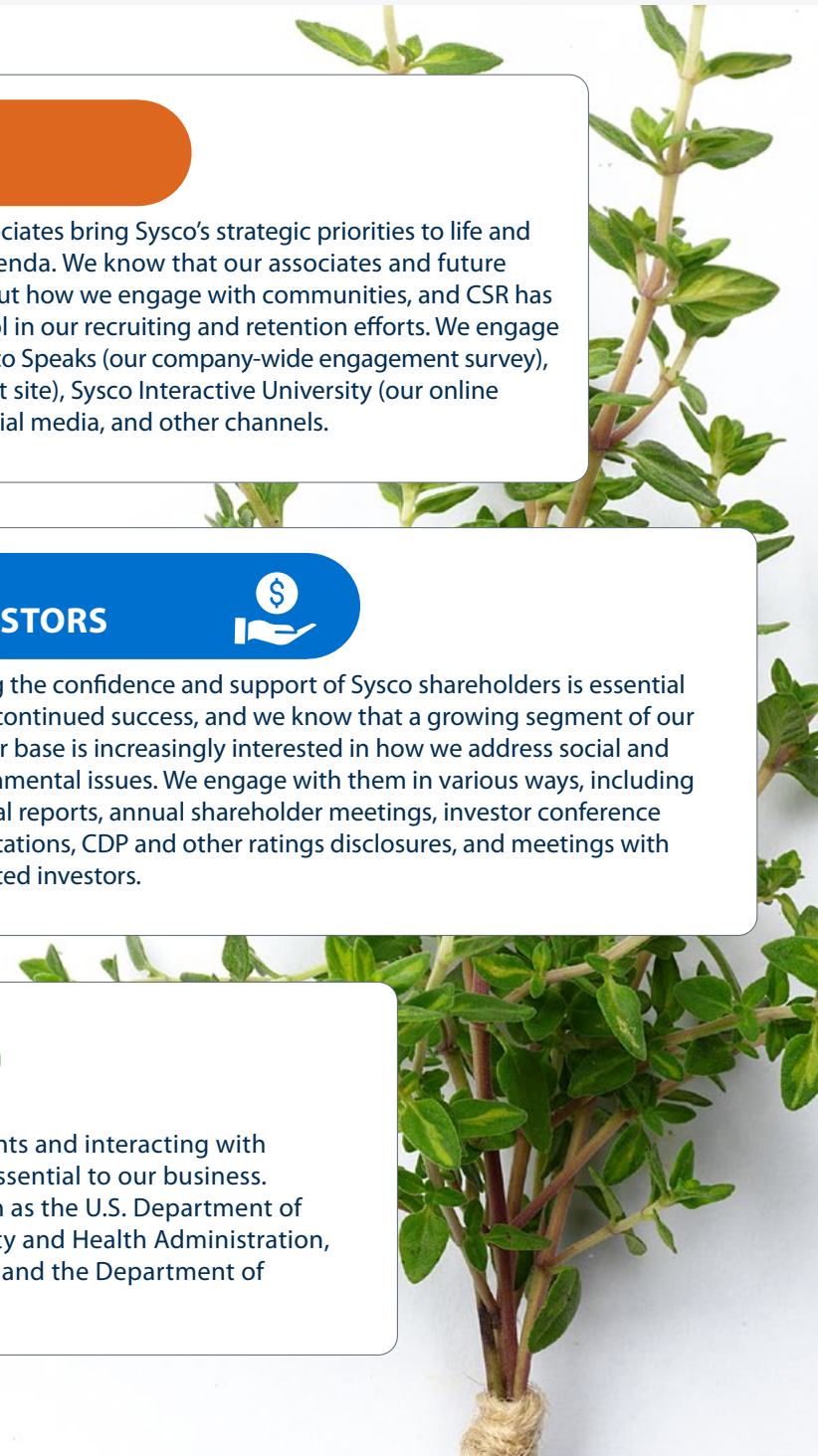


Earning the confidence and support of Sysco shareholders is essential to our continued success, and we know that a growing segment of our investor base is increasingly interested in how we address social and environmental issues. We engage with them in various ways, including financial reports, annual shareholder meetings, investor conference presentations, CDP and other ratings disclosures, and meetings with interested investors.

REGULATORS



Complying with regulatory requirements and interacting with appropriate regulatory authorities is essential to our business. We regularly engage with entities such as the U.S. Department of Transportation, the Occupational Safety and Health Administration, the Environmental Protection Agency, and the Department of Homeland Security.



NGOs



We respect the role that nongovernmental organizations play in moving the needle on change — and we partner with many, such as the World Wildlife Fund, the Global Food Safety Initiative, and the Center for Food Integrity. These partnerships provide us a better understanding of environmental and social challenges, as well as how Sysco can contribute to solutions.



SUPPLIERS



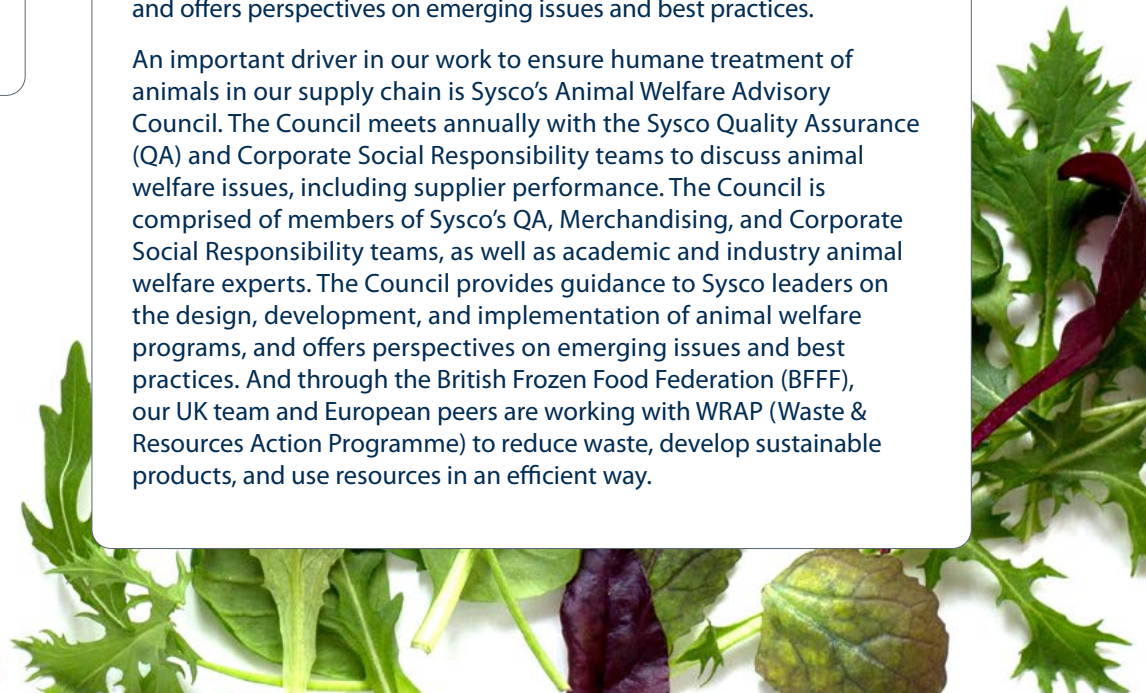
Close collaboration with suppliers is critical in our ability to deliver for our customers and advance our CSR agenda. We engage with suppliers through surveys and regular business reviews, as well as in a Joint Business Planning process with several strategic suppliers. Additionally, we partner with our suppliers to advance our CSR priorities through programs such as the Integrated Pest Management program, which works with participating growers to implement sustainable agriculture practices.

PEERS



Engagement with industry participants helps advance best practices and influence regulatory and legislative improvements. Sysco's Animal Welfare Council, for instance, brings together academic and industry animal welfare experts to provide guidance to Sysco leaders on the design, development, and implementation of animal welfare programs, and offers perspectives on emerging issues and best practices.

An important driver in our work to ensure humane treatment of animals in our supply chain is Sysco's Animal Welfare Advisory Council. The Council meets annually with the Sysco Quality Assurance (QA) and Corporate Social Responsibility teams to discuss animal welfare issues, including supplier performance. The Council is comprised of members of Sysco's QA, Merchandising, and Corporate Social Responsibility teams, as well as academic and industry animal welfare experts. The Council provides guidance to Sysco leaders on the design, development, and implementation of animal welfare programs, and offers perspectives on emerging issues and best practices. And through the British Frozen Food Federation (BFFF), our UK team and European peers are working with WRAP (Waste & Resources Action Programme) to reduce waste, develop sustainable products, and use resources in an efficient way.



our critical issues

We have prioritized our efforts on issues that most closely touch our operations and where we believe we can drive the most impact.



DIVERSITY & INCLUSION

We believe it is our fundamental responsibility to build a culture that prioritizes diversity and inclusion — and a commitment to promote inclusion is embedded in our CSR strategy.



HEALTH & WELL-BEING

The health and well-being of our associates helps support a high-performance organization. Expanding availability of good-for-you products empowers our people, our communities, and the next generation to make healthier and mindful lifestyle choices.



CHARITABLE GIVING

Being a force for good requires significant and consistent investments to address community needs. Our community stakeholders expect us to lead, and there's no better way to make an impact than tackling the problem of hunger.



HUMAN RIGHTS

The fair treatment of workers who grow, harvest, and process products in our global supply chain is important to our company and our customers, and we have extensive programs and partnerships in place to monitor the performance of our suppliers and hold them accountable.



ANIMAL WELFARE

Our customers and their patrons expect us to ensure that the livestock and poultry we use are humanely treated — and we are working closely with our suppliers on animal welfare practices.



RESPONSIBLE SOURCING

Numerous social and environmental issues arise on the journey of food from farm to factory. That's why responsible sourcing is a key pillar of our CSR strategy. This helps protect our natural resources, our farmers and communities, as well as our business, in a reality where multiple environmental threats exist.



FOOD SAFETY

As the global leader in food-service distribution, ensuring the safety and quality of the products we distribute is critically important for us. Maintaining high food safety standards is crucial for our brand, our reputation, and the well-being of our customers and their partners.



SUSTAINABLE AGRICULTURE

How fruits and vegetables are grown and processed impacts the quality of soil, water, air, and wildlife resources. Sysco's size and scale positions us to play a significant role in helping support sustainable agriculture practices.



ENERGY

Deploying smart practices and better technology to reduce the energy intensity of our expansive global operational footprint creates significant environmental benefits — and makes our business more productive and efficient as well.



WASTE

Diverting material from landfill doesn't just help protect our oceans and the environment. When done strategically, it also helps us reduce costs and save energy. We recognize that with our scale and reach, we can help make a lower-waste future a reality, and we are working on it by prioritizing recycling and reuse in our operations.

delivering a better tomorrow: one year in

In conversation with Neil Russell,
VP, Corporate Affairs



"We're the only
foodservice
distributor to
have long-term
goals on
sustainability."



It's been a year since the new strategy was launched. How is it going?

We have made some big progress in the first year! The strategy was launched with a purposefully long-term view. A lot of the work we do is based on the confluence of multiple factors: market conditions, suppliers' rate of progress, technology availability at the scale we need it, momentum on widespread adoption across the markets we operate in, and so much more. Each issue area has its own set of infrastructural and operational efforts that need to come together for us to accomplish our 2025 goals. And we're making steady progress across many of them.



What issue areas are you leading with?

We made great progress on getting close to our renewable energy goal in 2019. We were at one percent when we started, and we are already at 10-11 percent (of sourcing our electricity from renewable sources), halfway toward our 2025 goal. We're also ramping up our efforts to add electric and other non-traditional fuel-powered vehicles to our fleet. We're talking to manufacturers, testing options, collaborating with engineering groups on envisioning the trailer of the future, and reviewing the market for charging infrastructure, which must go hand in hand with the adoption of commercial electric vehicles.

Finally, we have set interim 2020 goals for products and sourcing and organized several project teams to evaluate our baselines and areas for improvement. Next year will mark a key turning point for us on these as we pivot from research and setting the groundwork to execution.



How has the strategy been received internally and externally?

Associates are very excited. We're the only foodservice distributor to have long-term goals on sustainability. The Board appreciates having clear markers to push us toward and keep us accountable for. And given the scope of our merchandising goals, we've involved people into our project teams who were not involved in the earlier phases. That's been received with a lot of excitement. Sustainability is a team sport — and we're operationalizing it like that.

Externally, customers have appreciated the strategy, given that many of them have their own set of priority sustainability and sourcing goals. This is just another example of how we support in ways that other distributors are unable to match.



How have you operationalized the strategy across Sysco?

We've integrated several functions to ensure that no one is working in a silo. So, I now lead the Corporate Affairs team that houses corporate social responsibility (CSR), government affairs, communications, investor relations, and travel. This allows those teams to work more cohesively. We also have the full support of our leadership and Board to ensure a direct line of accountability and influence, giving CSR an equal seat at the executive table.



How do you see the strategy evolving in the coming months?

We've set ambitious goals, and it's going to take time to get there. For us, customers are most important, and that means any transition must be gradual and inclusive of our customers' needs. About half of our customer base is a local customer who has specific demands or cannot afford what large customers can. We have to be able to give them all choices while continuing to improve the sustainability of our operations and our products. But I am confident we will get there — we are committed, organized, and making strides. In 2020, we will mark 50 years of being the leader in foodservice — and we are working on a whole set of CSR initiatives to celebrate this milestone. As a company of passionate changemakers, I'm excited for what's ahead.





bright ideas to empower



PEOPLE

What's Sysco's plan to empower people? Work hard to make hunger history for everyone in the communities we serve — throughout North America and across our global operations. Take action to support the well-being of children and families. Foster opportunity for our associates and suppliers. Invest in our diverse workforce, develop their talents, and keep them safe. People are at the center of everything we hope to achieve as an organization. Today we're finding new ways to make meaningful progress against our people-centered goals.



2025 Goals



Donate a total of **200** million meals in our local communities

Contribute **\$50** million to our local communities

Increase spend **25%** with minority- and women-owned (MWBE) suppliers

Increase total U.S. associate ethnic and gender diversity to **62%**

Double associate participation in health and well-being programs

Expand products in our portfolio with health and wellness benefits

PEOPLE

FY 2019 Highlights



Provided **7.5** million meals and **\$6.4** million in cash contributions

Added **15** new MWBE suppliers; increased year-over-year purchases by **4.3%**

Increased total U.S. associate ethnic and gender diversity to **57.2%**

Launched *Sysco Simply* brand, emphasizing vegan and vegetarian dining

the BIG takeaways

philanthropy & community

Strong Partnerships,
Big Impacts

OUR APPROACH

Food distribution is not only our business — it is also our best opportunity to make a positive difference in the communities where we operate and live. We are committed to fighting hunger and ending food insecurity in North America, and our European subsidiaries continue to engage with organizations locally to address hunger in their communities as well. We know that inadequate access to food exists in every community — and that is a status quo we refuse to accept.

As the global leader in food-service distribution, Sysco is uniquely positioned to drive solutions and deliver results for those in need. We have made addressing the problem of food insecurity a cornerstone of our philanthropic and volunteer efforts. Sysco's strategic priority for our charitable activities is to direct 75 percent of community donations and volunteerism activities toward providing healthy and nutritious food to children, youth, families, and seniors in underserved areas. Our secondary philanthropic focus is to cultivate the workforce of tomorrow. This work includes building strategic partnerships that enable us to invest in our industry and the next generation of workers, and we're

doing that through scholarships, grants, mentorship, and other programs to equip young people and military veterans to prosper in careers.

For many years Sysco has partnered with a variety of charitable organizations engaged with food security, including Share Our Strength, which focuses on the nutritional needs of children. In Fiscal Year 2018 we launched Nourishing Neighbors, an initiative that builds on those efforts and expands our reach to people in need at every stage of life. In Fiscal Year 2020, Nourishing Neighbors will launch in Canada, with the objective of donating \$5 million in cash and 20 million meals against our total North America goal.

In addition to Sysco's product donations, cash gifts, and in-kind contributions, the energy and commitment of our associates is making a real difference to address hunger and other community challenges. Today we're doing more to expand our volunteerism efforts to deliver a greater impact. As an organization and as individuals who care about our neighbors, we are energized by the prospect of improving the lives of millions of people who are touched by the food security programs we support.



OUR 2025 GOAL:

Donate a total of **200M** meals
and contribute **\$50M** to our local
communities by 2025



Nourishing Neighbors

Positioned, and Committed, to Stopping Hunger in Its Tracks

OUR APPROACH

Approximately 40 million people in the U.S. are food insecure, and 72 billion pounds of food goes to waste every year. It's estimated more than 30 billion pounds of that is attributed to the foodservice industry. Sysco is ideally positioned to deliver solutions to address this issue, and our company and associates are determined to tackle this challenge head on. Our work to address hunger and food insecurity began years ago. In Fiscal Year 2019, we continued to build the reach and impact of our signature philanthropic initiative, Nourishing Neighbors. It's an endeavor that directs Sysco's charitable donations primarily to agencies working to provide healthy, nutritious food where it's needed: food banks, youth after-school and weekend food programs, senior citizen meal delivery

programs, and other initiatives that connect with, and serve, hungry people. Through Nourishing Neighbors, our U.S. Broadline companies commit a portion of their local sales of Sysco Brand products to support nonprofit organizations in their own community that fight hunger, one meal at a time. In addition to cash contributions, our donations of products and in-kind services, as well as volunteerism, play important roles in putting food on the table for hungry people. In Fiscal Year 2020, Sysco Canada will bring Nourishing Neighbors to life in Canadian communities. Sysco Canada has established the goal to donate \$5 million in cash and 20 million meals, which will help us reach the 2025 goal for North America.



In Fiscal Year 2019 we continued to build the reach and impact of our signature philanthropic initiative, **Nourishing Neighbors**, and will expand to Canada in Fiscal Year 2020.



Leveraging Vital Partnerships

Sysco has a nearly two-decade partnership with Share Our Strength, the respected nonprofit with a mission to end hunger and poverty in the U.S. and abroad. In 2019 Sysco served its seventh year as the National Presenting Sponsor for Share Our Strength's Taste of the Nation, an event we have supported as Official Food Service Marketer and Distributor for 17 years. Taste of the Nation, which raises funds for No Kid Hungry, is the premier culinary charitable program dedicated to fighting childhood hunger in the U.S., with events in 20 cities across the country. Taste of the Nation has raised more than \$100 million to fight hunger since 1988. In addition to our financial commitment, we offer additional support by encouraging our operating companies to volunteer and to contribute products to Taste of the Nation events in their communities.

Sysco's goal is to be a champion for organizations that work to eliminate hunger in our communities and make healthy food available to people in need. In addition to Share Our Strength, we have at least 14 partnerships with charitable organizations that address hunger. Among them are:

- **Boys & Girls Clubs:** We support Boys and Girls Clubs and their nutrition programs in a number of markets. In Houston we sponsor their Sysco Cafes, which are in 18 clubs across the city, providing after-school meals for area youth. The clubs serve 17,000 children in Houston.
- **Kids' Meals:** Sysco donates volunteer hours and funds to Kids' Meals, a non-profit organization whose mission is to deliver free, nutritious meals to the doorsteps of Houston's most disadvantaged preschool-aged children. With the support of Sysco and others, Kids' Meals is able to deliver between 3,400 and 6,100 healthy meals every weekday.
- **Meals on Wheels:** We are proud to support Meals on Wheels, which addresses food insecurity among some of our most vulnerable neighbors — our seniors. Every week we provide a full week's worth of breakfasts to 2,000 seniors in the Houston area. Combined, Sysco is delivering on a five-year commitment to the Boys & Girls Clubs of Greater Houston, Meals on Wheels, and the

Houston Food Bank to provide more than 4 million meals to families and seniors and to serve more than 51,000 local children and youth.

- **The Store:** In Nashville we've stepped forward to support Brad Paisley and Kimberly Williams-Paisley's The Store with financial contributions, as well as the donation of refrigeration equipment and fresh produce provided through FreshPoint. Founded to fight hunger and food insecurity in the Nashville community, The Store is a year-round, free grocery store that allows people who are referred by nonprofit or government agencies to shop with dignity for their basic needs.
- **Fulfill:** In New Jersey, our specialty food company Trinity Seafood forged a new partnership between Fulfill, a nonprofit focused on alleviating hunger in Monmouth and Ocean Counties, and America's Gleaned Seafood, a newly established New Jersey nonprofit. "Gleaned seafood" is seafood harvested by the fishing industry that is typically discarded as "by-catch." Under the new initiative, a portion of Trinity's gleaned seafood will be processed and frozen before being donated to Fulfill. The program will support a new Fulfill pilot project to help low-income families receive high-protein, low-fat items to improve health and encourage healthy eating habits.

The Store is a year-round, free grocery store that allows people who are referred by nonprofit or government agencies to shop with dignity for their basic needs.



Attacking Hunger on a Global Basis

Our work to address hunger and food insecurity is not limited to North America. In the UK, Brakes UK is committed to providing 1 million meals to children by in need by 2025 and create a movement to end holiday hunger. Brakes has supported Meals & More, a charitable program that has provided meals to children during summer holidays since 2015. The company partners with suppliers and local charities to run holiday clubs — providing tasty, nutritious food and enrichment activities within a safe, stimulating environment.

In Ireland, Pallas Foods has a relationship with Food Cloud Ireland through which all critically short-dated stock is donated and allocated to local charities. Sweden's Menigo Foodservice supports Smyrna International Church in Gothenburg and its program to provide food to people in need. Menigo donates 17.5 tons of food to the church over the course of the year. Thanks to donations from Menigo and others, Smyrna International Church's 40 volunteers provide over 320 bags of groceries a week to people in need. Sysco France provides both cash donations and 51 tons of donated product a year to the French Food Bank (Banque Alimentaire).

Cultivating the Workforce of Tomorrow

Sysco has long been engaged in programs to support the educational and career aspirations of young people. Today we're more focused than ever on initiatives to provide young people access to a quality education, training, or certification. We know we can make progress to break the cycle of hunger and poverty while cultivating the workforce of tomorrow. That's why Sysco is focused on building strategic partnerships that enable us to invest in our industry and the next generation of workers. These include educational scholarships, grants, mentorships, and programs that foster a skilled, diverse workforce and provide job training and support to military veterans. This effort can help build a diverse talent pipeline for Sysco and



Sysco has long been engaged in programs to support the educational and career aspirations of young people.

our customers and also help us achieve our diversity and inclusion objectives. In Fiscal Year 2020, Sysco is launching new scholarships and grants with the National Restaurant Association's Education Foundation and with the United Negro College Fund.

Many of our operating companies partner with local organizations to support local culinary students, including ProStart, a high school culinary education program through the National Restaurant Association Education Foundation. Sysco Raleigh hosts training classes in culinary arts to local ProStart and culinary school groups each year. Our associates work to help students make informed decisions about their futures within the hospitality industry. Sysco Seattle supports Bates Technical College by providing opportunities for students to volunteer and assist with large customer events as a way to gain real-life work experiences. These are crucial to helping them build a solid resume to enter the workforce successfully.

As part of Sysco's focus on education, we award college scholarships to 20 outstanding students each year through the Baugh Scholarship Program, established in 1996 to honor Sysco founder John F. Baugh and his wife, Eula Mae. The students, all children or dependents of Sysco associates, receive annual award amounts of \$5,000. In Fiscal Year 2019 we expanded the program to include international applicants, from Sysco companies, bringing in over 480 applications with international entries increasing four-fold. Scholarships were given to 23 of the applicants. A separate scholarship program named in honor of former CEO William J. DeLaney provides five annual scholarships of \$5,000 each to students attending the Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston.



Sysco Canada is a supporter of [Fair Kitchens](#) which focuses on changing kitchen culture and building healthier businesses. Sysco Canada hosted a webinar for customers about the Fair Kitchens movement and how to incorporate these principles into their operations.

Sysco Associates: Delivering for Communities

Other vital contributors to the success of our philanthropic and community programs are the talent, energy, and commitment of Sysco associates. We've long encouraged associates to donate their time and expertise to community causes, and today they are responding like never before. In 2019, we celebrated the third year of our annual associate volunteer initiative, *Sysco Gives Back*, held each February at our Enclave and Cypress campuses in Houston. This two-week effort supports Sysco's core community partners who are focused on hunger relief and provides associates with an array of opportunities to volunteer during regular work hours. Saturday events are also held so associates can volunteer with their families. In 2019, *Sysco Gives Back* achieved a number of milestones, growing from 12 to 16 volunteer events and achieving record participation, with 664 volunteers contributing 1,400 volunteer hours.

In 2019, we expanded our focus on eradicating hunger by organizing the first Hunger Action Month, with our associates participating in volunteer events throughout the month of September. Hunger Action Month drew nearly 1,000 associate volunteers across various Houston company locations participating in 28 volunteer events with local nonprofits focused on providing nutritious food where it is needed the most. Going forward we will expand the program to include more company locations

across multiple geographies, in support of Sysco's "50 Acts of Caring," an enterprise-wide initiative started in recognition of our upcoming 50 years in 2020. Hunger Action Month drew nearly 1,000 associate volunteers across various Houston company locations participating in 28 volunteer events with local nonprofits focused on providing nutritious food where it is needed the most.

Stepping Up When Disaster Strikes

In addition to our two primary focus areas of hunger relief and education, we pride ourselves on being a valued partner when communities need it most — in the aftermath of a natural disasters, which have often had a significant impact on our own associates. In 2016 we established the Sysco Disaster Relief Foundation, which provides short- and longer-term recovery assistance to impacted associates. The Foundation provides grants of up to \$2,500 to cover immediate needs for impacted associates. Since 2016, Sysco has provided assistance following 12 disasters in support of more 500 impacted associates. In the last two years alone, impacted associates received more than \$2 million in immediate relief and longer-term recovery assistance. We are also longstanding partners with the American Red Cross, supporting its work after these events, and in Fiscal Year 2019 donated \$50,000 for Hurricane Michael relief efforts in North Florida.

**Sysco
Gives Back
2019**

664
volunteers
contributing
1,400
volunteer hours



diversity & inclusion

Strengthening Our Culture — and Our Business

OUR APPROACH

The evidence is clear: organizations that are more diverse and inclusive are more competitive and better equipped to prosper over the long term. That's why a strong commitment to diversity and inclusion (D&I) and an actionable strategy to achieve our D&I objectives are essential to building a strong future for Sysco.

Our customers, associates, and industry are changing — and that transformation is accelerating. Sysco must continue to evolve in order to reflect the communities in which we live and work. Guided by that understanding, we have defined four strategic imperatives which underpin our D&I strategy:

A Business Imperative

We serve a customer base that is increasingly diverse. Today the composition of our workforce is less diverse than the customers we serve. We're working to correct that misalignment. We see tremendous value in the diverse perspectives and experiences associates bring to their work — viewpoints that contribute to our ability to innovate and evolve our business.

A Human Imperative

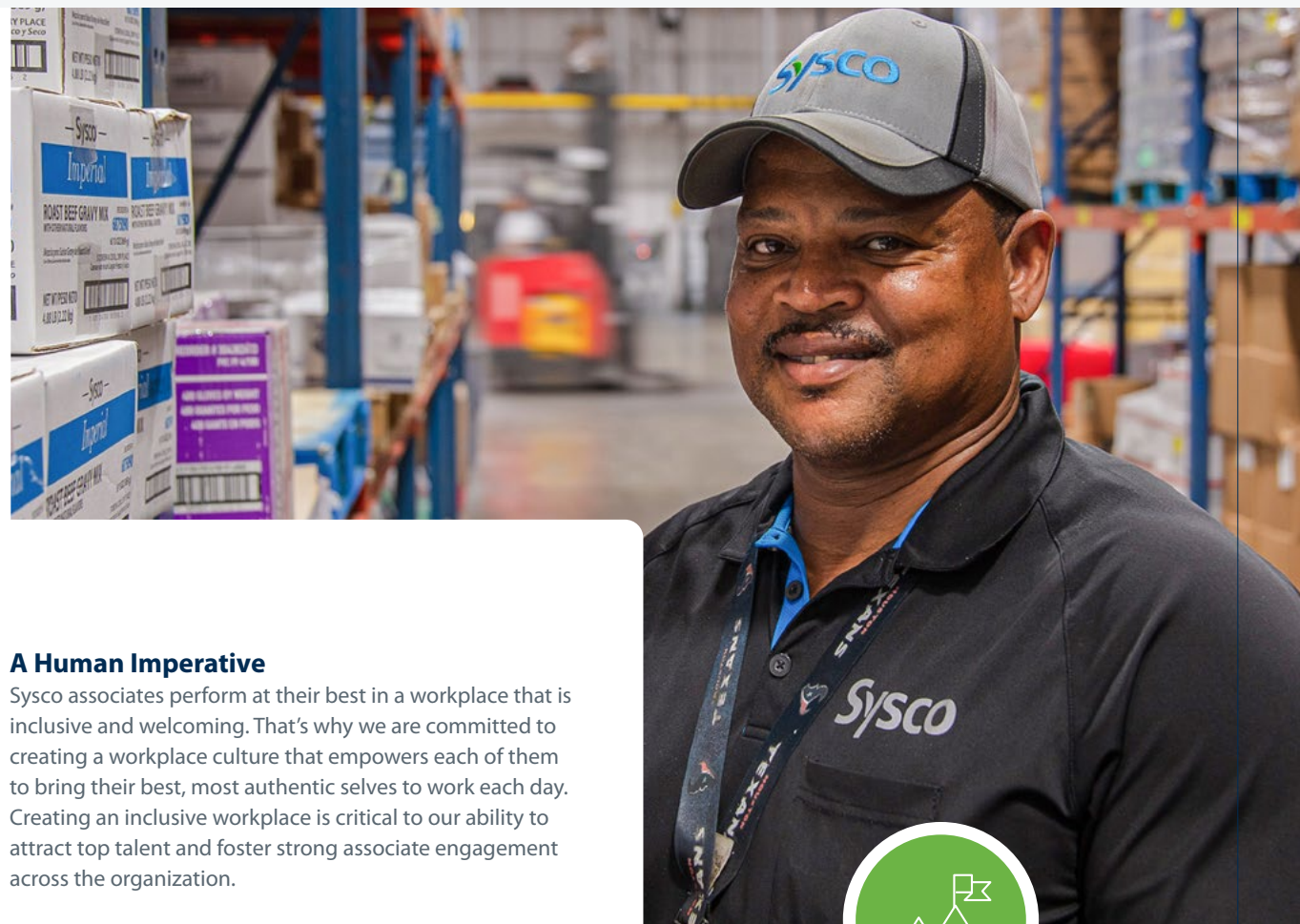
Sysco associates perform at their best in a workplace that is inclusive and welcoming. That's why we are committed to creating a workplace culture that empowers each of them to bring their best, most authentic selves to work each day. Creating an inclusive workplace is critical to our ability to attract top talent and foster strong associate engagement across the organization.

A Social Responsibility Imperative

A visible commitment to D&I contributes to Sysco's reputation as an effective and reliable partner to our communities and the organizations that serve them.

A Legal Imperative

Unwavering compliance with all relevant government laws, rules, and regulations concerning nondiscrimination is mandatory to the effective operation of our business.



OUR 2025 GOAL:

Increase total U.S. associate ethnic and gender diversity to **62%** by 2025



A Spotlight on Women

In 2019, Sysco celebrated International Women's Day at approximately 300 locations at 12 countries including:

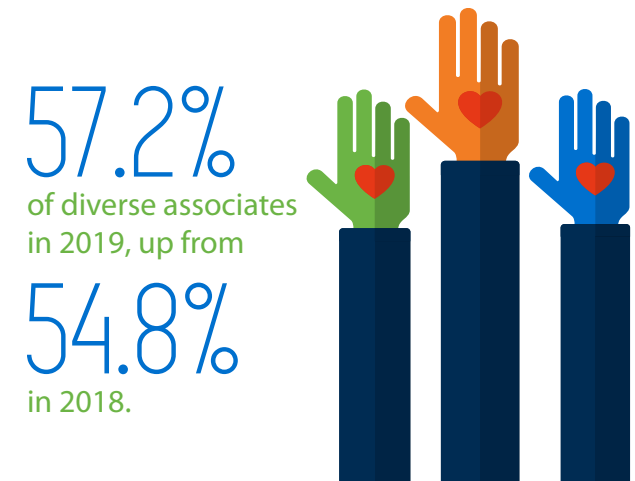
- Associates wore purple to celebrate the day
- Published video on social media highlighting women's contributions at Sysco
- Hosted panel discussion comprised of women customers, suppliers, and company leaders that was broadcast domestically and internationally
- Menigo Foodservice in Sweden was a major supporter of Stellagalan, Sweden's first gastronomic gala exclusively for women

TOWARD A MORE DIVERSE ORGANIZATION

Reaching our 2025 public goal, which is ambitious but achievable, requires a comprehensive series of actions to position our organization for success. It starts with accountability among leaders at all levels of the organization. In order to meet our goal, leaders throughout our company must have visibility into where we are in our D&I journey, and they must be accountable for driving progress through specific actions in their operating units. We have created a D&I dashboard to track representation for groups and locations over time. Beginning in Fiscal Year 2019, we began to require leaders, director level and above, to identify a performance management goal for D&I. Success in fulfilling this requirement factors into their total compensation. Leaders are required to select from a menu of critical activities they can undertake, specified by function.

The Role of Learning and Development

Training, collaborating, mentoring, and networking are all important contributors to becoming a more diverse and inclusive organization. Since 2018, we have conducted in-person training for more than 5,000 Sysco leaders on D&I fundamentals, inclusive leadership, and unconscious bias. This year, we are expanding our D&I training program to encompass Sysco associates at all levels. This online training module focuses on common situations that associates may face in the workplace. With this expanded program, we also created an online version of inclusive leadership training and require all supervisors to lead an unconscious bias group discussion with their direct reports as part of their Fiscal Year 2020 performance management goals.



We supplement these learning and development initiatives with meaningful partnerships with external groups such as the Women's Foodservice Forum, the Executive Leadership Council, which is an African-American leadership organization, and the Multicultural Food and Hospitality Association. We have also developed three mentoring toolkits to provide guidance to mentors, mentees, and supporting groups on how to establish effective mentoring relationships that support the development of women and ethnically diverse associates within Sysco.

Our Associate Resource Groups (ARGs) are organized at both our headquarters and at local operating companies voluntarily by interested associates. These groups are effective vehicles for diverse associates to strengthen their skills and foster mutually supportive interactions with their Sysco colleagues. By the end of Fiscal Year 2019, multiple diversity groups were represented by an ARG. All groups have an executive sponsor, and a leadership council meets monthly to align approaches and leverage learning and volunteering opportunities across the ARGs.



Seeking Diverse Talent

Achieving our objective of becoming a more diverse and inclusive organization requires us to reassess and strengthen our approach to talent acquisition (TA). We've taken measures to enhance the work of our centralized TA organization, including reviewing job postings to remove biased language, training recruiters on unconscious bias and how they can coach hiring managers to improve their performance, and customizing recruitment materials for specific audiences, including veterans and ethnically diverse candidates. We've also established partnerships with organizations across the U.S. and Canada that provide avenues to broaden the pool of diverse candidates.

Focused on Those Who Serve

As part of our military veteran recruitment efforts, our SYGMA business segment partners with the U.S. Army and its Partnership for Youth Success (PaYS) program. This enlistment option and recruitment initiative offers American youth the opportunity to simultaneously serve their country and prepare for a successful post-military career. Future soldiers and Reserve Officers' Training Corps candidates are guaranteed a job interview and possible employment with their chosen PaYS partner after completing their service. PaYS is one more way we are striving to increase the number of veterans we employ.



Sysco's Workforce

TOTAL GLOBAL ASSOCIATES
IN FISCAL YEAR 2019:

69,000

BY GENDER:

80%
of Sysco's U.S.
workforce is male

20%
of Sysco's U.S.
workforce is female

BY ETHNIC DIVERSITY

46%
of Sysco's U.S. workforce
is ethnically diverse

18%
of management-level positions, defined
as director-level and above, were held by
ethnically diverse associates



supplier diversity

Expanding Relationships, Building Value

OUR APPROACH

Sysco's commitment to expand the number of supplier relationships and increase our overall spend with minority- and women-owned business enterprises (MWBs), is a core component of our D&I strategy. These suppliers deliver value to Sysco and our customers in several ways. Historically they have been a valuable source of innovative products and services. Sysco benefits when we align our product portfolio with the preferences of the markets we serve, and effectively respond to emerging trends with new and specialty items associated with those trends. Minority consumers are the fastest-growing segment of the U.S. population and significantly influence how businesses connect with their customers. Sysco's customer base is highly diverse, and customers expect Sysco's suppliers and their products to reflect that diversity. Expanding diverse supplier relationships is not only the right thing to do, it is an important way we drive business success.



Sysco's customer base is
highly diverse

and customers expect Sysco's suppliers
and their products to reflect that diversity.



OUR 2025 GOAL:

Increase spend **25%** with minority- and women-owned suppliers by 2025

Bigger Strides Toward Our Goal

At year-end Sysco had ongoing partnerships with 438 minority- and women-owned enterprises. Our spend with these suppliers totaled approximately \$782 million, an increase of 4.3 percent from Fiscal Year 2018. Fifteen new MWBE suppliers were added to the program during the year.

Progress against our 2025 supplier diversity goal is being driven by heightened accountability among Sysco leaders. We established the criterion of growth in diverse suppliers as a management incentive for select associates, a step taken to help elevate its importance among decision-makers in relevant parts of our organization. In 2019, we created a quarterly scorecard page for MWBE spend that includes data for each department and their spend. We have also successfully integrated our MWBE program into Sysco's category management process. Last year, MWBE suppliers participated in 49 category managed events, and eight MWBE suppliers were awarded in those events.

To help increase demand for MWBE-sourced products, we have strengthened our communication channels with Sysco customers to better inform them about the certified MWBE suppliers we partner with today. These efforts include collateral material detailing products from hundreds of suppliers by category and other select criteria.

Among MWBE suppliers, mergers and acquisitions, changes in business strategy, and other situations can influence our annual spend. In 2019 these circumstances led to the loss of \$13 million in spend with three of our largest MWBE suppliers. That makes it especially important to continue to attract new diverse suppliers into our program — and support them in their journey. Our “supplier playbook” is a comprehensive resource to help suppliers fully understand the requirements involved in becoming part of the Sysco portfolio. For smaller producers, adequate insurance can be a major hurdle in their effort to become a Sysco supplier. A Sysco program can help them overcome that obstacle by enabling them to access liability insurance that meets our requirements.

Engagement with NGOs is another way we drive success. Sysco is a local member of the Houston Minority Supplier Development Council (HMSDC), a nonprofit organization that connects minority-owned businesses with major corporations committed to increasing their procurement from diverse suppliers. HMSDC programs also strengthen the capabilities of minority-owned businesses through scholarships and mentoring.

learning & development

Expanding Capabilities — and Opportunity

OUR APPROACH

We are in the business of distributing food, but people make our business run. We embrace a simple premise: when our associates succeed, Sysco prospers and creates value for all stakeholders. Investing in the professional growth and development of our associates is one of the best choices we can make to strengthen our business performance. Attracting, retaining, and developing the premier talent in our industry is how we attract new customers, create improved solutions, grow sales, and increase enterprise value. Strengthening the skills of our associates and providing opportunities for them to take on new challenges creates a competitive advantage that delivers positive results for our shareholders and all our stakeholders.

Sysco employs a multidimensional approach to associate development, including on-the-job experiences, e-learning, and instructor-led training. Internally and externally developed training materials follow Instructional Systems Design standards, a teaching approach that emphasizes the importance of meeting the unique training needs of each associate.

Sysco Interactive University (SIU) is the platform that delivers training courses and materials. SIU provides associates with

development opportunities, builds awareness of relevant policies and procedures, and contributes to a culture of continuous learning. Participation and performance in SIU curricula is tracked and monitored by associates, as well as their supervisors as part of performance and development reviews. In 2019, we expanded the reach of SIU to include our associates at Brakes UK.

Over 2,275 e-learning courses are available, provided by our partner, Skillsoft®, including discussions, simulations, leadership development, and presentations from well-known thought leaders. SIU also offers preparatory coursework for several industry standard exams. The Sysco learning team also works with departments such as Risk Management, Human Resources, and Sysco Specialty to create and support custom-developed training initiatives as needed.

We have developed a three-day leadership program for corporate and field leaders: Leadership Essentials. The program provides guidance on holding teams accountable, strengthening communication skills, improving problem solving and decision making, managing change, and more. Since its inception we have trained more than 2,500 leaders across multiple functions through Leadership Essentials.



Sysco Interactive University enrollment and course participation in Fiscal Year 2019

NUMBER OF ASSOCIATES WITH ACCESS

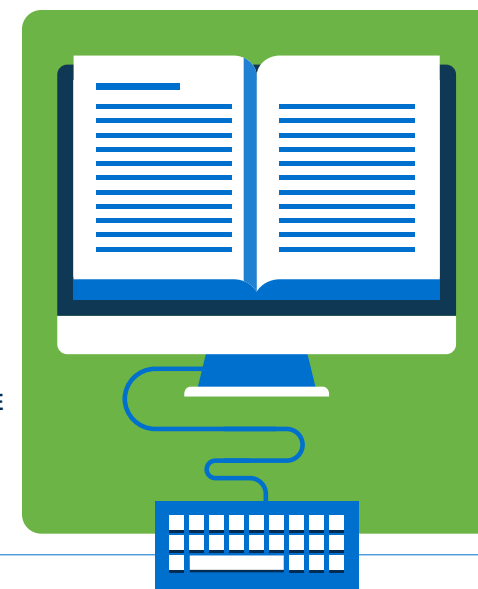
67,516

BOOKS AND AUDIOBOOKS ACCESSED

32,076

INDIVIDUAL COURSE COMPLETIONS

10,745





Total Rewards



99%
of U.S.-based
associates are
classified as full-time.

Aligning Compensation With a Winning Culture

OUR APPROACH

Our Total Rewards strategy is aligned with the company's business objectives, the culture we seek to create, and our talent strategy. This helps us establish the foundation for purpose-driven rewards, which reinforces Sysco's associate value proposition.

We provide all full-time associates, defined as employees who work 30 or more hours a week, with a competitive compensation and benefits package. Approximately 99 percent of our U.S.-based associates are classified as full-time. The benefits package includes comprehensive health care benefits such as medical, mental health, dental and vision, short- and long-term disability plans, life insurance, retirement benefits; and performance-driven incentive plans.

We also provide other benefits such as paid vacation and sick time benefits, an employee assistance program, an employee stock purchase plan, and tuition reimbursement. Sysco has implemented paid pregnancy and adoption leave benefits for U.S. associates. Under the program, birth mothers of newborn children are eligible for six weeks of leave with full pay, and parents of an adopted child are eligible for six weeks of leave with full pay to support the adoption process.

Our UK subsidiary Kent Frozen Foods (KFF) has introduced a platform called Hapi Benefits, that helps all associates access discounts on a range of family activities, health care services, and leisure discounts. The program includes a helpline that KFF associates can call with any issue, including matters such as bullying, health advice, or mental health support. In the U.S., we use Perks@Work, a national platform that offers associates benefits across a range of categories.

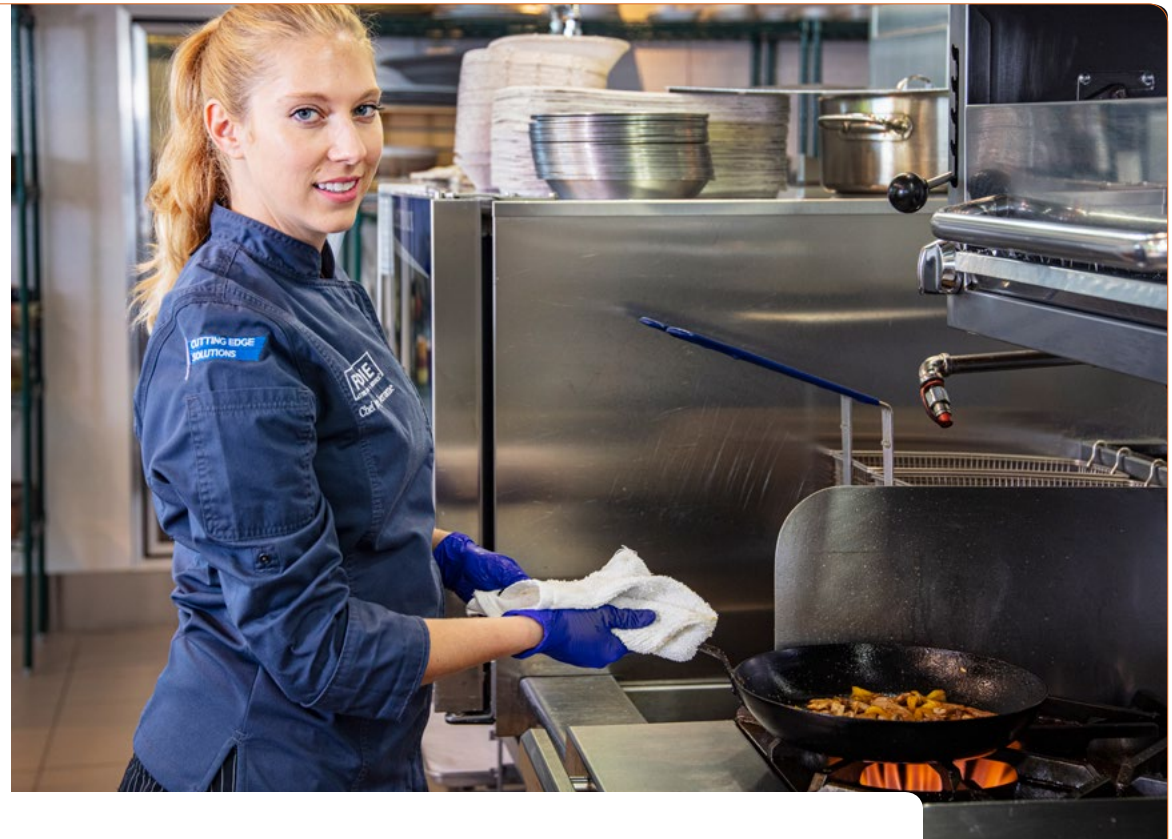
associate engagement

Focused on the Associate Experience

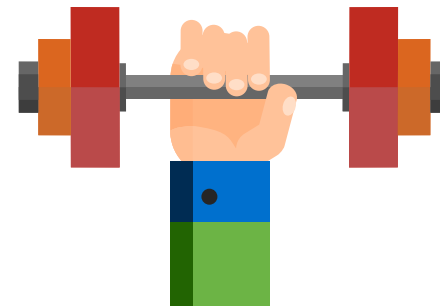
OUR APPROACH

There's a direct connection between employee engagement and business performance. Studies indicate that organizations with highly engaged associates are more successful and better positioned for long-term success. Sysco fosters a highly engaged, high-performance, team-based culture by focusing on the associate experience throughout their tenure with us. It starts with our recruiting, and continues through learning and development opportunities, manager-associate relationships, formal mentor programs, performance management, and career growth. At Sysco, it is our collective responsibility to create an environment where everyone's contributions are valued, and where associates are inspired to embody our commitment to the customer. Our associate listening strategy collects feedback via multiple channels, including annual engagement surveys, focus group sessions, and frequent dialogue between managers and their team members.

Sysco Speaks, our engagement annual survey, is now conducted on a global basis. It offers associates the opportunity to provide anonymous feedback and suggest ideas to improve engagement and overall business performance. Following the completion of Sysco Speaks, we communicate results and enterprise commitments to all associates. To promote a direct and positive impact, people leaders receive direct access to their team's results. This enables them to understand the strengths and opportunities within their team and develop local action plans based on specific feedback points. Together, a commitment to both enterprise-wide and team-specific improvements provides maximum impact for our associates.



Leaders receive direct access to their team's Sysco Speaks results, allowing a better understanding of strengths and opportunities within their teams.



associate health and well-being

Creating a Rewarding, Balanced, and Productive Experience

OUR APPROACH

How do we create a work environment where every associate can maximize their potential? One way is to build a culture of health and wellness — providing tools and programs to help associates enjoy a productive work life as well as a rewarding personal and family life. Providing robust health and well-being initiatives and engaging with associates and their families about the benefits of these programs makes Sysco a stronger and more vibrant company. Healthy associates are more productive, more engaged, and better equipped to flourish in their careers. A strong emphasis on preventive health care contributes to better outcomes for our associates and reduced costs for all participants.



OUR 2025 GOAL:

Double associate participation in health and well-being programs

Supporting Associates at Every Step of Their Wellness Journey

We aim to promote a culture of health, wellness, and physical activity and provide the necessary programs and initiatives to help our associates lead healthy lives. In addition to fully covering the cost of preventive health care services, the company invests in annual financial rewards to further encourage associates to stay aware of their health status. Periodic wellness reminders are issued from safety and occupational health services via email and electronic message boards for communication to associates in pre-shift meetings and postings on bulletin boards and break areas. Sites with occupational health nurses provide health and wellness information to our associates in lunch and learn seminars, pre-shift meetings, periodic newsletters, health fairs, and one-on-one counseling. Occupational Health Services and Total Rewards/Benefits continue to invest in a wide range of programs, both internal and through specialized third parties, that address the needs of our workforce. We also ensure that associates are afforded every opportunity to engage in health and wellness programs, supporting our 2025 goal to double associate participation in health and well-being programs. This year participation decreased slightly from 21 percent to 20 percent, due mostly to a decrease in participation in our wellness rewards program. We also added two new programs, one for new mothers and one focused on financial health, during the course of 2018. In calendar year 2019, we are focused on raising awareness of current programs and expanding our health and well-being program offerings. These health and wellness promotion programs are conducted on a regular basis by wellness committees, human resources, health services,

Total Rewards, safety, and management. Sysco Canada has also now adopted the goal to double associate participation in these programs by 2025.

In Houston, as well as East Texas, Knoxville, Hampton Roads, and Syracuse, Sysco sites have been recognized by the American Heart Association as “Fit-Friendly” workplaces since 2012. Our corporate offices and several operating companies have on-site fitness centers. Some have certified fitness trainers providing personal training and wellness committees that coordinate annual health fairs and quarterly fitness challenges.

Occupational Nurses Drive Positive Results

A successful grassroots initiative started several years ago and Sysco’s occupational health nurse management program continues to deliver results. Over 50 percent of our U.S. Broadline companies have on-site occupational health nurses. It is another way we have fortified our commitment to the overall health and safety of our associates. The program has delivered numerous benefits, including improvement in treatment outcomes, reductions in injury rates, lost work time, and claims expense. These health care professionals address a variety of factors that contribute to the health and well-being of associates through focused programs and interventions, including health coaching and counseling, health promotion programs, legal and regulatory compliance, case management, fitness for duty, and injury and illness interventions and prevention programs. Their work contributes to a more productive workforce and to positive business results for Sysco.



Our on-site fitness centers have certified fitness trainers providing personal training and wellness committees that coordinate annual health fairs and quarterly fitness challenges.





healthy products

More Choices, More Benefits

OUR APPROACH

A healthier diet can provide a host of benefits to people of any age. Reducing saturated fats, trans fats, salt, and sugar while increasing the consumption of fruits, vegetables, whole grains, and fiber puts consumers on a path to healthier, more productive and longer lives. Sysco can contribute to better health outcomes, and we're working to increase availability of healthy food options that are also great tasting, including a core focus on products that meet objective science-based nutritional standards as well as products that support emerging trends and lifestyles.



Sysco Simply Takes Center Stage

Sysco has long implemented programs to increase the development and awareness of products that offer choices for various lifestyles. In Fiscal Year 2019 those efforts were significantly strengthened with the introduction of *Sysco Simply*. Informed by customer insights, feedback, and industry trends, *Sysco Simply* is a new brand designed to enable our customers to accommodate the growing consumer demand for varied dietary and lifestyle choices. The first focus area of *Sysco Simply* is plant-forward dining, including vegan, vegetarian, flexitarian, and plant-based protein products. From protein-alternatives to better-for-you products, the line is currently expanding under the *Sysco Simply* brand. As we leverage feedback and insights from our customers, that inventory will continue to grow.

Transparently Communicating Nutritional Information

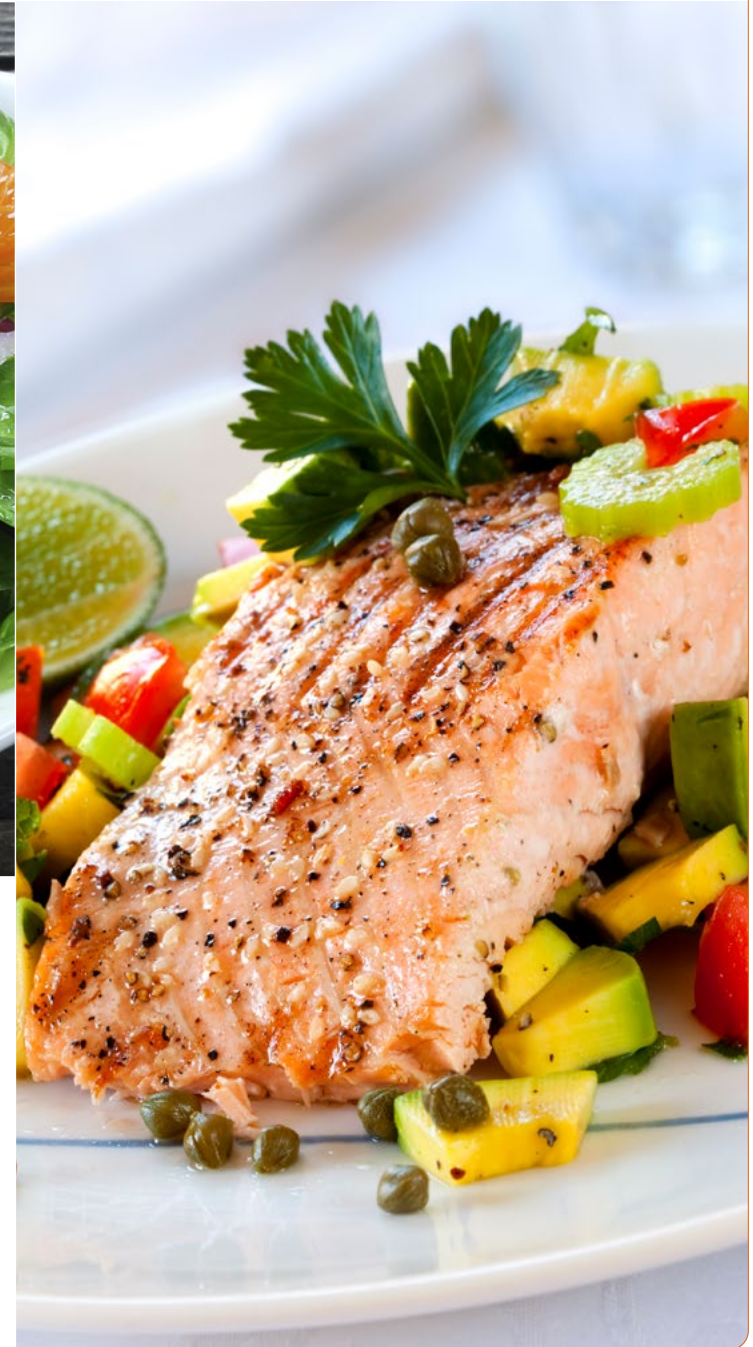
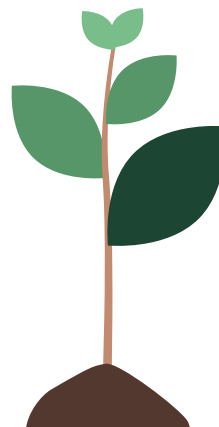
Transparent, easy-to-access nutritional information is of vital importance to our customers. We address the health and nutrition profile of our offerings through a variety of tools and programs. eNutrition, Sysco's exclusive digital tool, provides nutrition, ingredient, and allergen information for over 286,500 items from our portfolio. Customers can also search a large product database to create and analyze their own custom recipes for nutritional content. eNutrition helps school nutrition professionals plan menus for the National School Lunch and National School Breakfast programs by displaying meal pattern equivalencies for applicable foods. Not only do over 25,000 users rely on our eNutrition database for nutrition-related product information, but eNutrition data also flows into our order management systems, allowing thousands of others to access the information they need.

Solutions on the Cutting Edge

Cutting Edge Solutions (CES) is Sysco's platform for launching new product innovation in U.S. Broadline distribution. The program helps customers differentiate their menu offering with on-trend product choices. The CES portfolio includes an array of products that are better-for-you: plant-based alternative proteins and items without any artificial flavors, preservatives, trans fats, or hydrogenated oils. We continuously work to develop new product ideas for CES, and in 2019 introduced items like gluten-free cauliflower pizza crust, and a vegetable rice confetti blend. Since its inception in October 2015, more than 3.5 million cases of CES products have been shipped to our customers.



In Ireland, our Pallas Foods subsidiary is targeting a **45%** increase in its gluten-free offering by 2022.



safety and risk management

Safety First, Last and Always



OUR APPROACH

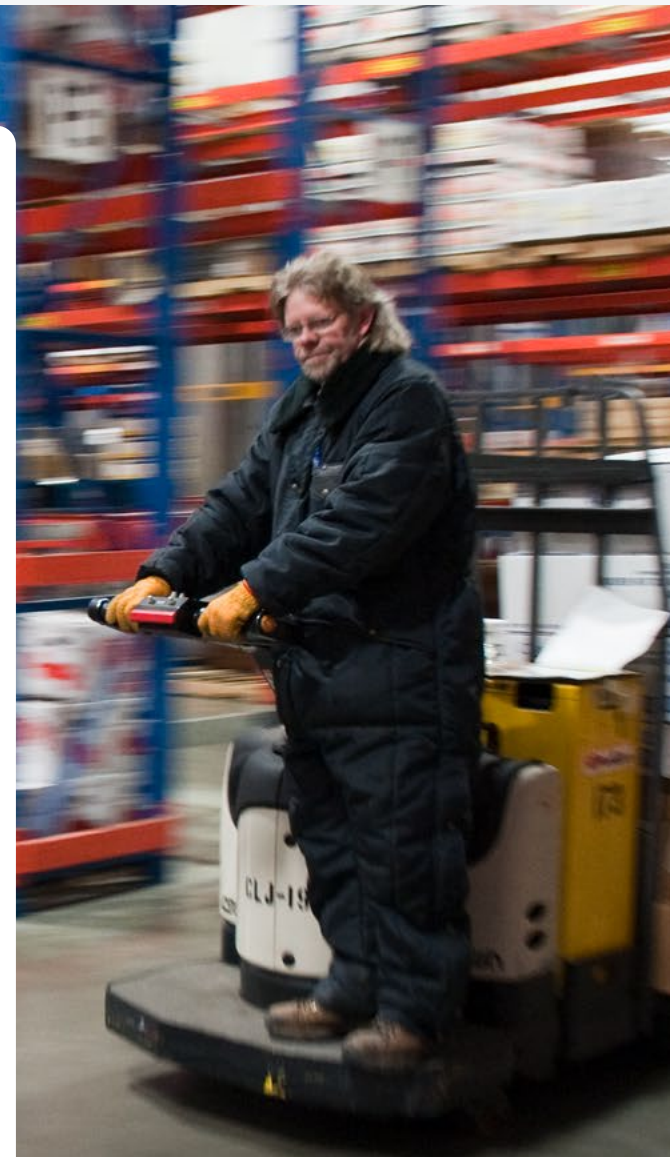
A continuous commitment to a safe, hazard-free, and productive work environment is fundamental to the success of our organization. Sysco's approach seeks to mitigate the root causes of workplace injuries and incidents, whether it's by improving the ergonomics of our truck cabs, loading/unloading and delivery processes, or encouraging safer behaviors such as proper lifting techniques and safe defensive driving practices. Our associates receive extensive training and guidance, and we make every effort to ensure they adopt appropriate work practices. When safety incidents do occur, we work diligently to investigate, and learn from, each event through the deployment of a centralized platform for incident investigations.

The U.S. Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP) recognizes businesses and worksites demonstrating excellence in occupational safety and health. Participating facilities have their incident rates reviewed annually and are re-evaluated

every three to five years to earn continued participation in the VPP. In 2019 Sysco Virginia and Buckhead Ohio received their inaugural OSHA VPP Star Certification, bringing the total number of Sysco locations achieving state-equivalent or federal OSHA Voluntary Protection Program to six. In addition, our Northeast RDC was recertified as an OSHA VPP Star Site. Two additional Sysco Operating Companies are applying for VPP status in Fiscal Year 2020.

Our Holistic Approach to Safety

Ensuring the safety of our associates, supplier, customers, and the public is how we execute our business every day. Maximizing our safety outcomes requires a sustainable culture of safety. Our SyscoSafe behavioral-based safety process is designed to create a culture that promotes the well-being of Sysco's associates, visitors, suppliers, contractors, the environment, and the general public; and helps ensure compliance with federal, state, and local regulations. SyscoSafe incorporates the OSHA VPP





Our safety programs are designed to improve how associates can prevent occupational injuries.

elements, including management leadership, associate involvement, work site analysis, hazard recognition, prevention and controls, and safety and health training. SyscoSafe provides managers with the tools to create an environment that fosters engagement in our safety mission by all associates at all levels, which is vital to the success of any safety program.

Each of our operating locations is supported by a well-qualified safety lead who receives continuing education and is encouraged to attain professional certifications. Each lead provides safety leadership, strategic advice, and subject

matter expertise to our management teams regarding the implementation and management of safety policies, processes, and training.

Training, Visibility, and Assessment

Sysco provides safety training for all associates and management. Associates receive health and safety training during their initial orientation along with ongoing job-specific instruction throughout their careers, including effective coaching and engagement training. These sessions are taken through classroom orientation, retraining and recertification, one-on-one retraining, and online through Sysco Interactive University (SIU).

Our Enterprise Risk Management SharePoint site is a 24/7 resource available to all Sysco operating companies. The site provides guidance and support through training programs, policies, and performance reports to identify key areas of focus and promotes best practices in managing the workplace health and safety risks facing Sysco associates. In the U.S. our standardized, enterprisewide incident reporting system includes tools for our operating companies to better access incident information. Our investigative methodology goes beyond employee behavior to look at the processes and systems that may have dictated the behavioral outcome. Our teams work to identify the root causes of near misses, injuries, and incidents and implement targeted programs designed to deliver continuous improvement and achieve our safety goals.

Our Swedish subsidiary, Menigo Foodservice, has deployed a new incident management tool available to all associates. Associates can use the tool to report incidents and events that could have led to an incident. The system is designed to improve prevention of occupational injuries and create a more comprehensive approach to follow-up measures.





We strive to meet and exceed all regulatory safety standards established by local and federal regulators, as well as our own internal standards for a safe work environment. Our corporate/national safety team members partner with operating companies to train management personnel, assist in the accident investigation process, and interface with regulators from safety, transportation, and environmental agencies.

Committed to Environmental Compliance

Ensuring the highest level of regulatory compliance requires robust monitoring and training processes. We have a standardized Process Safety Management program to enhance corporate monitoring capabilities. The electronic program ensures our operating companies' compliance with various environmental regulations such as OSHA's 29 CFR 119 and EPA 40 CFR 68 Risk Management Plan, both of which regulate anhydrous ammonia refrigeration systems.

Water and air quality, solid and hazardous waste, storage tanks, and spill prevention and control, as well as regulatory reporting compliance, are monitored through our compliance software system, which is used to document the execution of our compliance programs. Sysco provides training to deliver consistency across all environmental compliance programs, which allows management to ensure proactive and adaptable enhancements in a coordinated manner throughout our U.S. operations. We schedule comprehensive environmental audits at all of our facilities on a four-year schedule.

Promoting Vehicle Safety

Lytx, a two-directional camera system, can be found onboard all U.S. Sysco vehicles. The system features video and monitoring technology that helps reduce vehicle collisions by identifying and addressing behaviors that put our associates and members of the public at risk. This technology improves compliance with procedures designed to maximize the safe and efficient operation of our vehicles, including defensive driving to mitigate the unsafe driving of others. Lytx also provides insight into at-risk behaviors that contribute to distracted driving and fatigue-related incidents, including near-miss incidents. These events are used as training opportunities to improve driver behaviors as well as to provide guidance on steps to avoid distraction and fatigue. A series of supplemental online courses is focused on measures to avoid distracted driving and handling fatigue for associates at our distribution centers.

Sysco has implemented programs to reduce events related to fatigued and drowsy driving. The three-pronged approach includes application of high-visibility hours of service regulation compliance, with weekly reports distributed to all operations groups using Telogis onboard monitoring systems. Sysco also enforces a Distracted Driving Electronics Policy to reduce vehicular incidents related to using a mobile device while driving Sysco-owned equipment. Our comprehensive obstructive sleep apnea program aims to proactively detect and intervene early to decrease fatigue and other conditions related to sleep apnea.

In Focus: Warehouse and Distribution Safety

SyscoSafe works best when we regularly focus on management and associate engagement in safety matters. A weekly safety message includes information about SyscoSafe, as well as leadership actions that prioritize safety-focused behavior and how to prevent unsafe acts and unsafe conditions. In addition, we place considerable emphasis on our Safety Continuous Improvement Plans and corrective action plans.

Our "License to Lift" (LTL) program is designed to help mitigate exertion injuries by focusing on proper lifting techniques for warehouse and distribution center associates. Lift champions are identified in each location and receive specialized LTL training which qualifies them to conduct assessments of associate lifting techniques and provide retraining as needed. All current associates and new associates who manually lift product for warehouse and transportation are required to participate in this program.

Asset Protection and Food Defense

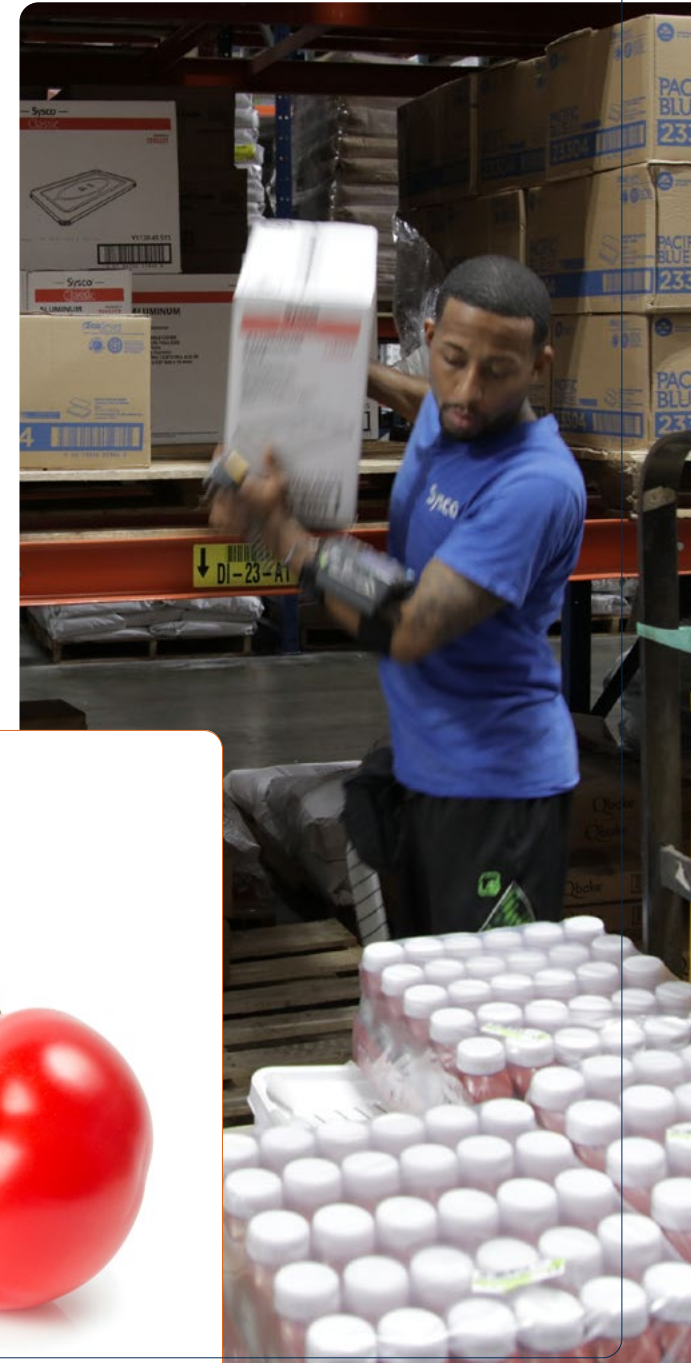
In 2012, we implemented corporate initiatives to continuously improve security operations and capabilities across the enterprise. These included the development of security vulnerability assessments for each facility, individualized site security plans, and the strategic implementation of standardized electronic security platforms. Continuous monitoring and improvement of the Food Defense Program ensures Sysco meets and exceeds FDA/USDA regulatory requirements. It also provides

customers with the highest levels of confidence in our food products security. In conjunction with our comprehensive Environmental Program, the Chemical Facility Anti-Terrorism Standards (CFATS) program provides continuous monitoring for regulatory compliance and supports the security of stored chemicals of interest.

Identifying and Managing Emerging Threats

The Sysco Office of Emergency Management (OEM) was created to identify and manage emerging and potential events that may impact our personnel, assets, and business. Through monitoring of events, including weather, the OEM identifies incidents that impact or could potentially impact our businesses. This assessment allows us to effectively address those incidents through timely implementation of the Crisis Management Program while providing direct support for the affected businesses.

Continuous monitoring and improvement of the Food Defense Program ensures Sysco meets and exceeds FDA/USDA regulatory requirements.





bright ideas for better

PRODUCTS

At Sysco there's no higher priority than to make sure every product that reaches our customers meets our standards for quality and safety. Our customers, and their patrons, expect nothing less. That's why we continue to strengthen our processes around animal welfare, implement policies to protect the human rights of workers in our global supply chain, support responsible agriculture and aquaculture practices, and promote local sourcing. And we make progress on these priorities while maintaining the highest standards of food safety in the industry.

PRODUCTS

the BIG takeaways

2025 Goals



Publish Sysco's Animal Welfare (AW) Policy and ensure compliance by all Sysco Brand suppliers

Identify and develop responsible sourcing commitments for five key commodities

Ensure all high-risk, first-tier suppliers abide by Sysco's Global Supplier Code of Conduct

FY 2019 Highlights



Refreshed Sysco's External Animal Welfare Advisory Council

Reviewed current Sysco AW guidelines and audit practices, benchmarked against supplier and customer AW policies

Established new definitions for "commodities" and "responsible sourcing" and developed a list of criteria for evaluating commodities

Developed a short list of **13** commodities for further evaluation as "key commodities"

Increased the number of total assessments in our Social Audit Program by nearly **9%**

More than **30** suppliers improved their Social Audit performance

The number of suppliers achieving a perfect score grew to **14**

animal welfare

Ensuring Humane Treatment

OUR APPROACH

Ensuring the health, safety, and well-being of animals is a critical priority in our supply chain. As the global leader in foodservice distribution, Sysco is a major provider of animal protein products. The humane treatment of animals is a material issue of importance to our customers and the patrons they serve. Our approach is designed to uphold high welfare standards for Sysco Brand animal products.

We work with our Sysco Brand veal, beef, lamb, pork, and poultry suppliers, as well as shell egg and processed egg suppliers, to promote the humane treatment of animals. Not only do we require our suppliers to meet regulatory requirements, but we also expect them to adhere to industry best practices for animal care.

Our approach is designed to uphold
high welfare standards
for Sysco Brand animal products.



COLLABORATION DRIVES PROGRESS

An important driver in our work to ensure humane treatment of animals in our supply chain is Sysco's Animal Welfare Advisory Council. The Council meets annually with the Sysco Quality Assurance (QA) and Corporate Social Responsibility teams to discuss animal welfare issues, including supplier performance. The Council is comprised of members of Sysco's QA, Merchandising, and Corporate Social Responsibility teams, as well as academic and industry animal welfare experts. The Council provides guidance to Sysco leaders on the design, development, and implementation of animal welfare programs, and offers perspectives on emerging issues and best practices.

In Fiscal Year 2019, we took steps to refresh and reengineer the Council, and to evaluate and define the scope of proteins that will be covered in our policy. We also benchmarked our current AW guidelines against supplier and customer policies. As we move forward to develop a refreshed policy, we will draft new AW principles, and ask external experts, as well as members of the Council, to provide comments and suggestions concerning our new draft AW policy.

ANIMAL WELFARE STANDARDS

Our program to ensure that suppliers of Sysco Brand meat, poultry, and eggs meet Sysco standards has three components:

- Suppliers must document ongoing self-assessments of their animal care practices;
- Sysco requires unannounced, annual third-party Animal Welfare audits of our suppliers' facilities; and

- Verification audits are performed by Sysco QA members who have been certified as Professional Animal Auditor Certification Organization (PAACO) auditors.

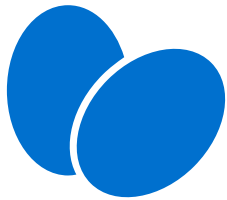
When we identify instances of noncompliance with our animal welfare standards, we work with suppliers to implement corrective actions. If a supplier is unable or unwilling to introduce improvements, we will no longer source Sysco Brand products from that supplier. In Fiscal Year 2019, 174 third-party animal welfare audits were conducted with a 100 percent pass rate. Sysco QA conducted 65 second-party animal welfare audits; of those audits, 53 locations had nonconformances and 12 were in full compliance. Those sites with nonconformances implemented corrective actions as needed.

Group-Housed Pork: A More Humane Alternative

We use science-based standards for animal welfare and work diligently with our suppliers to ensure the humane treatment of animals. We also listen closely to customer feedback, and many have expressed their support for pork suppliers to implement group sow housing systems. As a result, Sysco works with our pork suppliers to ensure that group housing of sows, which provides greater freedom of movement and the opportunity for social interaction, is implemented over time. Sysco suppliers are actively working to adopt group housing systems, and all supplier-owned farms in the U.S. have implemented this change. However, most pork comes from a large number of contract and independent farms which may not have the resources to change housing systems as quickly. We continue to communicate with our suppliers and their farmers while monitoring progress toward the transition.



Sysco works with our pork suppliers to ensure that group housing of sows, which provides **greater freedom of movement** and the opportunity for social interaction, is implemented over time.



Cage-free eggs currently make up approximately 10 percent of our total U.S. egg sales, while the cage-free eggs as a category grew 28 percent in 2019.

Our Approach to Cage-Free Eggs

In 2016, Sysco announced plans to work with our suppliers toward a goal of sourcing only cage-free eggs by 2026, dependent upon available supply, affordability, and customer demand. This commitment builds on the company's longstanding practice to demand high standards in the humane treatment of animals sourced for our Sysco Brand products. Since 2004, all Sysco Brand raw shell egg suppliers have been certified by the United Egg Producers Animal Husbandry Guidelines and also undergo annual animal welfare audits.

In establishing our sustainable egg commitment, we weighed a number of concerns: animal welfare, food affordability, food safety and quality, environmental impacts, and the health and safety of egg producers. We believe the

transition to a 100 percent cage-free egg supply chain by 2026 in the U.S. will require significant collaboration among industry participants, including our suppliers and customers, to specifically address food affordability and environmental concerns.

Since the adoption of our commitment, Sysco has developed a full portfolio of cage-free egg options for our customers in both the shell and processed egg categories, currently at 150 items. Cage-free eggs currently make up approximately 10 percent of our total U.S. egg sales although cage-free eggs as a category grew 28 percent. We continue to see an increase in cage-free orders among large, contracted customers, but affordability for this high-protein source remains a challenge in the marketplace. We will continue to monitor cage-free egg sales and report progress annually.



human rights

Supporting Fair Treatment for All

OUR APPROACH

As the global leader in foodservice distribution, Sysco has a meaningful role to play in protecting and strengthening human rights within global supply chains. The fair treatment of workers involved in growing, harvesting, processing, and shipping food products is of great importance to our company and the customers we serve. Any violation of human rights at any point in our supply chain has the potential to negatively impact our reputation, our business relationships, and our ability to reach new customers and new markets. We continually strive to identify new, better, and more impactful ways to drive improvement in human rights throughout our supply chain. We embrace the responsibility to employ industry best practices and pledge to distribute food products only from those suppliers that meet high standards of safety, quality, traceability, and social and environmental stewardship.





OUR 2025 GOAL:

Ensure all high-risk first-tier suppliers abide by Sysco's Global Supplier Code of Conduct

PROTECTING THE RIGHTS OF THE PEOPLE BEHIND OUR PRODUCTS

Sysco expects its suppliers to uphold the rights of individuals as outlined in the United Nations Declaration of Human Rights, the Core Conventions of the International Labour Organization (ILO), and the ILO Declaration on Fundamental Principles and Rights at Work. Any act of human trafficking, slavery, or child labor within Sysco's supply chain is unacceptable and, if identified, will be addressed in a manner to ensure compliance with Sysco's established policies and procedures.

Sysco has established a Global Supplier Code of Conduct (Supplier COC), which describes the legal, moral, and ethical standards we expect from suppliers, including the protection of human rights. The Supplier COC applies to all suppliers throughout our global operations and was updated in 2018 to include enhanced sections pertaining to anticorruption, foreign or migrant workers, and conflicts of interest. It also expands Sysco's monitoring rights with third parties beyond Sysco Brand products and provides clear reporting requirements for any violation or potential violations. In Fiscal Year 2019 our annual Global Code of Conduct training included associate training on human rights.

We expect each supplier to operate in full compliance with the Supplier COC and with all applicable national, state, provincial, regional, local, and other laws and regulations. The Supplier COC also applies to affiliates and subcontractors of suppliers, and to their respective facilities to the extent those facilities supply goods for ultimate sale to Sysco. The Supplier COC makes clear that Sysco will only initiate and renew contractual relationships with suppliers who do not violate basic human rights.

Our public goal reiterates our commitment to ensure that all high-risk, first-tier suppliers abide by the Supplier

COC. In pursuit of that objective, in Fiscal Year 2019 we undertook a new assessment of first-tier, high risk suppliers, examined how this category was defined, and evaluated Sysco's current social audit approach and processes. We also analyzed other Sysco companies, including those in Europe, and their approach to human rights, and reviewed our performance against corporate human rights benchmarks.

Sysco subsidiary Brakes UK has established a 2025 goal that all Brakes suppliers will abide by the Code of Conduct and be members of SEDEX, a global membership organization that provides one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, including issues of labor rights and health and safety.

Auditing Social Performance

All Sysco Brand approved suppliers in high-risk Latin American and Asian countries must undergo third-party assessments to identify potential risks relating to wages, working hours, discrimination, worker safety, living conditions, and child and forced labor. We are committed to continuous improvement in our supply chains. Based on assessment findings, we work with Sysco Brand suppliers and processors that do not achieve perfect scores to develop and implement improvement plans. Sysco takes immediate action, including termination of business relationships, with any suppliers that fail to comply and meet our social compliance assessment program.

In Fiscal Year 2019, 178 assessments were conducted in 19 countries. This total included 42 initial audits and 136 assessments of facilities that had been audited in Fiscal Year 2018. Among suppliers that have participated in the program for multiple years, 30 percent demonstrated improvement when compared to their previous audit

— a positive trend. We were also pleased to note that 14 facilities achieved a perfect score in Fiscal Year 2019, and the percentage of facilities scoring in the top two categories grew as well. Some 16 percent received a lower rating than the previous year, and one supplier was terminated for not meeting expectations.

Working Collectively to Address Violations

We are concerned when we hear public reports of labor violations in the overall seafood supply chain. In response, Sysco has increased our efforts on several fronts, both independently and through collaboration with other companies, associations, and NGOs. Sysco is a member of the Seafood Task Force, an organization that includes retail, foodservice, and NGO representation. The task force's mission is to strengthen worker well-being and compliance with laws governing the seafood supply chain by implementing a track and trace international verification system from vessel to feed mill; developing a standard

code of conduct model for ports, brokers, and vessels; and supporting efforts to mitigate the effects of overfishing, which can contribute to human rights abuses in the shrimp supply chain.

We reinforced our commitment to enhancing the sustainability of seafood procurement practices and standards by extending our longstanding alliance with the World Wildlife Fund (WWF) through 2020. Sysco's WWF partnership was created with the goal of advancing the health of fisheries and fishing communities around the world.

Sysco has remained vigilant in monitoring the performance of suppliers and processors in Southeast Asia. We maintain regular communication with all of our seafood suppliers, including dialogue with suppliers in Thailand about actions they are taking to eradicate human rights violations. Sweden's Menigo Foodservice has collaborated with the sustainability firm QuizzRR and the Axfoundation, an NGO,

on an initiative to improve conditions for food workers in Thailand. The aim of the pilot project was to develop training for industry workers and managers to educate them on their responsibilities and rights. The project's second phase, which launched in Fall 2018, is designed to tailor the training to Thai conditions and is being translated into the most commonly spoken dialects in the country. Menigo has encouraged its own suppliers in Thailand to take part in the training.

Sysco will continue to consider further actions to evaluate and strengthen current practices as well as opportunities to collaborate with other stakeholders to ensure that our seafood supply chain is free from any human rights concerns. We're committed to playing a meaningful role in addressing this serious issue and will engage with interested stakeholders to develop and implement actionable, practical, and effective solutions.



The Seafood Task Force's mission is to strengthen worker well-being and compliance with laws governing the seafood supply chain.



responsible sourcing

Thinking About Tomorrow's Resources — Today

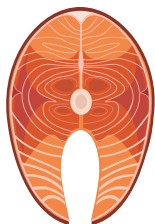
OUR APPROACH

Effectively serving our vast customer base requires that we source commodities on a global basis. Whether these commodities originate from the sea or land, we recognize that ensuring their availability tomorrow requires that we do more to ensure that they are responsibly and sustainably produced today. If resources are depleted and negative environmental costs rise, those actions threaten future supply and jeopardize not only our business, but the health and well-being of billions of people worldwide. Guided by that recognition, we have adopted comprehensive responsible sourcing practices centered on two essential commodities, Seafood and Palm Oil. We are also engaged in a process to identify and develop responsible sourcing commitments for five commodities by 2025.



OUR 2025 GOAL:

Identify and develop responsible sourcing commitments for **5** key commodities



WWF indicates that more than **85 percent** of the world's fisheries have been pushed to, or beyond, their biological limits.

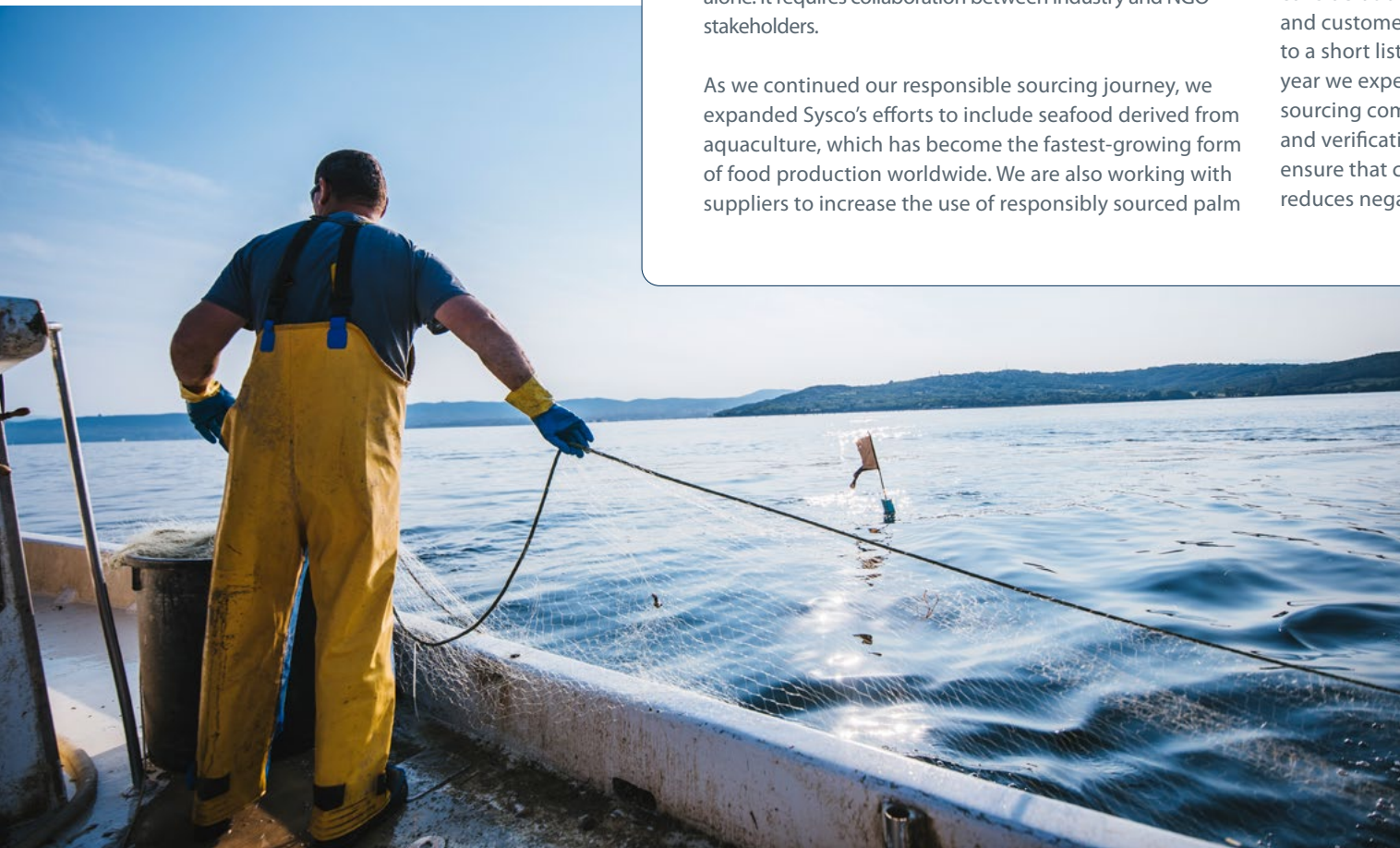
PRIORITIZING OUR RESPONSIBLE SOURCING OPPORTUNITIES

Ten years ago, we began to leverage Sysco's scale to be a catalyst for responsible sourcing. As we undertook the work to prioritize commodities with increased risk profiles, we identified wild-caught seafood as our first area of emphasis. WWF indicates that more than 85 percent of the world's fisheries have been pushed to, or beyond, their biological limits. The work of preserving healthy fish populations and sustainable fisheries goes beyond the scope of governments alone. It requires collaboration between industry and NGO stakeholders.

As we continued our responsible sourcing journey, we expanded Sysco's efforts to include seafood derived from aquaculture, which has become the fastest-growing form of food production worldwide. We are also working with suppliers to increase the use of responsibly sourced palm

oil, because of its enhanced risk profile, including the threat of deforestation and negative social impacts.

In Fiscal Year 2019 we took a number of important steps toward our 2025 responsible sourcing goal. Our team analyzed previous commodity commitments and lessons learned, developed a list of criteria to evaluate commodities against, and established a group of commodities for consideration based on sales volume, investor interest, and customer and supplier commitments. This work led to a short list of potential commodities. In the coming year we expect to narrow that list, and begin to identify sourcing commitments and explore tracking capabilities and verification requirements. As always, our goal is to ensure that commodities are produced in a manner that reduces negative impacts on people and the planet.



Supporting Sustainable Fisheries and Responsible Aquaculture

Some 3 billion people around the world rely on wild-caught and farmed seafood as a significant source of protein. Decades of overfishing have led to the collapse of key commercial fisheries around the globe, reducing once plentiful stocks. In addition, aquaculture — the fastest-growing source of animal protein — is putting added pressure on vital coastal and marine ecosystems. By taking action to support transformational change in the management of global fisheries and promoting responsible aquaculture, Sysco is working to conserve the health of the marine ecosystem and the livelihoods of future generations.

Sysco is a large purchaser of seafood in North America, which positions us to have a large and meaningful impact by working with our suppliers to improve sustainability in our seafood supply chain. We began collaborating with the World Wildlife Fund (WWF) in 2009 to assess our seafood supply chain and set sourcing commitments for the top 10 Sysco Brand wild-caught seafood species. In 2016, we reinforced our commitment to improve the sustainability of our seafood procurement practices by continuing our alliance with WWF through 2020, while also expanding our commitment to include our top 15 wild-caught species and our top five aquaculture species. We pledged to our customers responsible sourcing of Sysco and Portico Brand seafood products with the following goals:

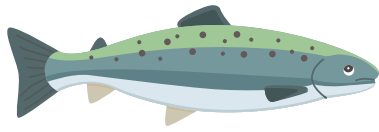
- To source our top 15 wild-caught Sysco Portico Brand seafood species from fisheries that are either certified by the Marine Stewardship Council (MSC), in MSC full assessment or in a comprehensive Fishery Improvement Project (FIP) — with at least 75 percent of this volume coming from MSC-certified fisheries;

- To source our top five Sysco Portico Brand aquaculture species groups — shrimp, salmon, pangasius, tilapia, and catfish — from farms that are either certified by the Aquaculture Stewardship Council (ASC), in ASC full assessment, in a comprehensive aquaculture improvement project, and/or certified against a minimum two-star rating on the Best Aquaculture Practices (BAP) standards as defined by the Global Aquaculture Alliance. In addition, Sysco will preferentially source ASC-certified product when available;
- To work with WWF to promote efforts to improve seafood traceability globally by participating in the Global Dialogue for Seafood Traceability, as well as enhancing Sysco's capabilities to trace seafood products throughout its supply chain; and
- To build on our work to increase the supply of sustainable tuna, including sourcing Sysco Brand canned and pouched tuna from fisheries that are MSC-certified, in MSC full assessment, in a comprehensive FIP, or showing International Seafood Sustainability Association (ISSA) membership.



Sysco is working to conserve the health of the marine ecosystem and the livelihoods of future generations.





Sysco purchased approximately 14.2 million pounds of seafood from ASC-certified fisheries in 2018.



On Track to Deliver Against Our Commitments

As of December 31, 2018, Sysco sourced approximately 93 percent of our top 15 wild-caught Portico Brand seafood species from fisheries that are either MSC-certified, in MSC full assessment, or engaged in a comprehensive FIP. In fact, all of Sysco's Portico Brand wild-caught frozen, haddock, salmon, halibut, clams, and flounder originate from MSC-certified fisheries. Sysco purchased 39.6 million pounds of seafood from MSC-certified fisheries in Fiscal Year 2019.

The majority of the remaining volume is sourced from squid and shrimp fisheries. We believe the most beneficial approach is to continue working with these fisheries to improve their environmental performance and ultimately achieve MSC certification.

Aquaculture is a rapidly growing component of global seafood production, and Sysco's aquaculture sustainability initiatives were adopted three years ago. As of the end of calendar year 2018, Sysco sourced approximately 65 percent of our top five aquaculture Portico Brand seafood species from farms that are either ASC-certified, in ASC full assessment, in a comprehensive AIP, and/or certified against a minimum two-star rating on the BAP standards as defined by the Global Aquaculture Alliance. Sysco purchased approximately 14.2 million pounds of seafood from ASC-certified farms in 2018. The challenges in aquaculture are the availability of certified farms, particularly in shrimp, which is the largest species we source through aquaculture. We continue to work with our supply chain and NGO stakeholders to promote the certification of shrimp and other aquaculture fisheries.

In 2016, Sysco became a member of the Seafood Task Force, an industry-led membership organization that includes retail, foodservice, and NGO participation. The Task Force's work is based on the recognition that forced labor and

human rights issues and marine conservation problems are closely linked to Illegal, Unreported and Unregulated fishing (IUU). The task force seeks to strengthen worker well-being and compliance with laws governing the seafood supply chain through implementation of a track and trace system of international verification from vessel to processing plant; development of a standard code of conduct model for ports, brokers, and vessels; and support for FIPs to mitigate the effects of overfishing, which can contribute to human rights abuses in the shrimp supply chain.

Making a Difference on the Water

Through our engagement with WWF, Sysco supports numerous FIPs around the world. This collaborative effort draws together fishers, industry, researchers, governments, and NGOs to help improve fishing practices and management. Through a transparent and comprehensive approach, improvement efforts increase a fishery's level of sustainability so that it can reach the environmental standard of MSC. By working with WWF to support FIPs, Sysco helps safeguard marine wildlife, the natural environment, and the livelihoods of people who depend on ocean resources.

Since 2010, Sysco has supported 17 FIPs through sourcing, engagement with stakeholders, and/or direct funding. In addition, Sysco supports FisheryProgress.org, a global site for FIPs that third-party verifies continuous improvement and achievement against time-bound workplans. This ensures that the FIPs Sysco sources from are making progress to achieve their identified objectives, and helps Sysco reach our targets for sustainable seafood sourcing. By requiring FIPs in our supply chain to report on FisheryProgress.org, Sysco can track our progress toward those objectives, as well as finding new FIP sources to meet our customers' needs.

These are two of the many FIPs Sysco supports that are making a positive impact:

Ecuador Mahi Mahi (*Coryphaena hippurus*)

Ecuador's mahi mahi fishery is one of its most ecologically and economically valuable artisanal fisheries. The fishery is a top exporter to the U.S. In addition to providing nutrition for people, mahi mahi is an important part of the marine ecosystem, providing food for many predators such as sharks and dolphins. In February 2019, after being in a fishery improvement project with WWF, the fishery entered the MSC full assessment process. This assessment process should take 18 months to complete, during which the WWF is providing technical support to the fishery, and supporting fishery actions as needed. In May 2019, the Inter-American Tropical Tuna Commission (IATTC) science staff recommended reference points and harvest control rules for mahi mahi in the eastern Pacific and presented them to the IATTC countries. The Ecuadorian government is now using the information to adopt country-level rules and working with the Peruvian government to adopt similar rules to ensure joint management of the highly migratory species. These and other improvements are a direct result of the FIP and have been transformational in how governments manage this transboundary fishery. Sysco continues to support this fishery as it moves towards MSC certification.

Peru Jumbo Squid (*Dosidicus gigas*)

The Peruvian jumbo squid FIP is the first comprehensive squid FIP in the world. Thanks to the support of Sysco along with other U.S., Spanish, and French seafood businesses, as well as Peru's National Society of Industries (NSI) and other FIP participants, the jumbo squid fishery continues to drive improvements toward meeting the MSC standard. WWF has worked closely with Sustainable Fisheries Partnership, the Peruvian government, and

the private sector to develop a comprehensive plan to help the fishery meet the MSC standard. The parties have worked to develop a FIP Action Plan to address the remaining challenges in the industry, which include the high number of unlicensed vessels targeting squid, the lack of a robust monitoring and data collection program, and lack of a fishery management plan. If successful, the Peruvian jumbo squid fishery could become a role model for other squid fisheries and help build additional capacity in Peru for fishery improvement work.

In addition to these projects and others, Sysco France has provided financial support for three FIPs that are designed to improve the cod, skate, and shrimp fisheries.

Sysco continues to support healthy tuna stocks by committing to source Sysco Brand canned and pouched tuna from MSC-certified fisheries, comprehensive tuna FIPs, and/or from ISSF participating companies. In addition, Sysco has committed to reviewing annual ISSF compliance reports from all of its participating companies to confirm progress indicators, such as ensuring all tuna is sourced only from vessels on the ISSF proactive vessel registry. All of Sysco's canned and pouched tuna suppliers are members of the International Seafood Sustainability Association (ISSA) and committed to supporting the tuna sustainability efforts of the ISSF. Founded in 2009 to create science-based solutions for tuna fisheries worldwide and improve management of global tuna stocks, the ISSF's goal is for tuna to meet the MSC standard without conditions and to eliminate illegal, unregulated, and unreported tuna from supply chains. ISSF Participating companies commit to employing a level of traceability which enables confirmation of their compliance with ISSF conservation measures and aids in the reduction of IUU-caught tuna.



Project stakeholders are working to reduce the incidental capture of sea turtles.



90 percent
of our current case
volume is compliant with
our Palm Oil Policy.

palm oil

Increasing Engagement With Our Suppliers

OUR APPROACH

Sysco recognizes the importance of contributing to the promotion of a sustainable supply of palm oil. We are committed to partnering with our suppliers to progressively increase the use of responsibly sourced palm oil in the Sysco Brand supply chain, as outlined in our Palm Oil Policy.

In support of our objective to promote the sustainable supply of palm oil, we set the goal of using only RSPO-certified (Mass Balance) palm and palm kernel oil in Sysco Brand products effective December 31, 2018. We undertook a number of actions to advance against that objective. The first was identifying all Sysco Brand products that contain palm oil. This was a detailed and lengthy process, since palm oil functions as a product ingredient rather than a commodity or standalone product. Sysco also surveyed suppliers to identify which type of palm oil they

were currently using. We focused our initial efforts on the largest suppliers that represent a substantial majority of the case volume of relevant products. In Fiscal Year 2019, we expanded our outreach to additional suppliers, based on case volume. Although we were unable to reach our 100 percent compliance objective by our target of calendar year-end 2018, we have made significant progress. As a result of our supplier engagement, we can now report that 90 percent of our current case volume is compliant with our Palm Oil Policy.

In an effort to reach our 100 percent supplier compliance objective, we have taken additional actions, including incorporating our palm oil requirements into all new Sysco Brand supplier agreements and product specifications. Learn more about the Sysco Palm Oil Policy [here](#).

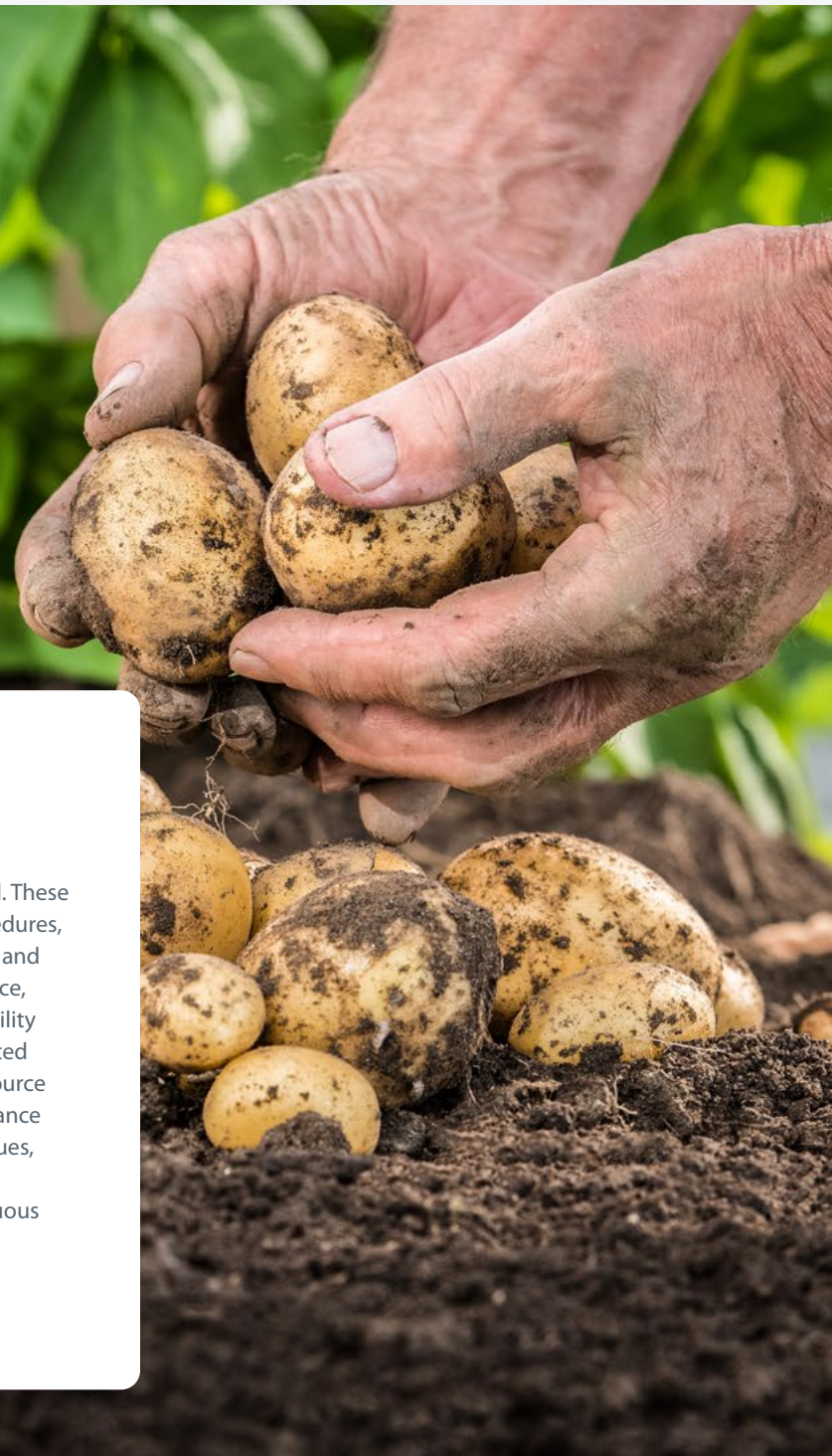
safe & quality-assured products

A Relentless Commitment to Quality and Safety

OUR APPROACH

Ensuring that the millions of cases that we distribute to our customers are safe and are of consistently high quality is of crucial importance to Sysco's continuing success and the success of our customers. Food safety is material to our business and an issue that impacts all our stakeholders. Sysco devotes substantial human and technological resources to reducing the likelihood of any deviation of safety, reliability, and quality standards. We emphasize development of preventive controls rather than simply reacting to problems, and this effort is supported by audits, inspections, monitoring, testing, and training.

Our quality assurance (QA) team establishes and implements the food safety, reliability, and quality strategies that protect our customers and our brand. These strategies are brought to life through policies, procedures, practices, and requirements that ensure food safety and brand product quality, confirm regulatory compliance, and govern Sysco's product-related social responsibility standards. Our associates and suppliers are committed to applying these requirements, beginning at the source for the products we distribute, with the goal to enhance customer trust, reduce risk, support Sysco's core values, and differentiate our product offering. We regularly evaluate our food safety processes and seek continuous improvement in all we do.





A Comprehensive Approach to QA

The principles of responsibility, inclusiveness, integrity, trust, and excellence guide our QA and food safety programs and allow us to provide the highest-quality products to our customers globally. Most of our QA programs cover our own Sysco Brands, since these are the products over which we have the greatest level of control. However, our commitment to safe, high-quality foods sourced from domestic and international suppliers extends to all major national, regional, and ethnic brands, as well as the local foods we distribute.

Several years ago, Sysco QA adopted the food safety and quality systems certification processes of the Global Food Safety Initiative (GFSI), which has become the benchmark standard for the food industry worldwide for certification of both our owned facilities as well as those used by our suppliers who produce products for the Sysco brand. Food industry stakeholders increasingly recognize the value of executing the food safety practices embodied by GFSI certification: a comprehensive review of the sufficiency of the food safety mitigations and program documentation, a systemic evaluation of the physical plant, management's commitment to food safety, and associate behaviors during execution of the distribution process.

We utilize the BRC Global Standards Storage & Distribution food safety certification audit program for Sysco Broadline and SYGMA distribution centers and the Safe Quality Foods (SQF) program for processing plants in our FreshPoint facilities. SQF is used at all of the specialty meat company locations.

The GFSI certification process provides two major advantages over routine Good Manufacturing Practices inspections. GFSI provides:

- A thorough evaluation of a food safety system, its execution and conformance to risk- and science-based food safety standards as well as regulatory requirements; and
- An emphasis on independent third-party accreditation of both the standard and the auditors, thereby decreasing the potential for conflicts of interest and increasing customer and regulator confidence in the system.

The adoption of food safety certification at Sysco facilities more effectively integrates accountability for food safety across all functions, enhances our ability to mitigate food safety risk, and provides a more robust measure of performance.

Sysco's QA Team: Robust Capabilities

Our QA team includes approximately 200 full-time corporate associates and more than 50 contracted inspectors, all dedicated to one mission: delivering Sysco Brand products that meet the most exacting safety, reliability, and quality standards, as well as working with our suppliers to ensure the same standards are being upheld on non-Sysco branded products. Their work includes:

- Defining product quality and food safety standards, specifications, and procedures;
- Qualifying suppliers for Sysco branding who can conform to our stringent food safety and quality measures;
- Monitoring suppliers and their products throughout the supply chain;
- Assessing the impacts from new or revised regulations to key stakeholders and facilitating compliance;
- Supporting operating companies during regulatory inspections; and
- Facilitating recall communications between suppliers and Sysco Operating Companies during market actions.
- Maintaining the Food Safety and Quality Assurance functions at our owned facilities.

Through ongoing plant audits and inspections, including unannounced visits, as well as product evaluations, field food safety and regulatory services, the QA team works to fulfill Sysco's vision by delivering products that meet exacting safety, reliability, and quality standards.

Our quality assurance program has a global presence to ensure the safety and quality of products sourced from several countries worldwide. We have formal inspection programs under our Point Source Inspection Program at more than 140 approved overseas supply facilities in Africa, Asia, Europe, and Latin America, in order to monitor products for quality and safety prior to being delivered to our North American companies. Sysco suppliers must also undergo annual independent food safety audits that supplement our team's direct monitoring, providing further assurance of consistently safe, high-quality products.

Training to Strengthen Our QA Skills

We provide ongoing professional development for all QA associates through off-site technical training, webinars, in-house group seminars, and interactive web-based course work. Food safety training is not limited to QA associates, but is made available to Sysco associates across the enterprise. Additionally, we provide comprehensive role-specific instruction for associates who have direct product touch points with food safety impacts. For example, warehouse associates such as receivers, selectors, loaders, delivery drivers, and will-call associates receive training designed to address food safety risks for temperature control and cross contact.

Collaborating Across Our Industry

Shared knowledge leads to continuous improvement, ultimately benefiting all stakeholders in the foodservice industry, including suppliers, customers, and competitors. Our QA managers and directors play an active role in the development of industry standards and practices to improve food safety, quality, animal welfare, and

sustainability, including those standards and practices encompassed by several frameworks.

Sysco is a supporter of the Center for Produce Safety (CPS), a collaborative partnership that leverages the combined expertise of industry, government, and the scientific and academic communities to focus on providing research needed to continually enhance food safety. Our alignment with, and support for, CPS affirms our commitment to continuously evaluate and improve the delivery of safe produce to be enjoyed by consumers in all the markets we serve.

In 2019, Sysco joined the Partnership for Food Safety Education (PFSE). The nonprofit PFSE is the originator of

science-based food safety messaging and the national leader in developing and disseminating information around the linkage of food safety consumer education with positive health outcomes. It's an initiative to further educate consumers about the importance of food safety and proper food handling techniques — thereby reducing the incidence of foodborne illnesses.

Our QA and food safety representatives participate in technical working groups of the GFSI, whose food safety practices we have adopted. GFSI is a nonprofit organization focused on improving global food safety management systems by building industry acceptance of common food safety criteria and managing costs in the supply chain through improved efficiency in food safety audits. We are



We joined hands with the Partnership for Food Safety Education (PFSE) to further educate consumers about the importance of food safety and **proper food handling techniques.**



also engaged in other industry initiatives, such as the IFDA Food Safety Committee, NAMI and recently the BRCGS North American Advisory Council.

Enhancing Quality, Safety, and Traceability

For nearly two decades, all suppliers of Sysco Brand fresh, ready-to-eat produce have been required to comply with our Good Agricultural Practices (GAP), requirements. In 2007, we extended our GAP requirements to include all fresh, ready-to-eat produce distributed through our operating companies, regardless of brand or label. The Sysco GAP program monitors nearly 600 suppliers, conducting over 40,000 GAP audits each year.

Enforcing High Standards

All Sysco Brand suppliers must pass the Sysco Supplier Approval process, which includes review of all facility- and product-related programs, supporting documentation, a teleconference to discuss review outcome, and a physical audit by Sysco Quality Assurance. The process assesses the adequacy of food safety control, sanitation, good manufacturing practices, employee hygiene, foreign material control, quality management systems, recall and traceability, and production capabilities.

After approval, Sysco QA establishes monitoring and verification procedures with the supplier. These procedures ensure Sysco Brand products are manufactured and packed in accordance with agreed-upon specifications in an environment conducive to food safety. Commodities such as raw ground beef, ready-to-eat deli meats and poultry, ready-to-eat seafood, and ready-to-eat produce must adhere to even more rigorous Sysco QA food safety requirements designed to mitigate pathogen risks.

Because of elevated product risk, we have dedicated supplier approval systems for all production facilities that

supply raw ground beef and veal. Non-branded ground beef and veal suppliers must be approved by Sysco QA before an operating company can purchase these high-risk items. Ground beef suppliers must adhere to strict food safety controls, including use of pretested raw materials that are confirmed negative for specific pathogens. In light of risk presented by foreign objects in ground meat, we have implemented a requirement mandating that suppliers of Sysco Brand-sourced ground beef utilize in-line X-ray detectors on their ground beef products. Produce suppliers, regardless of brand, must adhere to our strict GAP audit requirements to ensure that growing conditions and employee practices minimize risk of pathogens being introduced into produce.

Monitoring Compliance With Rigor

The QA team ensures ongoing high standards by continually monitoring compliance with our rigorous quality and food safety guidelines. Our Independent Audit Program, which was established two decades ago, requires all approved Sysco Brand suppliers and packing locations to undergo one GFSI food safety certification audit by a Sysco-approved contract auditing firm each calendar year. Sysco QA reviews all external audits to ensure that a minimum score is achieved and that necessary corrective actions are adequate and implemented in a timely manner.





To supplement that work, all approved Sysco Brand suppliers are rated based on their food safety risk and monitored through on-site audits by QA associates according to their risk ranking; suppliers providing products that possess higher potential food safety risk are prioritized. During these audits, the QA team evaluates production and products, addresses any existing product quality issues, assesses the execution of food safety programs, and reviews preventive measures and corrective action plans. In Fiscal Year 2019, Sysco QA completed on-site audits and plant or field inspections at more than 600 Sysco Brand facilities, including more than 100 outside the United States, to monitor our suppliers' and our owned companies' food safety and quality programs.

The Food Safety Role of Associates at the Operating Company Level

Beginning in Fiscal Year 2015, Sysco enlisted additional professional food safety program managers with relevant expertise to execute food safety programs at our Broadline and SYGMA Distribution Centers, and at FreshPoint facilities. In addition, the Food Safety and Quality Assurance (FSQA) Leads at Sysco's Specialty Meat Group locations began directly reporting to Sysco corporate and implementing standard food safety and quality assurance programs in 2016. Food safety program managers provide training, ensure consistent implementation of the food safety programs, lead the food safety team's preparation and execution of the food safety certification audits, and work to improve accountability as well as consistency of execution. The Sysco Specialty Meat Group and Freshpoint processing FSQA Leads also perform these functions in addition to assuring quality assurance programs.

To minimize risks in food safety from supplier to the customer, we utilize multiple preventive controls throughout our process, including hazard analysis and critical control points (HACCP). Also included are formal prerequisite food safety programs, such as supplier approval programs, sanitation, foreign materials control, allergen control, good food handling practices, and recall procedures. We utilize standardized procedures for warehouse functions to mitigate food safety risks at receiving, in storage, during the selection process, and in loading and delivery to our customers. We use these same processes in addition to processing control food safety measures overseen by the FSQA Leads, including allergen processing control measures, pre-operational and operational sanitation and environmental monitoring control measures, as well as operational Good Manufacturing Practices at the Sysco Specialty Meat Group and Freshpoint locations.

We have implemented integrated cold chain temperature monitoring for product categories such as seafood, ground beef, produce, and poultry that require it for safety: an end-to-end process from inbound receipt through customer delivery. By implementing effective preventive controls at every stage of food production, processing, and distribution, we can prevent or reduce the risk of many food safety hazards.

Product Recalls: Faster Is Safer

When a Sysco supplier identifies a problem with either the safety or quality of its products, we work quickly to help ensure that the products in question are removed from the supply chain. Our recall communication system is designed to rapidly notify all parties involved of the details

of the recall or withdrawal. To ensure accurate traceability in the event of a recall, all suppliers must be able to trace products both back and forward through their supply chain. In addition, Sysco Brand cartons and, if applicable, internal packages, are identified with a production code.

When product recalls occur, faster communication often means safer consumers, so we have invested in additional capabilities to accelerate communication across our operating companies and customer base. Busy foodservice professionals are often not at a desk — they are serving their patrons. A dedicated Sysco product recall platform provides real-time alerts in the event of a recall or food safety issue. Customers can indicate to us how much recalled product is in stock and was destroyed or needs to be returned. These tools are industry-leading and have proven effective in reducing cycle time and improving communication among all affected stakeholders.

Transparency Builds Trust

In 2019, we started a partnership with the Center for Food Integrity to leverage their expertise in better understanding how to provide factual, transparent information to customers most effectively and explain the sustainability tradeoffs that sometimes occur due to taste preferences or lifestyle choices. As people become more interested in how their food is grown, processed, and brought to market, we are continually examining how we can best partner with customers to build trust with their guests.



Product temperature is monitored wirelessly from inbound receipt through customer delivery.



local sourcing

Aligned With Customer Needs and Community Benefits

OUR APPROACH

Market insights tell us there is growing demand for locally sourced products of every kind — from fresh produce to meat, seafood, and dairy products. Local has never been more relevant, and our ability to successfully meet the demand for specialty and seasonal products from small and mid-sized local producers differentiates Sysco and enables us to service our customers better. A recent National Restaurant Association survey of American Culinary Federation chefs found that locally sourced meat, seafood, and produce were among the top menu trends. It's about freshness and flavor — and also consumers' desire to support hometown suppliers and local communities.

Sysco has led in enabling the growth of local sourcing by using technology and a vast database of local suppliers to build connections between local producers and our customers. Since 2014, FreshPoint, our specialty produce company, has continued to strengthen its capabilities to make sourcing local produce easy and convenient. In the foodservice industry, the definition of "local" can vary widely. That's why FreshPoint developed an online tool that enables customers to "define their own local" within a distance they designate and allows them to sort by crop or growing method. Users can search for in-state purchases. As an active local database with full reporting capabilities, it was an industry first. We also expanded the tool for Sysco

Broadline companies in the U.S. and continue to add new suppliers to the program as and when possible.

In the UK, KFF carefully sources high-quality sustainable, local products across the spectrum. KFF works with over 50 artisan and local supplier partners, many of whom are award-winning, and often coaches partners to help them earn the highest foodservice accreditations. For KFF, working with local suppliers can provide significant environmental and social benefits, such as reducing the number of miles food travels and supporting local farmers, dairies, and other local producers while sustaining local economies.

Sysco has led the way in enabling the growth of local sourcing by using technology and a vast database of **local suppliers** for our **Freshpoint companies** to build connections between local producers and our customers.





bright ideas for a better

PLANET

How can we support and encourage more sustainable agriculture, with fewer chemical inputs and greater resource efficiency? How can we reduce our carbon footprint and deliver more goods while generating fewer emissions? How can we make organic products more accessible and affordable? How can we reduce waste in our operations and use water more wisely? At Sysco these are the questions we ask ourselves as we devise new solutions to protect our planet and execute against our goals to make Sysco a more environmentally responsible enterprise.



PLANET

the BIG
takeaways

2025 Goals



Double the availability of Sysco Brand organic produce

Reduce the carbon footprint of our fleet and operations by sourcing **20%** of electricity from renewable sources and powering **20%** of the tractor fleet with alternative fuels

Divert **90%** of operations and food waste from landfill

Expand our sustainable agriculture program to include five additional fresh crops

FY 2019
Highlights

Launched **3** solar garden sites, supporting **10%** of Sysco's U.S. electricity usage — halfway to our goal

Increased waste diversion to **73%**

Improved energy efficiency by **14.2%** since 2014



sustainable agriculture

Supporting Agriculture That's More Planet-Friendly

OUR APPROACH

As a major purchaser of fruits and vegetables, Sysco leverages our size and scale to play a significant role in improving agricultural standards among the many growers, processors, and distributors of Sysco Brand canned and frozen fruits, vegetables, and potatoes. It's part of our commitment to thoroughly evaluate our products and processes from field to table. Our approach enables us to provide customers with products that are of consistent high quality and are sustainably produced as possible. We promote economically viable practices to protect sensitive areas, improve air, water,

soil, and wildlife resources, and conserve nonrenewable mineral resources. Sysco's Sustainable Agriculture/Integrated Pest Management (IPM) program encourages restrictions on the use of pesticide and nutrient inputs to only those needed for a successful crop. The initiative also promotes waste reduction through recycling and the conservation of energy and water in farming, processing, and distribution.

Suppliers and growers who participate in our program typically apply IPM practices throughout their operations, not only on those acres devoted to Sysco product. This elevates standards and practices across the industry, yielding valuable data about suppliers' agricultural inputs and conservation efforts. Since its inception in 2004, Sysco's IPM program has helped participating farmers protect environmentally sensitive growing areas, soils, and water resources, and has encouraged the responsible use of fertilizers and pesticides, as well as cover crops (a technique that maintains and enriches soil quality by planting off-season crops such as oats and legumes), crop rotation, and natural pest control practices.

By leveraging Sysco's size, scale, and knowledge of best practices in sustainable agriculture, we will further integrate environmental sustainability within our agricultural supply chain.



Sysco's IPM program

A Proven Performer

OUR APPROACH

Sysco's IPM program covers a wide range of the basic and specialty crops we purchase. By the end of the 2018 growing season, which is the most recent data available, this included 84 Sysco Brand suppliers of canned and frozen fruit, vegetables, and potatoes. The impact of our IPM program is broad and global, involving 112 processing locations and 9,230 growers of agricultural products worldwide. In crop year 2018, there were nearly 1.1 million acres under cultivation in the program.

Sysco suppliers participating in the IPM program must track their pesticide use and, when feasible, take measures to limit the quantity applied. They are encouraged to use lower-toxicity-level products when possible. In the 2018 growing season, our suppliers reported avoiding 6.3 million pounds of pesticides by utilizing IPM principles. This included avoidance of nearly 27,000 pounds of pesticides that disrupt pheromone mating of non-beneficial organisms; more than 86,000 pounds avoided through the conservation of beneficial organisms; and more than 550,000 pounds avoided through weather monitoring. Pesticides avoided since the inception of the program 13 years ago now total nearly 41 million pounds.

IPM program participants also reported they averted using more than 24 million pounds of chemical fertilizer during the 2018 crop year, thereby decreasing risks of nutrient loss and reducing impacts on surface and ground water. IPM practices are recognized to improve water quality by reducing negative impacts on the health of local water sources.

Pollinators play a vital role in successful agriculture, and our IPM program includes standards that encourage suppliers to protect the bee pollination process. In 2014, we established standards under our IPM program that encourage Sysco Brand suppliers to protect and create habitat and forage sources for pollinators on their farms.

Making Waste a Valuable Resource

Recycling and reuse of vegetative waste material is another core IPM strategy. There are several options for beneficial reuse: leaving the material on fields after harvest, returning it to fields after processing, composting it, or utilizing it for animal feed. Each alternative approach diverts material from the waste stream of landfill and wastewater treatment plants. Participants reported reusing more than 1.3 million tons of vegetative resources in the 2018 growing season. Participating suppliers and growers have also reported significant reductions in other waste outputs through recycling. For the 2018 growing season, these suppliers



OUR 2025 GOAL:

Extend Sysco's sustainable agriculture program into five fresh crops





OUR 2025 GOAL:

Double the availability
of Sysco Brand organic produce

recycled more than 16,500 tons of metal, glass, paper, plastics, and oils.

Extending Our Reach Into Fresh

Sysco's existing IPM program focuses on crops raised for canned and frozen fruit, vegetables, and potatoes. We've established a 2025 goal to expand our program, as well as our influence in support of sustainable agriculture, into five fresh crops. In 2019 we began the foundational work to bring this commitment to life — reviewing our own IPM program, engaging with IPM North America for advice and guidance, and reviewing existing produce supplier and industry programs to identify best practices. In the coming year we plan to move toward identifying which crops may provide the most significant beneficial impact and determining functional parameters for the expanded program.

Mission: Make Spuds More Sustainable

At Sysco we know good things happen when we collaborate with industry peers, growers, agriculture scientists, and other stakeholders to drive more sustainable agricultural practices. We are excited to have partnered with The Sustainability Consortium (TSC) and the Potato Sustainability Alliance (PSA) to support more sustainable practices across the potato supply chain. PSA is the leading program in North America for growers producing potatoes for both the fresh and processing market, including more than 560 participating potato growers. PSA works to advance and communicate continuous improvement in sustainability measures to potato growers, buyers, and consumers. Sysco and McDonald's, two of the largest buyers of potatoes in today's market, are among the leading supporters of the initiative, which also partners with major processors.

Each year, participating growers and processors report performance data used to calculate metrics such as nutrient use efficiency, irrigation use efficiency, pesticide stewardship, and greenhouse gas reduction. For the 2018 crop year some 535 farms participated in the survey, and 92 percent were found to have implemented at least a basic level of sustainability initiatives, while nearly a third of participants achieved the "master" or highest level for sustainability. TSC

and PSA have joined forces and entered into an agreement to align sustainability metrics among the grower community, with an emphasis on GHG emissions from fertilizer use, soil management, and pesticide utilization, as well as labor issues.

This year PSA is incorporating as an independent nonprofit under a roundtable model, inviting broad participation from organizations committed to advancing sustainability in potato production in the U.S. and Canada.

Fueling Growth in Organics

According to the Organic Trade Association, total U.S. sales of organic food has more than doubled in the last nine years — reaching nearly \$48 billion in 2018. The Association's research found that organic food sales in 2018 increased by 5.9 percent from the previous year, more than twice the growth rate for the food category overall. The trend is visible in nearly every retail grocery store — with produce leading the way, organics have never been hotter. Growers are responding to those trends in a big way and are often increasing their profitability when they go organic.

In the foodservice industry, however, the trend has been slower to take hold. While Sysco and our specialty produce company, FreshPoint, are major purveyors of fresh produce, many operators of restaurants and other foodservice establishments have been reluctant to absorb the higher cost and uncertain availability of organics, in the absence of strong restaurant customer demand for those options.

With our 2025 public goal to double the availability of Sysco Brand organic produce, we are working to create a new paradigm for organics in foodservice. We believe that a strong and consistent organics program with an appealing variety of products that are reasonably priced, can drive increased adoption across our customer base. We are planning a national organic produce launch in calendar year 2020. As we move forward, we will be offering more organic items on a consistent, year-round basis and helping our customers incorporate them into menus and communicate their benefits to the patrons they serve.



energy conservation

Smarter Ways to Transport and Warehouse Our Products

OUR APPROACH

The energy intensity of Sysco's global operations, which include 52.6 million square feet at 325 distribution facilities in 12 countries, as well as some 13,000 vehicles, is material from an environmental perspective and an area of intense focus as we strive to improve organizational efficiency and business performance. Our teams undertake this work with a continuous improvement mindset — evaluating new approaches and technologies that reach from the way we fuel our vehicles to how we route shipments to how we keep products cold. For example, in Fiscal Year 2019, more than 60 percent of total Sysco product sales volume consisted of items that require refrigeration, which demands significant energy inputs. That means adopting the most effective refrigeration equipment and practices can yield meaningful benefits across our enterprise.

We are committed to reducing the energy intensity of operations through internal initiatives and technological

innovation. For instance, we have explored a variety of alternative fuel technologies for years and, given the promise shown by electric vehicles to meet our operational requirements and sustainability objectives, we are now pursuing the electrification of our truck fleet. We are also using new technology to identify the most economically and environmentally efficient route to transport every shipment. Going forward, renewables will play a much larger role in Sysco's energy future, and our long-term commitments to solar generation reflect that emphasis. We continue to also examine the benefits, costs, and opportunities of each approach to ensure that the new solutions we select will deliver the environmental gains we seek at the scale we need them to. Our goal is to deploy energy efficiency measures that are the right ones not just for today, but for years to come.



OUR 2025 GOAL:

20% of electricity from
renewable sources and power
20% of the tractor fleet
powered by alternative fuels

renewable energy

On Track for Our Goal

OUR APPROACH

In 2018 Sysco announced our new public renewable energy goal. We evaluated several renewable options in developing a plan to meet our objective of having 20 percent of Sysco's global electrical energy consumption generated by renewable sources by 2025. In 2019 we took important strides toward that objective with the deployment of three solar garden sites in the Houston and Dallas areas. Designated as the "Sysco Power Patch" through an associate naming competition, the sites are the first phase of a 25-megawatt, 10-year renewable energy agreement with a subsidiary of NRG Energy, Inc. The three solar garden installations total 224 acres and feature 201,792 solar panels. The project supports the majority of Sysco's electricity load in Texas, including our corporate headquarters, and generates approximately 10 percent of Sysco's U.S. electricity usage — halfway to our 2025 goal. Collectively the three solar gardens reduce emissions by 37,000 tons annually, the equivalent of removing 7,000 cars from the road.

This off-site, large-scale utility scale effort is being supplemented with new on-site solar installations at several Sysco facilities. Three projects were constructed and brought

online by late summer 2019 at Sysco Sacramento and Sysco Ventura, California, and SYGMA Lancaster, Pennsylvania. In Sacramento, California, our photovoltaic system has a total capacity of 1,005 kW and is comprised of 2,718 individual 370-watt solar panels. Its ground-mounted single-axis tracker tracks the movement of the sun, and the system features state-of-the-art monitoring capabilities. We also added HFM, now Sysco Hawaii, to our portfolio of large-scale solar arrays in 2019 with the Oahu and Maui facilities contributing an additional 1.3 million kWh in solar generation during the year. This brought the annual total on-site generation from solar energy to 4.7 million kWh.

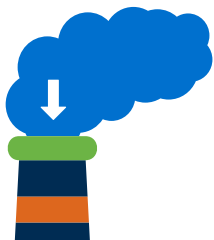
Looking ahead, we will continue to pursue a number of strategies to achieve the balance of our 20 percent renewable goal. These will include additional on-premise solar installations and additional off-site power purchase agreements. The effort to access renewables and reduce carbon is not limited to our U.S. operations. The electricity purchased by Menigo Foodservice in Sweden, for example, is 100 percent renewable. Menigo has set a Fiscal Year 2020 target to reduce energy consumption

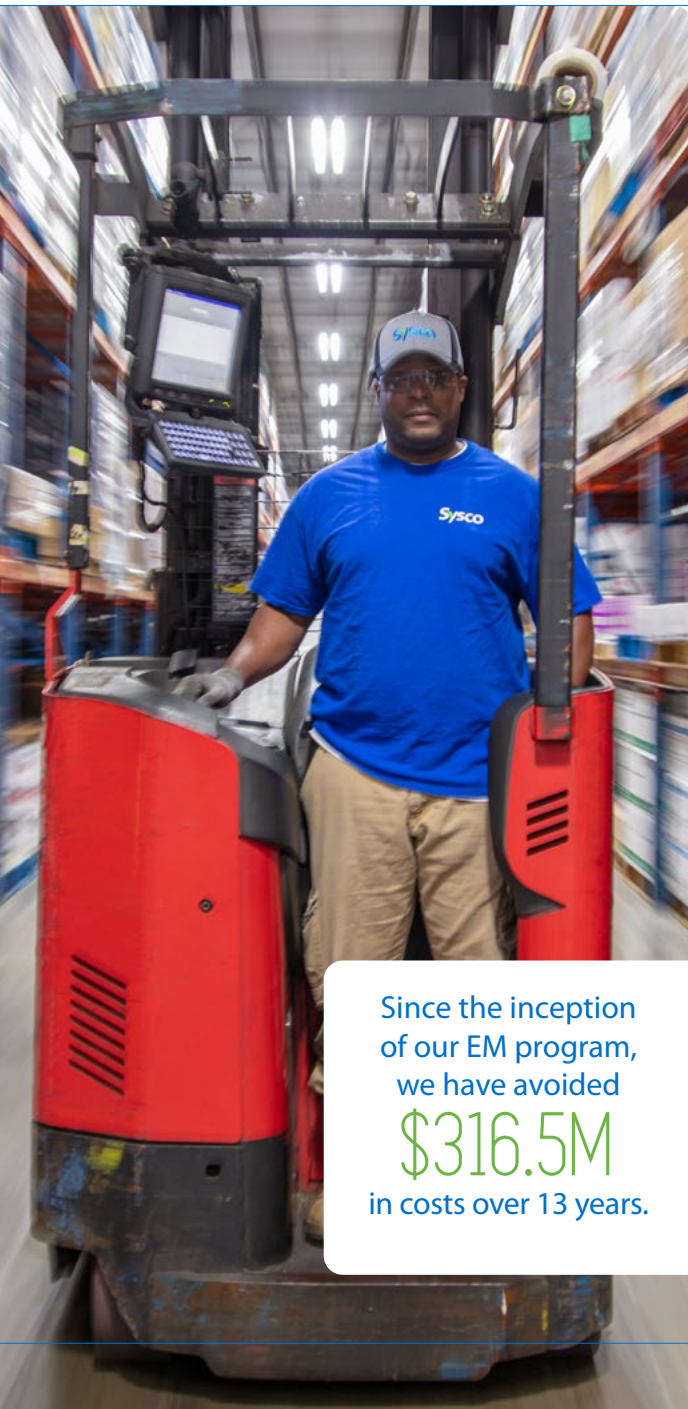
Collectively
our
three solar
gardens:

reduce
emissions by
37,000
tons annually



removing
7,000
cars from
the road





Since the inception
of our EM program,
we have avoided
\$316.5M
in costs over 13 years.

By the end of Fiscal Year 2021, we expect 143 facilities to be enrolled in our Energy Management program, helping us deliver significant annual energy savings.

relative to sales by 30 percent compared to its base year, Fiscal Year 2015. Brakes UK has established a goal to reduce carbon by 30 percent by 2025, to be achieved by sourcing cleaner electricity and through a more efficient fleet.

Sysco's Energy Management Program: Delivering Impressive Results

With more than 300 facilities across the Sysco enterprise, deploying technology and best practices at our locations is crucial to reaching our energy intensity reduction goal. Our Energy Management (EM) program is delivering double-digit efficiency improvements wherever it is deployed. Our emphasis on energy efficiency enhancements dates back to 2006, when we launched an EM program. The initiative was focused on optimizing electrical energy usage at the Sysco Broadline, SYGMA, and redistribution facilities that lie at the heart of our operations. Our EM program goes beyond equipment upgrades to also encompass the implementation of more efficient processes. In 2018, we began to add several of Sysco's specialty facilities to the platform, and by the end of Fiscal Year 2019 some 124 facilities were included in the EM program. It's an initiative that we will continue to scale: by the end of Fiscal Year 2021, we expect 143 facilities to be enrolled.

We calculate that since 2014 our EM program has increased energy efficiency 14.2 percent across participating locations. In Fiscal Year 2019, we identified nearly 953 emissions-reduction improvements at 30 facilities, representing nearly \$850,000 in annual energy savings. Since the inception of our EM program, we calculate that we have avoided \$316.5 million in costs over a 13-year period.

Sysco is committed to continuing the progress we've made to save energy. In 2018, we entered into a new three-year contract with Cascade focusing on maintaining our savings and driving continued improvement. Our goal is to further reduce the energy intensity of locations in the program by 1.6 percent by the end of Fiscal Year 2021. Key aspects for the initiative include:

- Completing 53 on-site facility commissioning events by the end of Fiscal Year 2021 designed to identify savings and training opportunities. Each commissioning event is a chance to alter our energy usage paradigm. At one facility, prior to its commissioning event it had been trending toward a 5 percent increase in energy consumption above the prior year. After the event, it achieved energy savings of more than 10 percent.
- Creating Sysco-specific energy efficiency training events and certification exams for facility personnel that focus on refrigeration and warehouse efficiency best practices. Our associates play a big role in reaching our efficiency objectives, and ensuring they have the necessary skills and knowledge contributes to the effectiveness of the EM program. Day-long training sessions are held annually and benefit new facility managers, regional maintenance directors, and new or future energy champions. The energy champions are associates designated at each facility to advocate for and support increased engagement with our energy conservation goals.

Refrigeration

In 2019, we updated our refrigeration design and construction guidelines to reflect our efforts to increase our use of natural refrigerants (CO2 and NH3) with zero



emissions where feasible. Where this is not feasible, we updated our requirements guidelines to prohibit refrigerants with a >750 Global Warming Potential.

In Fiscal Year 2019, Sysco Metro NY installed a new CO2 Cascade refrigeration system as part of an ongoing expansion to phase out an inefficient R22 system. The new system has significantly reduced electricity consumption and greenhouse gas emissions at this facility. Electricity reduction alone has led to a 30 percent reduction in utility costs year-over-year and an estimated savings of 950 metric tons of carbon emissions annually. We have since removed most products with HCFC characteristics across our locations and warehouses.

Leveraging LEDs

Our 169 U.S. distribution facilities are quite large, averaging more than 238,000 square feet in size. More efficient lighting represents a big opportunity to achieve energy savings at these expansive facilities. Beginning in Fiscal Year 2016, we identified substantial energy and cost savings opportunities that could be derived by installing LED lighting in all our warehouse freezers, coolers, and cold docks. By Fiscal Year-end 2019, we had performed LED installation at 37 operating locations. We plan to complete our installation of LED lighting at all operating locations by the end of Fiscal Year 2023.

Fleet Improvements — More Efficient Technologies Emerge

Over a period of several years Sysco has explored multiple alternative fuel technology options for our truck fleet, with the goal of reducing vehicle emissions and lowering our overall carbon footprint. These have included low-emission compressed natural gas (CNG) tractor units, as well as biodiesel used to fuel tractors at 33 of our operating companies. We've also deployed approximately 100 hybrid/

electric single-axle trucks, which consume less diesel fuel than a standard engine.

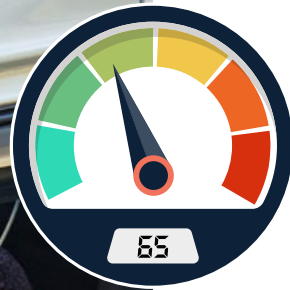
As our analysis of alternative fuel vehicles continued, we gravitated toward battery electric vehicles (BEVs), which derive all their power from rechargeable batteries and have no internal combustion engine onboard. We believe electrification is the most promising option to achieve our goals, and Sysco has developed key partnerships with several manufacturers that are developing BEVs and charging equipment. Based on market pricing and other market conditions, we are currently evaluating 34 Sysco operating companies in 13 states to confirm that an electric vehicle is viable in these locations. This analysis includes factors such as charging infrastructure, location of equipment, and the cost and performance of the vehicle. In Fiscal Year 2018, Sysco announced that we had submitted a reservation for 50 of Tesla's new fully electric Semi tractors. The vehicles are expected to have a range of up to 500 miles on a single charge while generating no tailpipe emissions. We are also engaging other manufactures to explore additional electric vehicle capabilities.

As we move toward electrification of the tractor, we are also working with a key technology partner to develop and test a zero-emission trailer, which would provide the refrigeration we require for many of our products. This technology is new and could prove groundbreaking for emissions control, considering the traditional design of a refrigerated trailer requires that the TRU diesel engine be running in order to power the refrigeration system. Electric thermal refrigeration units have electric standby capability that can be used to power trailer refrigeration and thereby help conserve fuel and reduce emissions. At KFF in the UK, nearly half of the vehicle fleet is already using eutectic beam refrigeration technology. This means zero emissions from the operation of the refrigerator.



OUR 2025 GOAL:

Power **20%** of the tractor fleet
with alternative fuels



Technology installed on all our heavy trucks limits their speed to **65 miles per hour**, reducing fuel use and improving delivery associate safety.

Each unit is charged overnight and, when in use, is completely silent. In North America, this project is still early in the development phase, but we are excited about the opportunity to begin deploying vehicles that would allow us to eliminate all emissions from both the tractors and the trailers.

Currently, we replace approximately 10 percent of Sysco's vehicle fleet annually, and with every new vehicle purchase fuel efficiency and EPA emission standards are important considerations. When Sysco's oldest vehicles are removed from the road and replaced with cleaner and more efficient models, we reduce our total output of particulate matter, carbon dioxide, and nitrogen emissions. Fresh Direct in the UK replaced 30 percent of its fleet in Fiscal Year 2019 with vehicles that are all Euro 6 compliant, Europe's highest standard for fuel efficiency and emissions reduction.

Vehicles Matched to Market, Route, and Mission

In pursuit of our efficiency objectives we are also adopting new approaches to match the right vehicle for each mission. In 2019, Sysco deployed 81 smaller-sized commercial vehicles

across 10 operating companies, specifically at Central Florida, Central Texas, Chicago, Los Angeles, Nashville, Portland, San Francisco, Seattle, Toronto, and Vancouver. The program was designed to target specific order profiles in congested urban areas by providing agile delivery capabilities, flexibility and increased customer satisfaction. Moving forward, Sysco is evaluating each operating company's unique market opportunities to tailor specific strategies to further improve customer experience and enhance service.

Making Every Journey High-Tech

Optimized delivery routing is an important tool we use to save fuel and curb emissions. Our specialized technology maps the most efficient delivery route to our customers. We continue to introduce enhancements to our routing technology and processes to further improve delivery efficiencies, and we measure six distinct key performance indicators to assess our progress. Since 2015, these tools



have allowed us to deliver more cases while driving fewer miles on fewer trips. We launched the next phase of our routing initiative in Fiscal Year 2019 to further optimize deliveries to our customers, reduce the time our drivers and trucks spend on the road, and increase efficiencies. Similarly, Pallas Foods in Ireland utilizes the Roadnet platform for optimal route efficiencies across its delivery network.

Training and Monitoring for Better Performance

Educating our delivery associates on efficient driving practices also helps save fuel and energy while enhancing safety. Technology installed on all our heavy trucks limits their speed to 65 miles per hour, reducing fuel use and improving delivery associate safety. All Sysco delivery

associates are trained on the SMITH (defensive driving) System and instructed to maintain proper following distances in all driving situations. On-board computers are used to monitor and improve individual vehicle and delivery associate fuel efficiency. Delivery associates who work with manual transmissions are trained in progressive shifting techniques to ensure maximum fuel efficiency. Automatic transmissions are calibrated to increase fuel economy, and our tractors are equipped with an auto-idle shutoff timer that shuts down the truck engines after three consecutive minutes of idling. We have also installed devices on our fuel tanks and our fueling nozzles at our operating companies and redistribution facilities, where most of our truck refueling takes place, to precisely track fuel use per vehicle and account for all fuel dispensed.





Inbound Freight: Striving for Increased Efficiency

The opportunity to save energy begins with the journey of products from suppliers to a Sysco facility. Sysco's logistics team is intensely focused on increased efficiency, energy reduction, and data-driven transportation management. Utilizing state-of-the-art logistics tools and selecting the most efficient transportation method for each shipment helps us reduce the carbon intensity of our inbound logistics programs. For instance, we used the SmartHub load-matching tool in 2019, which allowed us to employ unused truck capacity from other companies instead of contracting with a carrier to move our freight, helping move over 40 trucks full of product from Dallas to Houston. We also piloted a new load optimization software, which helped eliminate the use of over 300 additional trucks for two facilities in Fiscal Year 2019. We're now working to deploy this software nationally across our locations.

Product consolidation also plays a big role in lowering costs and fuel consumption. Carefully selecting the carrier best suited to move each shipment further mitigates costs and increases on-time service performance. We consolidate shipments and cross-dock products in specific markets, also helping us reduce the likelihood of damage and make product available sooner, with longer shelf life. Sysco utilizes numerous transportation modes: truckload, less than truckload, intermodal, and rail, depending on time constraints, packaging requirements, weather conditions, and distance, as well as whether we are transporting temperature-controlled products.



We continually review opportunities to shift transportation modes, moving over-the-road trucks to **railroad or intermodal** whenever possible.

Maximizing Intermodal

Intermodal shipping enjoys inherent environmental and cost advantages, and Sysco remains an industry leader in utilizing this shipping platform for foodservice distribution. In Fiscal Year 2019 we moved approximately 1,603 rail boxcars within our North America and Canada distribution network and shipped more than 17,215 intermodal loads. Utilizing rail and intermodal transportation has avoided the use of 4.9 million gallons of fuel and 109 million pounds of carbon emissions. We continually review opportunities to shift transportation modes, moving over-the-road trucks to railroad or intermodal whenever possible.

Sysco continues to increase the use of SmartWay-certified providers. SmartWay is the Environmental Protection Agency program that reduces transportation-related emissions by creating incentives to improve supply chain fuel efficiency for all parties engaged in the movement of goods.

Making Each Load Count

One of our most important efficiency measures is also the simplest: completely fill every trailer whenever possible. This reduces the total number of loads each year to improve efficiency across our supply chain and reduce emissions. In Fiscal Year 2019, our truckload fill rates, a measure of how full inbound trailers are, continued to increase. Contributing to this improved performance are automated tools, review of packing opportunities, pallet utilization, and lighter trailers to increase weight and cube whenever feasible. Our approach prioritizes backhauls recovered on our own equipment, consolidation of regional supplier shipments, and co-loading shipments across our operating companies from single and multiple suppliers. Benefits include more efficient unloading and decreased congestion at our operating companies' facilities.



OUR 2025 GOAL:

Divert **90%** of operations
and food waste from landfill

Waste and Recycling

Targeting a Lower-Waste Future

OUR APPROACH

Each day Sysco receives millions of pounds of food and product at our warehouses globally. We have designed a program of material handling that is “recycling-led,” which means we consider recycling options first before discarding materials into landfills or incinerators. We see a host of benefits from this approach — lower disposal costs, increased recycling revenues, and conservation of natural resources, while also reducing our carbon footprint. Launched in Fiscal Year 2014, Sysco’s recycling program is comprehensive, and we are pursuing the ample opportunities to scale this initiative as we continue on course toward reaching our 2025 goal. We are also focused on ways to reduce food waste, ensuring more product makes its way to consumers and less is thrown away.

Action Against Our 2025 Goal

Sysco’s Fiscal Year 2019 rate of waste diversion was 73 percent. We are implementing the process changes and associate communication and engagement initiatives required to propel us to reach our 90 percent diversion target. Our recycling program has three priority action items to drive improved performance:

- Better separation at the source of recycling grades;
- Dual-stream recycling (paper separate from glass/metal/plastic) to a Material Recovery Facility (MRF); and
- Seeking the highest end-use and avoid “downcycling.”

At each of our facilities, Sysco has established “Green Teams” comprised of associates who work to drive the success of our recycling program by ensuring that standard operating procedures are implemented across the organization. To date we have implemented our recycling-led program at all Sysco Broadline, SYGMA, FreshPoint, Specialty Meat & Seafood, and Canadian operations and continue to make progress toward rolling it out to all of our locations. We have ramped up our internal communication efforts, encouraging all relevant associates, including new hires, to undergo training on standard recycling procedures as outlined in our recycling guide. The cumulative benefits of the recycling initiative are already considerable, including more than 16,300 tons of waste recycled to date.



Pursuing Waste Solutions on a Global Basis

At KFF in the UK, more than 90 percent of waste paper, cardboard, plastic, and pallet wrap is diverted to recycling and taken by external companies that reuse it for recycled packaging. KFF is targeting a companywide 95 percent waste diversion rate by the end of 2019. Sysco France and Brakes UK also work with partners to offer their restaurant customers a free waste cooking oil recycling service. Oil that is collected is reprocessed into biofuels. Combined, the two programs have recycled more than 120,000 litres of oil.

Globally we're also doing more to minimize the environmental impacts of our products and packaging, so they require fewer resource inputs and to enhance their recyclability. Brakes UK is committed by 2020 to delivering zero hard black plastics in Brakes brand products, part of the effort to reduce single-use packaging and improve recycling. In Fiscal Year 2019 in the U.S. we introduced the Sysco Earth Plus® platform of non-food products. Included are items like serving trays and utensils made of a proprietary blend of materials that contain 20 percent less plastic, with a 50 percent lower carbon footprint than polystyrene alternatives.

More Food to the Consumer Stream — Where It Belongs

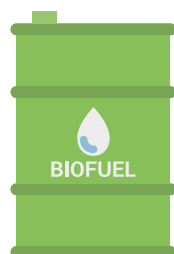
Ensuring that more food that is harvested, processed, and shipped gets to consumers' plates, rather than becoming part of the waste stream, is another component of Sysco's waste reduction strategy. To advance toward that objective, FreshPoint, a Sysco company, introduced the Unusual

But Usable (UBU) program. In select markets, FreshPoint partners with local produce growers to take No. 2 or "imperfect" produce that might otherwise go to waste and identifies customers interested in utilizing the product. Since foodservice personnel often chop or slice produce like peppers, carrots, or whole tomatoes as part of a recipe, taking advantage of the UBU program is a great way to reduce costs and food waste often caused by cosmetic imperfections. The UBU program not only reduces organic waste, but also ensures that the inputs used to grow the produce, such as water, fertilizer, and energy resources, are not wasted either. Menigo in Sweden operates an initiative similar to UBU, as well as a program to reduce prices to encourage the sale of items approaching their expiration date.

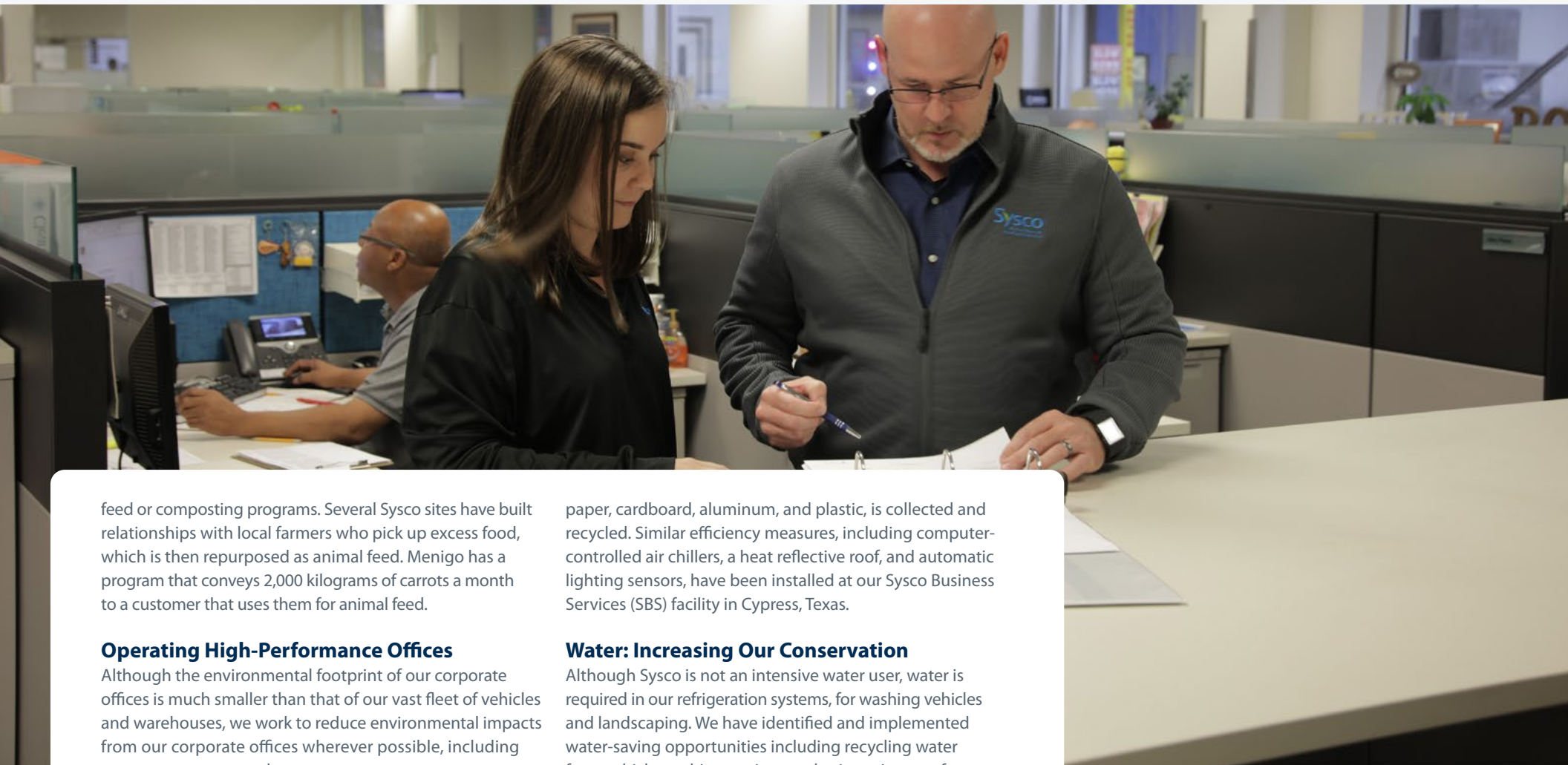
FreshPoint has been a leader in deploying composting technology and partnerships. Four FreshPoint facilities have installed advanced aerobic digestion technology that uses a blend of microorganisms to naturally break down food waste into liquid form, so it can be safely discharged as wastewater, thereby diverting it from landfill. In addition to on-site composting technology, several FreshPoint locations have established relationships with local composting partners that recycle the scrap off site. At Sysco France, 91 percent of its facilities send food waste to anaerobic digestion, while other waste food is also provided to food banks.

In 2019, we started a pilot program with family-owned oyster producer Prestige Oyster, to take back oyster shells from restaurants and return them into the Gulf of Mexico to build new reefs. Over the past four years, Prestige Oyster has been able to set over 20,000 tons of rock into the Gulf of Mexico, increasing water quality and creating a habitat for fish, crab, and other organisms to thrive in.

We are also strengthening our efforts to divert other food waste from landfill. When appropriate, excess food is donated to local nonprofits in support of our philanthropic objectives. Food waste is also redirected through agricultural



Combined, the two programs have recycled more than **120,000** litres of oil.



feed or composting programs. Several Sysco sites have built relationships with local farmers who pick up excess food, which is then repurposed as animal feed. Menigo has a program that conveys 2,000 kilograms of carrots a month to a customer that uses them for animal feed.

Operating High-Performance Offices

Although the environmental footprint of our corporate offices is much smaller than that of our vast fleet of vehicles and warehouses, we work to reduce environmental impacts from our corporate offices wherever possible, including energy use, water, and waste.

Sysco's Houston headquarters is LEED Certified Gold by the U.S. Green Building Council for its environmental performance. Sustainable features include the use of natural light, high-efficiency glass to prevent heat loss and gain, low-energy lighting, more efficient ventilation systems, and a heat reflective roof. Water conservation is achieved through features such as water-saving fixtures in bathrooms and the use of native plants in the landscaping to reduce the need for irrigation. Office waste, including

paper, cardboard, aluminum, and plastic, is collected and recycled. Similar efficiency measures, including computer-controlled air chillers, a heat reflective roof, and automatic lighting sensors, have been installed at our Sysco Business Services (SBS) facility in Cypress, Texas.

Water: Increasing Our Conservation

Although Sysco is not an intensive water user, water is required in our refrigeration systems, for washing vehicles and landscaping. We have identified and implemented water-saving opportunities including recycling water from vehicle washing stations and using rainwater for landscaping at our offices. Sysco's largest water usage is from condensers in refrigeration. We have installed technology to capture and recycle condensation from cooling processes at five locations. These systems can conserve and recycle a significant volume of water. At one Houston facility we have achieved an average reduction in monthly water usage of 23 percent and conserved 4 million gallons of water in just eight months. We are exploring locations where there may be similar opportunities for water conservation and cost savings.







Office waste, including paper, cardboard, aluminum, and plastic, is **collected and recycled.**






APPENDIX



CSR Scorecard

Impact Area	Fiscal Year 2025 Goals	Fiscal Year 2019 Performance	Fiscal Year 2018 Baseline	Fiscal Year 2020 Plans/Actions
 CHARITABLE GIVING	Donate 200 million meals	7.5 million meals	6.3 million meals	Improve donation process across U.S. Broadline and FreshPoint operations
	Contribute \$50 million	\$6.4 million	\$4.7 million	Expand Nourishing Neighbors program into Canada; Launch new education scholarships/grants
 DIVERSITY & INCLUSION	Increase U.S. associate ethnic and gender diversity to 62%	57.2%	54.8%	Launch inclusiveness online courses as part of annual compliance training, require all leaders to conduct discussion on unconscious bias, and require certain leaders to have D&I performance management goal(s).
	Increase spend 25% with minority- and women-owned enterprise (MWBE) suppliers	782 million	\$750 million	Explore opportunities to monitor indirect spend.
 HEALTH & WELL-BEING	Double associate participation in health and well-being programs	20%	21%	Expand health and well-being program offerings
	Expand portfolio of products with health and wellness benefits	Launched Simply Plant-based brand with 10 products.	TBD	Endorse new and existing items with health and wellness benefits
 ANIMAL WELFARE	100% Sysco Brand supplier compliance with Animal Welfare Policy	TBD	TBD	Develop Sysco's Animal Welfare Policy
 HUMAN RIGHTS	100% first-tier, high-risk supplier compliance	TBD	TBD	Identify first-tier, high-risk suppliers
 RESPONSIBLE SOURCING	Five commodities identified and commitments met	TBD	TBD	Select commodities to address

CSR Scorecard

Impact Area	Fiscal Year 2025 Goals	Fiscal Year 2019 Performance	Fiscal Year 2018 Baseline	Fiscal Year 2020 Plans/Actions
 SUSTAINABLE AGRICULTURE	Double availability of organic produce	38 items	38 items	Launch new organic produce offerings under the Sysco Natural Organics Brand
	Five fresh crops in the sustainable agriculture program	TBD	TBD	Identify/Pilot a working sustainability standard for Sysco Produce
 ENERGY	Source 20% of electricity from renewable sources	10%	1%	Implement two on-site solar projects at Sysco facilities per year
	Power 20% of tractor fleet with alternative fuels	0%	0%	Formalize partnerships with alternative vehicle manufacturers
 WASTE	Divert 90% solid and food waste from landfill	73%	65%	Pilot organic waste program



About This Report

Information in this report primarily reflects the corporate social responsibility performance of Sysco Corporation in the United States and Canada during Fiscal Year 2019, ending June 29, 2019, unless stated otherwise. In preparing report content, Sysco consulted the GRI Standards reporting framework to serve as a guide, but this report is not published in full or complete accordance with the Standards. A GRI index may be found on page 84 in the Appendix. Changes from our previous report, issued subsequent to Fiscal Year 2018, include expanded information on our global impact. For more information about Sysco's carbon footprint and water use, please see our [2018 CDP Climate and Water responses](#). In addition, please see our annual report and SEC filings for more information on Sysco's operations and business performance. As with Fiscal Years 2018 and 2019, we will continue to publish corporate social responsibility reports annually, upon the completion of each fiscal year. We value feedback from all our stakeholders. For questions or comments concerning this report, please contact the Sysco Corporate Social Responsibility Team at csr@corp.sysco.com.

About Our Business

Sysco is the global leader in selling, marketing, and distributing food products to restaurants, health care and educational facilities, lodging establishments, and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. With over 69,000 associates, the company operates more than 320 distribution facilities worldwide and serves more than 650,000 customer locations.

Since our founding in 1969, Sysco has grown from \$115 million to \$60.1 billion in annual sales, both through internal expansion of existing operations and through acquisitions globally. Our company is organized under the laws of Delaware. The address of our executive offices is 1390 Enclave Parkway, Houston, Texas 77077-2099.

Reporting Segments

Sysco's primary operations are located in North America and Europe. Globally, we operate more than 320 distribution facilities in 13 countries: the Bahamas, Belgium, Canada, Costa Rica, France, Ireland, Luxembourg, Mexico, Panama, Spain, Sweden, U.K., and U.S.

Our primary business is organized into four reporting segments:

- **U.S. Foodservice Operations** — primarily includes U.S. Broadline operations, which distribute a full line of food products, including custom-cut meat, seafood, specialty produce, specialty imports, and a wide variety of non-food products. Broadline operating companies distribute a complete selection of food products and a wide variety of non-food products to both traditional and chain restaurant customers, hospitals, schools, hotels, industrial caterers, and other venues where foodservice products are served.
- **International Foodservice Operations** — includes operations in the Americas and Europe, which distribute a full line of food products and a wide variety of non-food products. The Americas primarily consists of operations in Bahamas, Canada, Costa Rica, Mexico, and Panama, as well as our operations that distribute to international customers. Our European operations primarily consist of operations in France, Ireland, Sweden, and U.K.
- **SYGMA** — our U.S. customized distribution subsidiary. SYGMA operating companies distribute a full line of food products and a wide variety of non-food products to certain chain restaurant customer locations.
- **Other** — primarily our hotel supply operations and Sysco Labs, which includes our suite of technology solutions that help support the business needs of our customers and provide support for some of our business technology needs.

Customers and Products

Sysco's customers in the foodservice industry include restaurants, hospitals and nursing homes, schools and colleges, hotels and motels, industrial caterers, and other similar venues where foodservice products are served. Services to our customers are supported by similar physical facilities, vehicles, material handling equipment and techniques, and administrative and operating staffs.

The products we distribute include:

- a full line of frozen foods, such as meats, seafood, fully prepared entrées, fruits, vegetables, and desserts;
- full line of canned and dry foods;
- fresh meats and seafood;
- dairy products;
- beverage products;
- imported specialties; and
- fresh produce.

We also supply a wide variety of non-food items, including:

- paper products such as disposable napkins, plates, and cups;
- tableware such as china and silverware;
- cookware such as pots, pans, and utensils;
- restaurant and kitchen equipment and supplies; and
- cleaning supplies.

Our distribution centers, which we refer to as operating companies, distribute branded merchandise, as well as products packaged under our private brands which we call Sysco Brand. Products packaged under Sysco Brand have been manufactured for Sysco according to specifications that have been developed by our QA team. In addition, the QA team certifies the manufacturing and processing plants where these products are packaged, enforces our quality control standards, and identifies supply sources that satisfy our requirements.

Our operating companies offer daily delivery to certain customer locations and have the capability of delivering special orders on short notice. Through the sales and

marketing representatives and support staff of Sysco and our operating companies, we stay informed of the needs of our customers and acquaint them with new products and services. Our operating companies also provide ancillary services relating to foodservice distribution, such as providing customers with product usage reports and other data, menu-planning advice, and food safety training.

Product Sourcing

We purchase from thousands of suppliers, both domestic and international, none of which individually accounts for more than 10 percent of our purchases. These suppliers consist generally of large corporations selling brand name and private label merchandise, as well as independent regional brand and private label processors and packers. We also provide specialty and seasonal products from small to mid-sized producers to meet a growing demand for locally sourced products. Our locally sourced products, including produce, meats, cheese, and other products, help differentiate our customers' offerings, satisfy demands for new products, and support local communities.

Purchasing is generally carried out through both centrally developed purchasing programs, domestically and internationally, and direct purchasing programs established by our various operating companies. We administer a consolidated product procurement program designed to develop, obtain, and ensure consistent quality food and non-food products. The program covers the purchasing and marketing of branded merchandise, as well as products from a number of national brand suppliers, encompassing substantially all product lines. Some of our products are purchased internationally within global procurement centers in order to build strategic relationships with international suppliers and to optimize our supply chain network.

Associates

As of June 29, 2019, Sysco employed approximately 69,000 associates. Of that total, approximately 99 percent are permanent, full-time associates, and 1 percent are part-time.

Approximately 22 percent of our workforce is represented by unions, primarily the International Brotherhood of Teamsters and unions in France and Sweden. Contract negotiations are handled by each individual operating company. Approximately 32 percent of our union employees who are covered by collective bargaining agreements have or will have expired contracts during Fiscal Year 2020, which contracts are subject to renegotiation. Failure of our operating companies to effectively renegotiate these contracts could result in work stoppages. Although our operating subsidiaries have not experienced any significant labor disputes or work stoppages to date, and we believe they have satisfactory relationships with their unions, a work stoppage due to failure of multiple operating subsidiaries to renegotiate union contracts could have a material adverse effect on us. No significant portions of our activities are performed by non-employees.

A shortage of qualified labor could negatively affect our business and materially reduce earnings. The future success of our operations, including the achievement of our strategic objectives, depends on our ability, and the ability of third parties on which we rely, to supply and to deliver our products. Employee recruitment, development, and retention efforts undertaken by us and/or such third-parties may not be successful, resulting in a shortage of qualified individuals in future periods. Any such shortage could decrease our ability to effectively serve our customers and achieve our strategic objectives. Such a shortage would also likely lead to higher wages for employees (or higher costs to purchase the services of such third parties) and a corresponding reduction in our results of operations.

Identifying and Managing Risk

Although Sysco does not apply the Precautionary Principle or approach, the company does have in place a robust and comprehensive risk management process. Identifying, assessing, and developing mitigation strategies for potential risks to our business is an important responsibility of our senior executive leadership. Those actions are also subject to regular review and oversight by our Board of Directors.

Board Composition and Responsibilities

Board Composition

The primary functions of the Sysco Board of Directors are to review and assess the performance of the company and its plans and prospects, as well as the immediate issues it faces.

The Board met nine times in Fiscal Year 2019, including four regular meetings and five special meetings. At the end of Fiscal Year 2019, the Board consisted of 12 members. In accordance with the listing standards of the New York Stock Exchange (NYSE), at least two-thirds of the members of Sysco's Board of Directors are independent directors. During Fiscal Year 2019, 11 of the 12 directors were independent; two directors were female, 10 were male; and one director was of a minority background.

Our Corporate Governance Guidelines require that at least a majority of our directors meet the criteria for independence that the New York Stock Exchange has established for continued listing, as well as the additional criteria set forth in the Guidelines. Additionally, we require that all members of the Audit Committee, Compensation and Leadership Development Committee, and Corporate Governance and Nominating Committee be independent, that all members of the Audit Committee satisfy the additional requirements of the New York Stock Exchange and applicable rules promulgated under the Exchange Act, and that all members of the Compensation and Leadership Development Committee satisfy the additional requirements of the New York Stock Exchange.

Tom Bené was elected Chairman of Sysco's Board of Directors succeeding Jackie M. Ward upon her retirement on November 16, 2018, at which time the roles of Chairman and CEO were combined. Although the Board believes that combining the CEO and Chairman roles is appropriate under current circumstances, it also recognizes the importance of maintaining strong, independent oversight of the Board. Accordingly, the independent members of

the Board appointed Edward D. Shirley as independent Lead Director on November 16, 2018.

Board Committees and Their Role

The Board maintains five committees: Audit, Compensation and Leadership Development, Corporate Governance and Nominating, Corporate Social Responsibility, and Executive. Each committee acts under a charter that sets forth its goals, membership qualifications, procedures, and duties.

Interested parties may communicate with the members of the Board of Directors as a group or individually by confidential web submission or by mail.

The Corporate Social Responsibility Committee consists of at least three Board members and reviews, evaluates, and assesses Sysco's Corporate Social Responsibility (CSR) Strategy implementation. The Committee's responsibilities are as follows:

- Reviews and acts in an advisory capacity to the Board and management with respect to policies and strategies that affect Sysco's role as a socially responsible organization
- Reviews, evaluates, and provides input on the development and implementation of Sysco's CSR Strategy, which focuses on three pillars: People, Products, and Planet and on the implementation of any CSR goals previously established by the Board
- Reviews philanthropic giving, agriculture programs, and warehouse and transportation initiatives designed to improve the environmental impact of the company

Additional information on our corporate governance can be found on our investor relations website.

Executive Compensation

The Compensation and Leadership Development Committee of the Board of Directors is responsible for Sysco's executive compensation policies. This Committee's

primary responsibility is to establish compensation policies that effectively attract, retain, and incentivize executive officers. The Committee's responsibilities are as follows:

- Establishes executive compensation philosophies, policies, plans, and programs to ensure that compensation actions link pay for performance, provide competitive pay opportunity to attract and retain key executive talent, provide accountability for short- and long-term performance and align the interests of the "senior officers" (i.e., the CEO and those reporting to the CEO) with those of stockholders
- Establishes and approves all compensation, including the corporate goals on which compensation shall be based, of the CEO and the other senior officers, including the named executive officers
- Reviews and approves any clawback policy allowing the recoupment of compensation paid to associates, including the senior officers
- Reviews and determines equity awards to the senior officers, and oversees management's exercise of its previously-delegated equity grant authority
- Reviews, approves, and, as required by law, recommends the establishment or amendment of any compensation or retirement program (i) in which any senior officer will participate, (ii) that requires stockholder approval or (iii) that could reasonably be expected to have a material cost impact
- Reviews and discusses with the CEO the company's leadership development programs and succession planning for the other senior officers
- Reviews the company's human capital policies and strategies

Ethics and Compliance

Sysco's commitment to ethical conduct, honesty, integrity, and fairness in all business affairs is the cornerstone of who we are and what we believe as an organization. Our ethics and compliance program is overseen by the Ethics & Compliance Office, which engages with and educates Sysco associates, and others who conduct business on our behalf,

about the legal requirements and behaviors we expect. Meeting these expectations is essential in order to achieve our Vision of being our customers' most valued and trusted business partner.

Our commitment to ethical and compliant behavior is expressed in several ways, including our Global Code of Conduct (COC). The COC sets clear expectations for our associates to deliver excellence with integrity, to be accountable for their actions, and to report actual or suspected violations. It applies to all associates in every operating company, subsidiary, division, and all affiliated companies, as well as our Board of Directors when they act in their respective capacities as Sysco directors. In addition, we expect our contractors and their employees to perform in a way that is consistent with the COC; we take appropriate actions where we believe they have not met our expectations or their contractual obligations. Another important component of our ethics and compliance program is a separate, rigorous code of conduct for our suppliers (Supplier COC).

Major features of our ethics and compliance program include:

- Oversight by our Board of Directors through its Corporate Governance and Nominating Committee;
- Written policies and supporting documentation such as the COC and other corporate compliance policies;
- Annual training and education on our ethics and compliance program, its requirements, and how to apply the COC's principles. Targeted antitrust and anticorruption training is provided to associates whose job responsibilities may be impacted by related regulations;
- A confidential helpline, Ethics Line, through which anyone, internal or external to Sysco, can report suspected or actual misconduct without fear of retaliation. Callers may remain anonymous unless they are from countries where anonymity is discouraged or not permitted by law;
- Routine monitoring of our compliance risks through

processes embedded in our operations and audits using a unified approach across our business operations;

- Timely and appropriate investigations into reported concerns and potential compliance violations; and
- Reviews by Sysco's Internal Audit Department. These measures include confirming that associates have received the COC and conducting ethics training for new hires and annual training for incumbent associates.

A Vital Tool: Our Supplier Code of Conduct

We explicitly require that our suppliers adhere to all applicable laws and regulations to provide a fundamental level of human rights for workers within their own supply chains.

As a condition of doing business with Sysco, suppliers are advised they may be audited on the Supplier COC by Sysco or independent agencies at any time, with or without advance notice. Suppliers must allow unrestricted access to facilities and relevant records for the purpose of monitoring compliance with the Supplier COC.

If a supplier violates the Supplier COC, either generally or with respect to a particular supplier facility, we may either terminate its business relationship with Sysco or require the affected facility to implement a corrective action plan.

Reporting Concerns

We encourage associates and third parties to promptly report concerns to us about suspected unethical behavior. We offer several options to foster transparent communication:

- **The Ethics Line Reporting System:** Partnering with a third-party vendor, Sysco utilizes the Ethics Line as a formal, confidential reporting channel for associates and members of the public. The system includes online web reporting and a global, 24-hour, toll-free hotline with translators available. The Ethics Line is our primary formal mechanism for reporting ethical concerns. Its case management system is used to track and document all reports, whether or not the case is initiated via the Ethics Line.

- **Sysco Speaks:** This annual engagement survey includes opportunities for associates to communicate whether they feel comfortable reporting unethical practices without fear of retaliation, and whether they believe senior leadership would act on reports of violations.
- **Corporate Governance:** Associates, investors, and the public may contact the Sysco Board of Directors with any concerns about observed or potential unethical conduct. Concerns may be communicated via mail in care of the Office of the Corporate Secretary or the Audit Committee of the Board and by phone or web messages through the Ethics Line.

Government Relations and Public Policy

Sysco's public policy activity touches on a number of issues, and some are material from a CSR perspective. They include food safety, animal welfare, nutrition, product labeling, labor rights, taxes, trade, workers' compensation, occupational safety, and transportation.

To help achieve business, legislative, and regulatory goals on these issues, we maintain memberships in various industry trade associations, including the International Foodservice Distributors Association (IFDA), American Trucking Associations (ATA), and the National Restaurant Association (NRA). Sysco is a member of the IFDA Board of Directors, chairs the IFDA Government Relations Committee, and participates in meetings of the Food Safety Committee, among other panels. We take an independent approach to public policy issues to complement our participation in IFDA, ATA, and NRA. Sysco also participates in several coalitions and state trade associations where our business interests are aligned.

Sysco's government relations program:

- Monitors and engages on legislative and regulatory actions on matters important to our company, stockholders, and employees;
- Increases awareness among federal, state, and local policymakers of Sysco, our business footprint and our economic impact;

- Broadens awareness of our company and our perspectives among federal policymakers by interacting with congressional committees and congressional staff, as well as administration staff as necessary;
- Positions Sysco as an effective and trusted resource in areas such as food safety, labor, nutrition, tax, transportation, and quality assurance.

Political Contributions

Federal law prohibits corporate contributions to any candidate for U.S. federal office or to any political candidate, party, or campaign in connection with any election for U.S. federal office. As a result, Sysco established the Sysco Corporation Good Government Committee, Inc. (Sysco Political Action Committee) to allow eligible associates to become engaged in the political process. Sysco PAC is governed by a separate board of directors and makes contributions to federal and state candidates in accordance with election laws and regulations.

Only in limited circumstances is Sysco politically active at the state and local levels of government where we have, on occasion, weighed in on certain legislative and policy matters. The limits on our involvement stem from our Code of Conduct, which prohibits state and local political contributions without the prior consent of Sysco's General Counsel.



GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
GRI 102: General Disclosures		
Organizational Profile		
102-1	Name of the organization	Sysco Corporation
102-2	Activities, brands, products, and services	Appendix – About Our Business; Reporting Segments; Customers and Products – pages 80-81 2019 10-K – pages 1-3
102-3	Location of headquarters	Houston, Texas
102-4	Location of operations	Appendix – About Our Business – page 80
102-5	Ownership and legal form	2019 10-K – page 1
102-6	Markets served	Appendix – About Our Business; Reporting Segments – page 80 2019 10-K – pages 1-3
102-7	Scale of the organization	Appendix – About Our Business; Reporting Segments – page 80 2019 10-K – pages 1-4, 44
102-8	Information on employees and other workers	Appendix – About Our Business – page 80 People – Diversity & Inclusion – Sysco's Workforce – page 27 2019 10-K – page 4
102-9	Supply chain	People – Supplier Diversity – pages 28-29 Products – Human Rights – pages 46-48 Appendix – Product Sourcing – page 81 10-K – page 3
102-10	Significant changes to the organization and its supply chain	2019 Annual Report – Letter to Shareholders – page 1
102-11	Precautionary Principle or approach	Appendix – Identifying and Managing Risk – page 81
102-12	External initiatives	Our Perspective – Our Stakeholders and How We Engage With Them – pages 13-14
102-13	Membership of associations	Appendix – Government Relations and Public Policy – page 83 Products – Human Rights – pages 46-48; Responsible Sourcing – pages 49-53
Strategy		
102-14	Statement from senior decision-maker	Leadership Message – page 9
102-15	Key impacts, risks, and opportunities	2019 10-K – pages 6-14 Appendix – CSR Scorecard – pages 78-79

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Appendix – Ethics and Compliance – pages 82-83
102-17	Mechanisms for advice and concerns about ethics	Appendix – Reporting Concerns – page 83
Governance		
102-18	Governance structure	Appendix – Board Composition and Responsibilities; Board Committees and Their Role – pages 81-82 2019 Proxy – pages 13-16 Sysco Investor Relations website: http://investors.sysco.com/
Stakeholder Engagement		
102-40	List of stakeholder groups	Our Perspective – Our Stakeholders and How We Engage With Them – pages 13-14
102-41	Collective bargaining agreements	Appendix – Associates – page 81 2019 10-K – pages 4, 13
102-42	Identifying and selecting stakeholders	Our Perspective – Materiality Brought to Life; Our Stakeholders and How We Engage With Them – pages 12-14
102-43	Approach to stakeholder engagement	Our Perspective – Materiality Brought to Life; Our Stakeholders and How We Engage With Them – pages 12-14
102-44	Key topics and concerns raised	Our Perspective – Our Critical Issues – page 15 Sysco has set targets for 9 of the 10 Critical Issues, see Appendix – CSR Scorecard – pages 78-79
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Appendix – Reporting Segments – page 80 10-K – page 1
102-46	Defining report content and topic Boundaries	Information in this report primarily reflects the corporate social responsibility performance of Sysco Corporation in the United States and Canada during Fiscal Year 2019, ending June 30, 2019, unless stated otherwise.
102-47	List of material topics	Our Perspective – Our Critical Issues – page 15
102-48	Restatements of information	There were no restatements of information in our 2019 Corporate Social Responsibility report.
102-49	Changes in reporting	Appendix – About This Report – page 80 Our Perspective – Materiality Brought to Life – page 12
102-50	Reporting period	Fiscal Year 2019, ending June 30, 2019, unless otherwise noted.
102-51	Date of most recent report	Appendix – About This Report – page 80

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
102-52	Reporting cycle	Appendix – About This Report – page 80
102-53	Contact point for questions regarding the report	Contact the Corporate Social Responsibility team at csr@corp.sysco.com
102-54	Claims of reporting in accordance with the GRI Standards	Appendix – About This Report – page 80
102-55	GRI content index	Appendix – About This Report – page 80
102-56	External assurance	Sysco's financial data provided from the Company's Annual Report and Form 10-K are independently assured by Ernst & Young. Sysco has also secured assurance on certain environmental data including GHG Inventory and Environmental Performance Indicators from Lloyd's Register (LRQA).
GRI 200: Economic		
GRI 203: Indirect Economic Impacts		
103-1	Explanation of the material topic and its Boundary	People – Philanthropy & Community – page 20
103-2	The management approach and its components	People – Philanthropy & Community – page 20
103-3	Evaluation of the management approach	People – Philanthropy & Community – page 20
203-1	Infrastructure investments and services supported	People – Philanthropy & Community – pages 20; Nourishing Neighbors – pages 21-24
GRI 204: Procurement Practices		
103-1	Explanation of the material topic and its Boundary	Products – page 41-61
103-2	The management approach and its components	Products – page 41-61
103-3	Evaluation of the management approach	Products – page 41-61
204-1	Proportion of spending on local suppliers	2019 CSR Products – Local Sourcing – page 61 Appendix – Product Sourcing – page 81 Sysco monitors but does not publicly disclose the procurement budget percentage spent with local suppliers at this time.
GRI 300: Environmental		
GRI 302: Energy		
103-1	Explanation of the material topic and its Boundary	Planet – Energy Conservation – page 67 2019 CDP Climate Change
103-2	The management approach and its components	Planet – Energy Conservation – page 67 2019 CDP Climate Change

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
103-3	Evaluation of the management approach	Planet – Energy Conservation – page 67 2019 CDP Climate Change
302-1	Energy consumption within the organization	2019 CDP Climate Change – page 39
302-3	Energy intensity	2019 CDP Climate Change – page 22
GRI 303: Water and Effluents		
103-1	Explanation of the material topic and its Boundary	Planet – Waste and Recycling – Water: Increasing Our Conservation – page 76 2019 CDP Water
103-2	The management approach and its components	Planet – Waste and Recycling – Water: Increasing Our Conservation – page 76 2019 CDP Water
103-3	Evaluation of the management approach	Planet – Waste and Recycling – Water: Increasing Our Conservation – page 76 2019 CDP Water
303-1	Interactions with water as a shared resource	2019 CDP Water
303-2	Management of water discharge-related impacts	2019 CDP Water
303-3	Water withdrawal	2019 CDP Water – page 8
303-4	Water discharge	2019 CDP Water – page 8
303-5	Water consumption	2019 CDP Water – page 6
GRI 305: Emissions		
103-1	Explanation of the material topic and its Boundary	Planet – Energy Conservation – page 67; Renewable Energy – pages 68-73
103-2	The management approach and its components	Planet – Energy Conservation – page 67; Renewable Energy – pages 68-73
103-3	Evaluation of the management approach	Planet – Energy Conservation – page 67; Renewable Energy – pages 68-73
305-1	Direct (Scope 1) GHG emissions	2019 CDP Climate Change – page 35
305-2	Energy indirect (Scope 2) GHG emissions	2019 CDP Climate Change – pages 36-37
305-5	Reduction of GHG emissions	Planet – Energy Conservation – page 67; Renewable Energy – pages 68-73
GRI 306: Effluents and Waste		
103-1	Explanation of the material topic and its Boundary	Planet – Waste and Recycling – Our Approach – page 74
103-2	The management approach and its components	Planet – Waste and Recycling – Our Approach – page 74
103-3	Evaluation of the management approach	Planet – Waste and Recycling – Our Approach – page 74
306-2	Waste by type and disposal method	Planet – Waste and Recycling – Our Approach – pages 74-78 Sysco monitors but does not disclose total tonnage of waste by type at this time.

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
GRI 308: Supplier Environmental Assessment		
103-1	Explanation of the material topic and its Boundary	Products – Responsible Sourcing, Palm Oil, Safe and Quality-Assured Products (Transparency Builds Trust), Local Sourcing – pages 49-54, 60-61
103-2	The management approach and its components	Products – Responsible Sourcing, Palm Oil, Safe and Quality-Assured Products (Transparency Builds Trust), Local Sourcing – pages 49-54, 60-61
103-3	Evaluation of the management approach	Products – Responsible Sourcing, Palm Oil, Safe and Quality-Assured Products (Transparency Builds Trust), Local Sourcing – pages 49-54, 60-61
308-1	New suppliers that were screened using environmental criteria	Sysco requires each of its suppliers, and each of their subcontractors and supply chain providers that ultimately supply goods and services to Sysco, to comply with our Supplier Code of Conduct which states that Sysco has a commitment to the communities where it operates and a responsibility for the environments that we impact. Sysco seeks to work with suppliers that share this commitment.
GRI 400: Social		
GRI 401: Employment		
103-1	Explanation of the material topic and its Boundary	Code of Conduct Suppliers Code of Conduct People – pages 25-34, 37-40
103-2	The management approach and its components	Code of Conduct Suppliers Code of Conduct People – pages 25-34, 37-40
103-3	Evaluation of the management approach	Code of Conduct Suppliers Code of Conduct People – pages 25-34, 37-40
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People – Total Rewards – page 31
401-3	Parental leave	People – Total Rewards – page 31
GRI 403: Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	People – Associate Health & Well-being, Safety & Risk Management – pages 33-34, 37-40
103-2	The management approach and its components	People – Associate Health & Well-being, Safety & Risk Management – pages 33-34, 37-40
103-3	Evaluation of the management approach	People – Associate Health & Well-being, Safety & Risk Management – pages 33-34, 37-40
403-1	Occupational health and safety management system	People – Safety & Risk Management – pages 37-40

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
403-2	Hazard identification, risk assessment, and incident investigation	People – Safety & Risk Management – pages 37-40
403-3	Occupational health services	People – Safety & Risk Management – pages 37-40
403-4	Worker participation, consultation, and communication on occupational health and safety	People – Safety & Risk Management – pages 37-40
403-5	Worker training on occupational health and safety	People – Safety & Risk Management – pages 37-40
403-6	Promotion of worker health	People – Associate Health & Well-being – pages 33-34
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People – Safety & Risk Management – pages 37-40
403-8	Workers covered by an occupational health and safety management system	People – Safety & Risk Management – Training, Visibility & Assessment – page 38-39
403-9	Work-related injuries	Sysco monitors this information but does not publicly report it at this time.
GRI 404: Training and Education		
103-1	Explanation of the material topic and its Boundary	People – Learning & Development – page 30
103-2	The management approach and its components	People – Learning & Development – page 30
103-3	Evaluation of the management approach	People – Learning & Development – page 30
404-2	Programs for upgrading employee skills and transition assistance programs	People – Learning & Development – page 30
GRI 405: Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	People – Diversity & Inclusion – pages 25-27
103-2	The management approach and its components	People – Diversity & Inclusion – pages 25-27
103-3	Evaluation of the management approach	People – Diversity & Inclusion – pages 25-27
405-1	Diversity of governance bodies and employees	For gender diversity of workforce, please see People – Sysco’s Workforce – page 27

Gender		
Male	Female	
10	3	
Age		
Under 30 years	30-50 years	50+ years
0	3	10
Diversity		
White	African-American	
12	1	

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
GRI 406: Non-Discrimination		
103-1	Explanation of the material topic and its Boundary	People – Diversity & Inclusion – pages 25-27; Supplier Diversity – pages 28-29 Code of Conduct – Support Human Rights – page 11, Discrimination-free Workplace – page 12 Suppliers Code of Conduct – 4. Labor Requirements (h) Discrimination
103-2	The management approach and its components	People – Diversity & Inclusion – pages 25-27; Supplier Diversity – pages 28-29 Code of Conduct – Support Human Rights – page 11, Discrimination-free Workplace – page 12 Suppliers Code of Conduct – 4. Labor Requirements (h) Discrimination
103-3	Evaluation of the management approach	People – Diversity & Inclusion – pages 25-27; Supplier Diversity – pages 28-29 Code of Conduct – Support Human Rights – page 11, Discrimination-free Workplace – page 12 Suppliers Code of Conduct – 4. Labor Requirements (h) Discrimination
406-1	Incidents of discrimination and corrective actions taken	All reports of discrimination are taken seriously and thoroughly assessed and investigated. We do not, however, publicly report the number of incidents reported, reviewed, or remediated.
GRI 408: Child Labor		
103-1	Explanation of the material topic and its Boundary	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (b) Child Labor
103-2	The management approach and its components	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (b) Child Labor
103-3	Evaluation of the management approach	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (b) Child Labor
408-1	Operations and suppliers at significant risk for incidents of child labor	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (b) Child Labor

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
GRI 409: Forced or Compulsory Labor		
103-1	Explanation of the material topic and its Boundary	<p>Our Perspective – Our Critical Issues – Human Rights – page 15</p> <p>Products – Human Rights – pages 46-48</p> <p>Code of Conduct – Support Human Rights – page 11</p> <p>Suppliers Code of Conduct – 4. Labor Requirements (d) Forced Labor or Physical Coercion</p>
103-2	The management approach and its components	<p>Our Perspective – Our Critical Issues – Human Rights – page 15</p> <p>Products – Human Rights – pages 46-48</p> <p>Code of Conduct – Support Human Rights – page 11</p> <p>Suppliers Code of Conduct – 4. Labor Requirements (d) Forced Labor or Physical Coercion</p>
103-3	Evaluation of the management approach	<p>Our Perspective – Our Critical Issues – Human Rights – page 15</p> <p>Products – Human Rights – pages 46-48</p> <p>Code of Conduct – Support Human Rights – page 11</p> <p>Suppliers Code of Conduct – 4. Labor Requirements (d) Forced Labor or Physical Coercion</p>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Our Perspective – Our Critical Issues – Human Rights – page 15</p> <p>Products – Human Rights – pages 46-48</p> <p>Code of Conduct – Support Human Rights – page 11</p> <p>Suppliers Code of Conduct – 4. Labor Requirements (d) Forced Labor or Physical Coercion</p>

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
GRI 412: Human Rights Assessment		
103-1	Explanation of the material topic and its Boundary	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (a) Human Rights
103-2	The management approach and its components	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (a) Human Rights
103-3	Evaluation of the management approach	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (a) Human Rights
412-2	Employee training on human rights policies or procedures	All employees are trained on human rights as part of our annual global Code of Conduct training.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Products – Human Rights – Protecting the Rights of the People Behind our Product – Auditing Social Performance – pages 47-48 All Sysco Brand approved suppliers in high-risk Latin American and Asian countries must undergo third-party assessments to identify potential risks relating to wages, working hours, discrimination, worker safety, living conditions, and child and forced labor.
GRI 413: Local Communities		
103-1	Explanation of the material topic and its Boundary	Our Perspective – Our Critical Issues – Charitable Giving – page 15 People – Philanthropy & Community – pages 20; Nourishing Neighbors – pages 21-24
103-2	The management approach and its components	Our Perspective – Our Critical Issues – Charitable Giving – page 15 People – Philanthropy & Community – pages 20; Nourishing Neighbors – pages 21-24
103-3	Evaluation of the management approach	Our Perspective – Our Critical Issues – Charitable Giving – page 15 People – Philanthropy & Community – pages 20; Nourishing Neighbors – pages 21-24
413-1	Operations with local community engagement, impact assessments, and development programs	People – Philanthropy & Community – pages 20; Nourishing Neighbors – pages 21-24

GRI Standards		
Disclosure Number	Disclosure Title	2019 Response
GRI 414: Supplier Social Assessment		
103-1	Explanation of the material topic and its Boundary	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (a) Human Rights
103-2	The management approach and its components	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (a) Human Rights
103-3	Evaluation of the management approach	Our Perspective – Our Critical Issues – Human Rights – page 15 Products – Human Rights – pages 46-48 Code of Conduct – Support Human Rights – page 11 Suppliers Code of Conduct – 4. Labor Requirements (a) Human Rights
414-1	New suppliers that were screened using social criteria	Sysco requires each of its suppliers, and each of their subcontractors and supply chain providers that ultimately supply goods and services to Sysco to comply with our Supplier Code of Conduct.
GRI 416: Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	Our Perspective – Our Critical Issues – Health & Well-Being – page 15 People – Healthy Products – pages 35-36 Products – Safe & Quality-Assured Products – pages 55-60
103-2	The management approach and its components	Our Perspective – Our Critical Issues – Health & Well-Being – page 15 People – Healthy Products – pages 35-36 Products – Safe & Quality-Assured Products – pages 55-60
103-3	Evaluation of the management approach	Our Perspective – Our Critical Issues – Health & Well-Being – page 15 People – Healthy Products – pages 35-36 Products – Safe & Quality-Assured Products – pages 55-60
416-1	Assessment of the health and safety impacts of product and service categories	Our Perspective – Our Critical Issues – Health & Well-Being – page 15 People – Healthy Products – pages 35-36 Products – Safe & Quality-Assured Products – pages 55-60