

Sysco[®]

FUTURE Horizons

FY2022 Sustainability Report





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About Sysco

Sysco is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. Our family of products also includes equipment and supplies for the foodservice and hospitality industries. With more than 71,000 associates, the company operates 333 distribution facilities worldwide and serves more than 700,000 customer locations. For fiscal year (FY) 2022 that ended July 3, 2022, the company generated sales of more than \$68.6 billion.



For more information, visit [sysco.com](https://www.sysco.com) or connect with us on [Facebook](#) and [Twitter](#).



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Information in this report primarily reflects the sustainability performance of Sysco Corporation in the United States (U.S.) and Canada during FY2022. This report has been published in accordance with the Global Reporting Index (GRI), and our [2022 GRI index](#) is available for download on our website. Additionally, this report includes our second Sustainability Accounting Standards Board (SASB) Index and annual updates on our global impact and sustainability goals and progress¹. For more information about Sysco’s carbon footprint and water use, please see our [2022 CDP Climate](#) and [Water responses](#), and please see our [annual report and filings](#) with the Securities and Exchange Commission (SEC) for more information on Sysco’s operations and business performance.



We value feedback from all our stakeholders. For questions or comments concerning this report, please contact the Sysco Sustainability Team at sustainability@sysco.com.



¹ In our 2021 Corporate Social Responsibility (CSR) Report, this was represented as our CSR goals and progress.

Sysco At-A-Glance

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\$68.6B
in Annual Sales

333
Distribution Facilities

~700K
Customer Locations

71K+
Associates Across the Globe

Four Business Segments

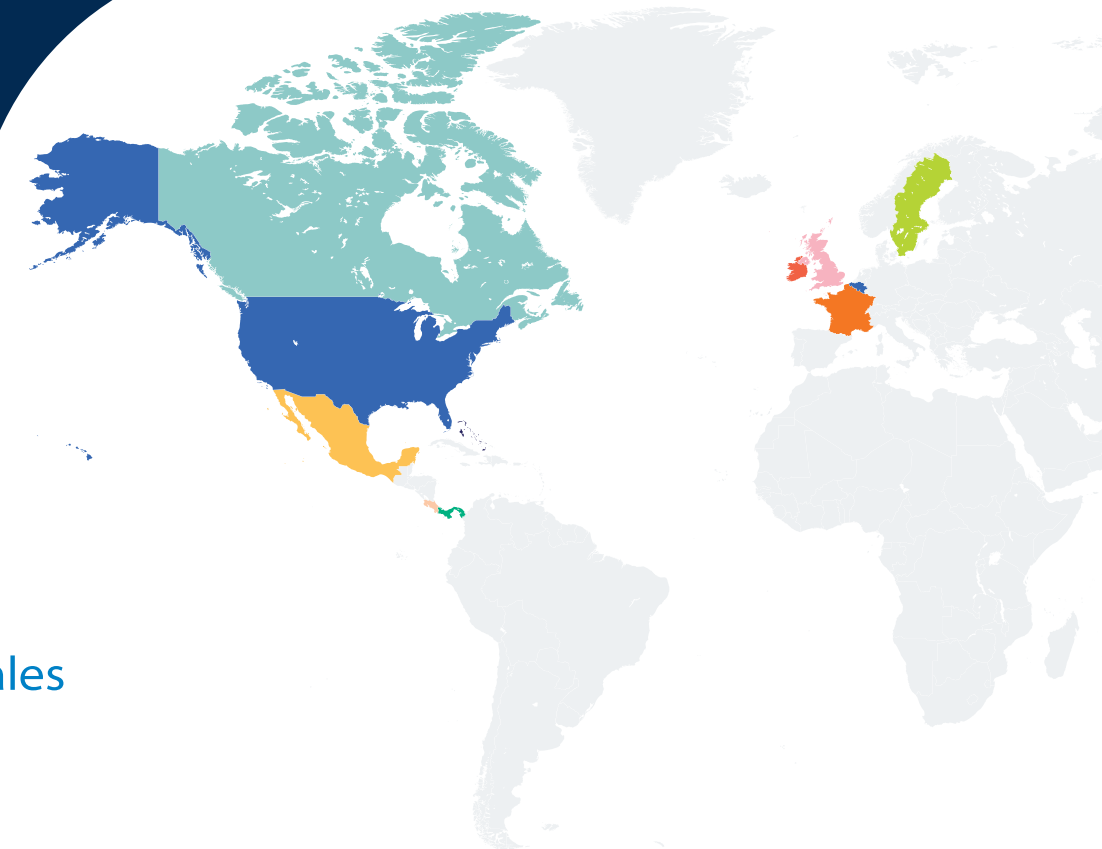
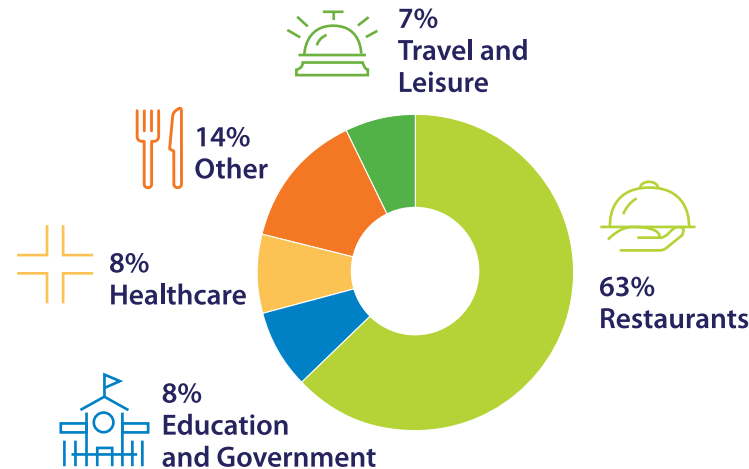
1. U.S. Foodservice Operations
2. International Foodservice Operations
3. SYGMA
4. Other—Hotel Lodging Supply

Customers

We provided products and related services to customer locations, including:

- Restaurants
- Healthcare and educational facilities
- Lodging establishments

FY2022 Total Sysco Sales



Global Footprint

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

- United States
- France
- United Kingdom
- Canada
- Mexico
- Sweden
- Ireland
- The Bahamas
- Belgium
- Costa Rica
- Panama

Integrating Our Purpose and Recipe for Growth Strategy

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At Sysco, we are defining the future of foodservice and supply chain.

Around the world, Sysco associates are unified behind our purpose: **connecting the world to share food and care for one another**. This aspiration drives us to go further, do more and innovate new solutions that ensure everyone has a seat at Sysco’s table.

Grounded in our purpose is our Recipe for Growth strategy, which fosters **responsible and purposeful growth** across five pillars: digital, product solutions, supply chain, customer teams and future horizons. Together, these pillars are fueling our business transformation to enable 1.5X industry growth by FY2024.

Our Future Horizons pillar, specifically, reflects our commitment to grow responsibly. It drives us to **cultivate new channels, segments and capabilities while acting as good stewards of our business and the planet**. In addition, we’re moving toward “cost leadership” to fund our Recipe for Growth.

Our Sustainability Strategy

We focus our efforts on issues where we believe we can have the most positive impact. As we navigate challenges such as climate change and an evolving global economy,

our sustainability strategy guides our actions and decisions across three key areas:

- People
- Products
- Planet

Our strategy is global, with Sysco businesses across the world operating robust sustainability programs. We also work across geographic, regulatory and local markets to develop country- and/or company-specific goals.

Our sustainability strategy and goals are informed by the United Nations Sustainable Development Goals (UNSDGs). While we have not developed a separate SDG framework, this report highlights how our work contributes to the success of several key SDGs:

- SDG 2: Addressing hunger relief
- SDG 5: Diversity, equity and inclusion
- SDG 7: Clean energy
- SDGs 14 and 15: Responsible sourcing



We know that investors and other stakeholders are interested in seeing evidence of our SDG alignment. We plan to evolve our approach in the coming years.



Our Ingredients for Success

- **Our Mission:** Delivering success for our customers through industry-leading people, products and solutions
- **Our Identity:** Together we define the future of foodservice and supply chain
- **Our Values:** Rooted in integrity, committed to inclusion, driving forward together, defining excellence, growing responsibly
- **Our Purpose:** Connecting the world to share food and care for one another
- **Our Recipe for Growth Strategy:** Digital, product solutions, supply chain, customer teams, future horizons

Advancing Our Sustainability Goals

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In FY2022, we continued to drive progress across these areas by working toward our 2025 sustainability goals.



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Global Sustainability Focus Areas	Philanthropy & Community Giving	Diversity, Equity & Inclusion	Health & Wellness
Sysco 2025 Goals ¹ and Progress	<p>Goal: Generate \$500 million worth of good in our global communities.</p> <p>Progress: Generated \$231 million²</p>	<p>Goal: Increase total gender and ethnic diversity of U.S.-based associates to 62%.</p> <p>Progress: Achieved</p> <p>Goal: Increase spend with certified diverse suppliers by 25%³.</p> <p>Progress: Increased spend with certified diverse suppliers by 7.8% vs. last year</p>	<p>Goal: Double associate participation rates in health and well-being programs.</p> <p>Progress: Increased participation by 18% in CY2021</p> <p>Goal: Expand products in our portfolio with health and wellness benefits.</p> <p>Progress: Expanded "better-for-you" options in our Cutting Edge Solutions platform</p>



PRODUCTS

Global Sustainability Focus Areas	Responsible Sourcing	Human Rights	Animal Welfare
Sysco 2025 Goals ¹ and Progress	<p>Goal: Establish responsible sourcing guidelines for five key commodities.</p> <p>Progress: Established commitments for beef, paper, soy and coffee</p>	<p>Goal: Ensure that all first-tier, high-risk suppliers agree to the Supplier Code of Conduct principles.</p> <p>Progress: Completed 175 Sysco Brand facility audits</p>	<p>Goal: Ensure that all Sysco Brand protein suppliers adhere to requirements laid out in our Animal Welfare Policy for Suppliers.</p> <p>Progress: Returned to pre-Covid audit practices in FY2022 to continue engaging suppliers</p>



PLANET

Global Sustainability Focus Areas	Sustainable Agriculture	Energy & Carbon	Waste Reduction
Sysco 2025 Goals ¹ and Progress	<p>Goal: Expand our Sustainable Agriculture program to include five fresh crops.</p> <p>Progress: Achieved and doubled to include 10 fresh crops</p>	<p>Goal: Reduce our Scope 1 and 2 emissions by 27.5% by 2030 from a CY2019 base year.</p> <p>Progress: Committed to purchasing up to 800 electric trucks and piloted an electric refrigeration trailer. Installed solar panel array system to meet over 15% of energy needs in Britain</p> <p>Goal: Work with suppliers representing 67% of our Scope 3 emissions⁴ to set science-based targets by 2026.</p> <p>Progress: Sysco suppliers representing 27% of our CY2019 Scope 3 emissions have committed to or set their own reduction goals⁵</p>	<p>Goal: Divert 90% of waste, including food, from landfill.</p> <p>Progress: Diverted 67% of waste</p>

¹ U.S. only unless specified.

² Includes pledged monetary donations.

³ Sysco's original goal, established in FY2018, included both certified and self-selected diverse suppliers and only accounted for minority- and women-owned suppliers. For FY2021 and beyond, we will only include certified diverse suppliers in our reporting. In alignment with our expanded definition of diverse suppliers, we will also include businesses owned by veterans, LGBTQ+ individuals and those who are disabled, in addition to businesses owned by minorities and/or women.

⁴ Focusing on purchased goods and services and upstream transportation suppliers.

⁵ Because of shifts in our operations that took place during the COVID-19 pandemic, Sysco experienced a steep reduction in emissions from 2019 to 2020. As regular operations return, we expect to see a rise in our emissions, which will again drop as we achieve progress toward our 2030 goals.

● Sysco Global businesses are actively contributing to achieving this goal.

● Sysco Canada is actively contributing to achieving this goal.

○ Sysco European businesses are actively contributing to achieving this goal.

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Each day, we work hard with our colleagues and stakeholders to put our purpose into action. Here are some of the ways we connected the world to share food and care for one another in FY2022.



CONNECTING THE WORLD TO SHARE FOOD
AND CARE FOR ONE ANOTHER

People

Our associates are passionate about bringing Sysco's purpose to life. We supported them by providing resources to connect with their colleagues and communities and to develop in their careers. We also began socializing Sysco's diversity, equity and inclusion (DEI) strategy across our organization—establishing the structures, resources and behaviors to ensure that everyone has a seat at our table.



Launched a new Sysco Gives Back Volunteer Recognition Program, and associates volunteered **10,500** hours



Gave **\$46M**¹ of good in our local communities, including **16M** meals²



Achieved **62%** gender and ethnic diversity for U.S.-based associates



Hosted Sysco's first Supplier Diversity Summit



Launched three new Leadership Development Programs to increase performance and leader retention

Products

We continued our focus on efficient, ethical and responsible sourcing—delivering the highest quality of products. Through partnerships with global suppliers and nonprofits, we drove improvements in responsible sourcing and sustainable seafood. We also worked to combat deforestation while upholding human rights. As we fuel Sysco's growth, we leveraged our Cutting Edge Solutions (CES) platform to deliver innovative new products to give our customers an edge in embracing emerging industry trends.



Awarded ranchers with **\$2.5M** in grants through the Southern Plains Grassland Program



Joined the World Wildlife Foundation to launch the Peru Mahi Alliance



Launched **14** new product concepts through our CES platform



Conducted **175** social responsibility audits in **17** countries, with **13** facilities receiving a perfect score



¹ Includes pledged monetary donations.

² This refers to the number of meals donated in U.S. dollars to food banks, schools or other nonprofit organizations in FY2022. Our calculation of the number of meals donated is derived from the cost of product donated; one meal is defined by Feeding America (a U.S.-based nonprofit organization) as \$2.15.

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Planet

In line with our Recipe for Growth strategy, we continued to practice good environmental stewardship. From the U.S. to the U.K. to Sweden and beyond, we invested deeply in renewable energy and reduced-carbon solutions. We are proud to have been the first company in our industry to commit to a science-based target to reduce our greenhouse gas (GHG) emissions. We announced our commitment to purchase up to 800 electric trucks and piloted an electric refrigerated trailer, which we believe will ultimately result in our ability to make deliveries to our customers in fully electric and very quiet vehicles. This supports our goal to electrify 35% of our U.S. tractor fleet by 2030.



Expanded our Sustainable Agriculture Program to include **10** fresh crops



Expanded our indoor agriculture partnerships



Committed to purchasing up to **800** electric trucks and piloted an electric refrigeration trailer



Installed a new solar panel array system in Britain and announced new solar farm projects at Sysco Edmonton and a new Calgary facility in Canada



Governance

As we grew our business to help connect and feed more people around the world, Sysco remained rooted in strong corporate governance. Our leaders continued to drive transformative change by engaging with stakeholders to understand their evolving priorities and needs. In FY2022, our Board of Directors elected three new independent directors. They also continued to focus on diverse Board recruitment so that Sysco can benefit from a range of leadership perspectives.



Added three new independent directors to our Board



Added environmental, social and governance (ESG) metrics to executive compensation

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A message from Kevin Hourican, President and CEO, and Neil Russell, SVP Corporate Affairs and Chief Communications Officer

Sysco has been undergoing a business transformation, fueled by our Recipe for Growth strategy to solidify our position as the global leader in foodservice distribution. Our sustainability approach helps to ensure that we are growing responsibly and purposefully while leading our industry toward a more sustainable future.

We are proud of the measurable actions we are taking to make a positive impact in the areas of People, Products and Planet. To share a few highlights, in fiscal year 2022, we:

- Announced our science-based climate goal to reduce our operational emissions by 27.5% by 2030;
- Committed to purchase up to 800 electric tractors to support our goal of electrifying 35% of our U.S. fleet by 2030;
- Donated 16 million meals globally to fight hunger in our communities and pledged \$1 million to Feeding America through our signature Nourishing Neighbors program;
- Expanded our Sustainable Agriculture Program and doubled the number of fresh crops included; and
- Awarded ranchers \$2.5 million in grants through the Southern Plains Grassland Program to invest in sustainable grazing practices and wildlife habitats.

In addition, we launched a Global Volunteer Recognition Program to celebrate and recognize our associates for giving back to their communities. We are proud of our associates who reported 10,500 volunteer hours last year. These contributions are an important part of helping us reach our Global Good goal of donating \$500 million worth of 'good' into our communities by 2025.



Neil Russell
SVP, Corporate Affairs and Chief Communications Officer

Kevin Hourican
President and CEO

We are doubling down on our commitment to sustainability by tying our executive compensation to ESG initiatives involving gender representation, diverse recruiting and carbon reduction.

As you read through this report, we hope you feel just as proud of the progress we are making and excited about what's on the horizon for Sysco. We have set a clear roadmap to reach our sustainability goals and gained considerable momentum this past year, but of course there is still more to do.

We know we cannot get there alone. We are thankful for the support of our stakeholders who work with us and challenge us to go further. Everyone has a seat at Sysco's table as we pave the way to a sustainable future for our industry.

We look forward to continuing to share our progress with you.

Sincerely,

Kevin Hourican
President and CEO

Neil Russell
Senior Vice President, Corporate Affairs and Chief Communications Officer

People

Every associate plays an important role in enhancing our company's success and bringing Sysco's purpose to life. We support them by providing resources to collaborate, give back and grow. By creating a culture of belonging and empowerment, we help our people thrive.

For us, living our purpose begins within Sysco's own walls where we work to ensure that everyone has a seat at the table. In FY2022, we focused on socializing our DEI strategy enterprisewide while deepening our outreach efforts to connect with future talent and diverse suppliers. Internally, we engaged our associates by listening to their feedback and ideas and by celebrating their achievements and passion for giving back. We also delivered new learning and development resources to help associates grow throughout their careers. Our goal is to cultivate a diverse team of leaders capable of delivering transformative results.



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- Diversity, Equity and Inclusion
- Supplier Diversity
- Associate Engagement
- Learning and Development
- Health and Wellness

Community Giving and Global Good

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We aspire to lead the foodservice distribution industry by giving back, doing good and changing lives.

As a global leader in foodservice distribution, we are committed to making a positive impact in the communities where we live and work. Our purpose—connecting the world to share food and care for one another—motivates us to do good by sharing our resources, skills and time. Our philanthropic and community giving priorities include:

- **Feed:** We work to reduce hunger in our communities by providing healthy and nutritious meals to families that are food insecure. We do so by working with local community partners and donating food, which also helps us reduce waste.
- **Serve:** Our associates give their time and talent to serve our communities and customers. They give back to many causes that inspire them, including those focused on expanding food access for vulnerable groups such as seniors and kids.
- **Give:** We support many global, national and local organizations—both by donating funds and by sharing their knowledge as Board members.



To celebrate associate volunteers who help bring our purpose to life, in FY2022 we launched a new Sysco Gives Back volunteer recognition program. Associates log their hours using our Volunteer Hour Tracker to earn recognitions that include:

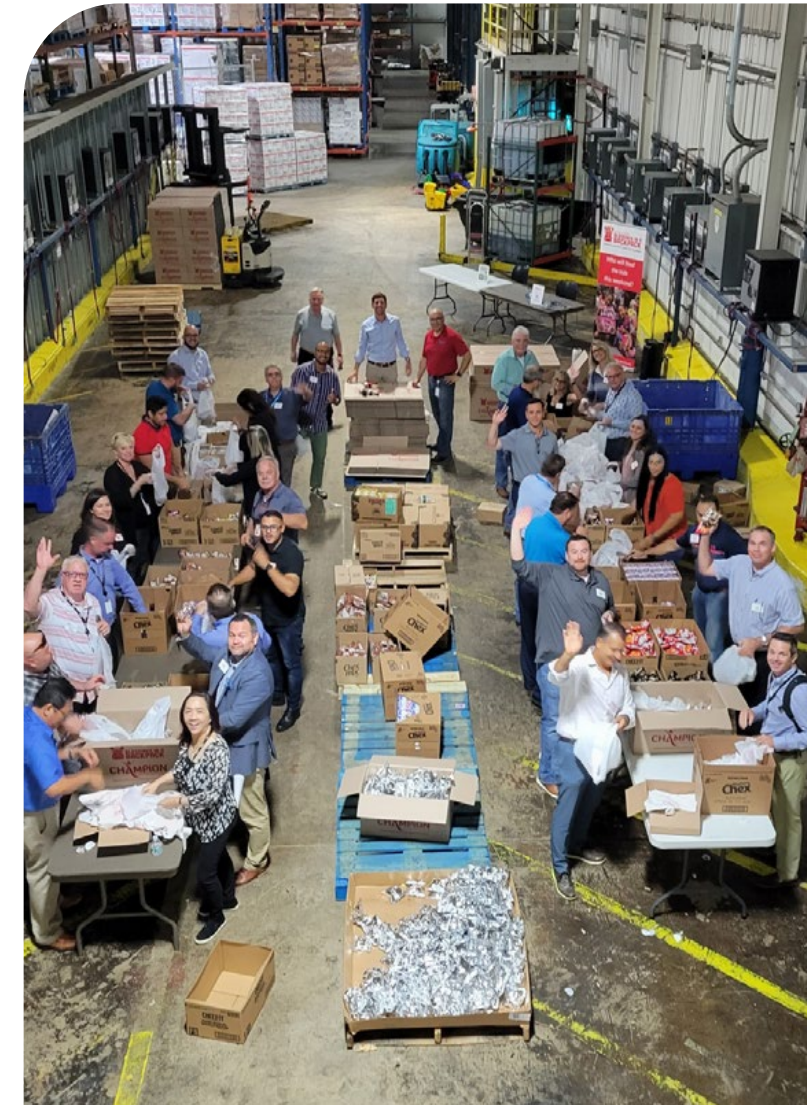
- **Quarterly Volunteer Spotlight:** A random drawing, whereby five volunteers receive \$100 each for a charity of their choice.
- **Volunteer of the Year:** Recognizes the associate with the highest number of volunteer hours logged with \$1,000 to donate to a charity of their choice. Two runners-up also receive \$500 each to a charity of their choice.
- **Sysco Company of the Year:** Recognizes one site globally that best represents our company's purpose. The site winner receives \$10,000 to donate to a hunger-focused charity in their community.



GOAL

By 2025, generate \$500 million worth of good in our global communities, including 200 million meals

PROGRESS: Generated \$231 million¹



2021 Site of the Year—Central Florida

¹ Includes pledged monetary donations.

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Sysco New Mexico partners with a customer to help the community impacted by wildfires

In addition to volunteer efforts, throughout FY2022, Sysco invested heavily in community food donations and funding. Amid a year of record wildfires and flooding, we supported communities from British Columbia to the American Southwest, and donated \$50,000 to the American Red Cross to support relief efforts following Hurricane Ida. We also donated funds to food banks and food pantries—such as Hearts for the Homeless in Buffalo, New York—with our British business donating millions of community meals and announcing a £500,000, five-year commitment to help fight holiday hunger. Across the U.S. and Canada, our signature Nourishing Neighbors program continued to help us give back, contributing over \$13 million to charitable organizations since its inception in 2018.

Coming Together to Support the People of Ukraine

Following Russia's invasion of Ukraine, Sysco's leaders began to closely monitor the developing humanitarian crisis unfolding in Eastern Europe. Utilizing our resources and global partnerships, we delivered and funded millions of meals (see [Global Good at Sysco](#)) to help feed the country's citizens and refugees. As we did so, many of our associates reached out to ask how they could help. That led us to match associates' donations of up to \$25,000 to support UNICEF, Save the Children and the United Nations High Commissioner for Refugees.

We were especially inspired by the efforts of our Director of Business Development for Guest Worldwide and her young daughter Bella. Their pop-up Bella and Co. "lemon-aid" stand raised donations for humanitarian aid, one cup of Bella's lemonade at a time. Bella even brought the stand to our Global Support Center, where she received donations from many Sysco associates. In total, she raised \$3,800 in funds to further support this important cause.



Global Good at Sysco: FY2022 Highlights

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Our associates
volunteered
10,500
hours

Thousands of associates shared their valuable time through community volunteerism in FY2022. Sysco's President and CEO served as a great example, spending many Saturdays volunteering alongside his family at Kids' Meals Inc. The Houston-based organization is on a mission to end local childhood hunger by delivering free, healthy meals to the doorsteps of preschool-aged children year-round. We were also inspired by Shane Bourque, a Transportation Clerk from Sysco Acadiana, who was named Volunteer of the Year. Working with his local fire department throughout FY2022, he logged 332 volunteer hours. Finally, during a Nourishing Neighbors event held in our Capital region, we were proud to see 160 associates from our Baltimore and Virginia sites volunteer their time to pack 50,000 meals that supported five area food banks.



Donated
\$11M¹

Through our fundraising efforts, we continued to support local food banks and other charitable organizations. For example, Sysco Canada hosted a Great Give fundraiser in which it matched associates' donations up to CA\$25,000, raising more than CA\$50,000 to support local food banks with 100,668 meals. Later, Sysco Canada hosted a Double The Heart campaign that doubled contributions to local charities through its Nourishing Neighbours program. The campaign raised enough funds to provide 180,000 meals to help feed those in need.



Donated
16M
meals

We continued to leverage our expertise in foodservice distribution to deliver millions of meals to communities in need around the world. One of our focus areas was supporting the people of Ukraine—many of whom have faced heightened food insecurity or been forced to flee their country due to the ongoing Russian-Ukrainian War. In response, Sysco worked with a European partner to provide \$100,000 worth of food products to Ukrainian refugees who crossed the border into Poland. We also donated \$100,000 to fund food parcels for those remaining in Ukraine via the International Committee of the Red Cross.



¹ This number refers to monetary donations (including pledged monetary donations) to food banks, schools or other nonprofit organizations in FY2022 in U.S. dollars.

Diversity, Equity and Inclusion

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We aspire to create a global culture that is decidedly diverse, equitable and inclusive—one where we foster belonging as we care for one another and connect the world through food and trusted partnerships.

Our DEI initiatives are critical to fulfilling our purpose and enabling long-term success. Sysco’s Vice President and Chief Diversity & Culture Officer (CDCO), Adrienne Trimble, leads these efforts with the support of Sysco’s DEI team and the company’s Global DEI Advisory Council. In 2021, this group developed a DEI Strategic Framework that guides our actions across three areas:



Our workforce

We work to attract and retain diverse workforce talent while ensuring that people can move equitably through Sysco’s systems.



Our workplace

We focus on creating an environment that makes people want to come to Sysco and stay.



Our marketplace

By focusing on DEI within our workforce and workplace, we can better meet our stakeholders’ needs.

In FY2022, we began enacting the framework’s year-one initiatives, such as socializing our DEI strategic priorities and applying a DEI lens to prioritized Talent Acquisition activities. Throughout the year, we engaged hundreds of DEI Ambassadors, who helped us execute critical initiatives such as our first Supplier Diversity Summit and our college intern recruiting efforts. We also expanded the Chief Diversity Officer role to include responsibility for the Culture & Engagement and Associate Relations teams. These teams and the DEI team now function as a singular Center of Excellence, focused on creating a best-in-class associate experience. As we welcomed new associates, we were proud to achieve our goal of 62% gender and ethnic diversity in our U.S. workforce ahead of our 2025 target. In the future, we will continue developing new workforce representation goals designed to address specific areas of opportunity.



GOAL

Increase total gender and ethnic diversity of U.S.-based associates to 62%

PROGRESS: Achieved



Sysco is proud to be named a Top Diversity Employer for 2021 in the Food & Beverage category by DiversityJobs.com for the second consecutive year.

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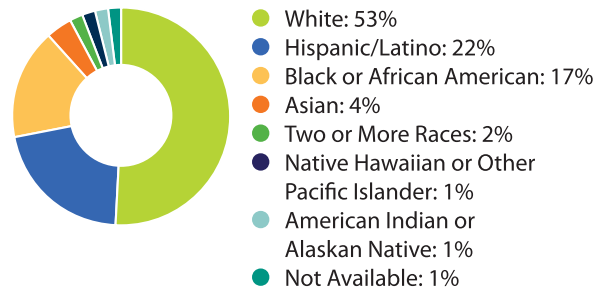
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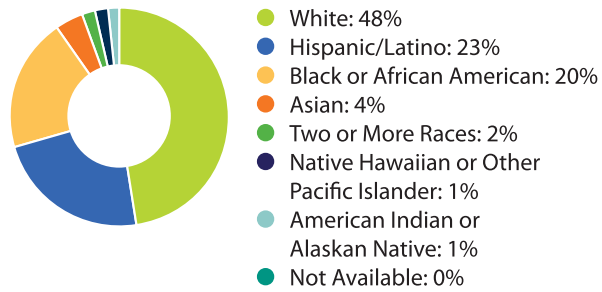
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Our Workforce At-A-Glance¹

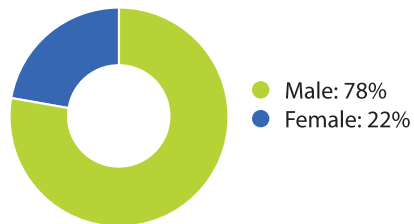
U.S. Race & Ethnicity FY2021



U.S. Race & Ethnicity FY2022



Global Gender Representation FY2022²



Learn more about Sysco's workforce demographics in our [FY2022 DEI Report](#).



Creating a Culture of Belonging with Associate Resource Groups (ARGs)

Our ARGs create a strong sense of belonging and connection for associates around the globe. Together, they help Sysco recognize culturally significant occasions, while creating a safe space and sense of community for associates from often underrepresented backgrounds. Our growing list of ARGs includes:

- **APEX:** Elevating the growth of Pan-Asian associates
- **BRIDGE:** Bridging gaps between associates, concentrating on differences in age, career stage, department, country, seniority, in-office/remote status and more
- **Catalyst:** Cultivating and supporting Black associates
- **Circle:** Creating community for Indigenous associates
- **Emerging Leaders:** Empowering leaders to achieve their maximum potential through career development
- **Food for Thought:** Raising awareness of mental wellness in the workplace
- **HART:** Providing advocacy and resources for Hispanic associates
- **IMPACT:** Empowering and supporting female associates
- **MINDS:** Raising awareness of and providing resources regarding neurodiversity
- **Spectrum:** Bringing together LGBTQ+ associates and allies
- **Veterans Outreach:** Connecting and celebrating U.S. military veterans

¹ Some totals may not add up to 100% due to rounding.
² Year-over-year data is currently unavailable; however we plan to include it in future reporting.

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Celebrating Key Milestones and Events

Black History Month

In honor of Black History Month, Sysco’s Catalyst ARG held a global town hall for all associates, featuring Dr. Jessica B. Harris, the culinary historian and author behind the Netflix series *High on the Hog*.

Sysco Canada welcomed Canadian rapper, record producer, actor and author Maestro Fresh Wes for a keynote speaker session on sticking to your vision.

Gender Equity Momentum (GEM) Awards

Sysco recognized 36 associates at our annual GEM awards, which recognize those making strides to remove gender barriers, champion gender equality and cultivate an inclusive workplace culture.

International Women’s Day

We collaborated with our IMPACT ARG to celebrate International Women’s Day with several Break the Bias-themed events and a Let’s Talk Change virtual summit organized by Let’s Talk Womxn.

Job Shadow Day

We were proud to partner with the Cope Foundation’s Ability at Work program, which is focused on providing job opportunities to young adults with intellectual disabilities. Sysco Ireland’s Cork facility invited two Cope Foundation candidates to spend a day shadowing the Transport and Warehouse teams and hired both of the participants following the event.

Indigenous History Month

Sysco Canada—which has committed to the Progressive Aboriginal Relations program—commemorated National Indigenous History Month by encouraging all associates to take time to recognize the rich history, heritage, resilience and diversity of First Nations, Inuit and Métis peoples across the country.

Circle ARG held an event to celebrate Indigenous History Month. We welcomed Elder Ed Sackaney and had a Spirit Animal Workshop with Cree artist Kamamak.

Military Makeover: Operation Career

Sysco’s Veterans Outreach ARG announced the company’s participation in a Lifetime Television show called Military Makeover: Operation Career. The show, which profiles companies offering outstanding opportunities for veterans in the workforce, featured three of Sysco’s veteran associates.

Pride Month

Sysco celebrated Pride Month globally, including by providing training around LGBTQ+ inclusiveness and raising Pride flags at all U.S. and Canada sites.



Learn more about Sysco’s DEI initiatives in our [FY2022 DEI Report](#).

Supplier Diversity

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We are committed to building relationships with diverse supply partners who reflect and meet the needs of the customers and communities we serve.

At Sysco, supplier diversity is woven into our strategic approach. Rather than treating it as a standalone program, it is an ongoing activity fully embedded in the way we do business. Accordingly, in FY2022, we announced our membership with the five leading diversity councils, which will enhance our ability to develop relationships with qualified diverse suppliers. Through the new memberships, we expanded Sysco's scope and definition of supplier diversity and created an auditable process that helped us identify nearly \$937.5 million in diverse supplier spend. We also formalized our new Supplier Diversity Mentorship Program, which we piloted in FY2021, and in May, we hosted our first Supplier Diversity Summit with participation from nearly 500 suppliers.

Our expanded definition of diverse suppliers **includes certified businesses that are 51% owned and operated by** women, ethnic minorities, veterans, LGBTQ+ individuals and those who are disabled.



Learn more about Sysco's supplier diversity initiatives in our [FY2022 DEI Report](#).



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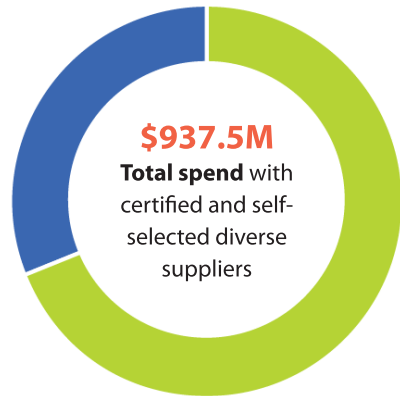
GOAL

Increase spend by 25% by 2025 with certified diverse suppliers

PROGRESS: We increased our spend with certified diverse suppliers by 7.8% vs. last year.



Diverse Supplier Spend as of FY2022



\$937.5M

Total spend with certified and self-selected diverse suppliers

- \$647.9M spend with certified diverse suppliers¹
- \$289.6M spend with self-selected diverse suppliers²

¹ Going forward, Sysco will only count certified-spend toward our goal.

² We will pursue opportunities in FY2023 to transition self-selected diverse suppliers to certification.

Launching New Diversity Council Partnerships

As we work to expand our diverse supplier network, we have formed partnerships with five leading diversity councils. The partnerships create an opportunity for suppliers to grow their businesses at Sysco while positioning us to meet customers' evolving needs. They include:

- Disability: IN
- National LGBT Chamber of Commerce (NGLCC)
- National Veteran-Owned Business Association (NaVOBA)
- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)

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We help associates thrive by recognizing their achievements and ideas while embedding Sysco's values and purpose in their work.

During FY2022, our associates remained highly engaged and committed to bringing Sysco's purpose to life. Through interactive sessions on Sysco's purpose, values and inclusion, we created a strong alignment between our associates and their work. Amid the ongoing COVID-19 pandemic, many associates continued working in a remote or hybrid environment. We supported them by providing newly designed tools, resources and practices that helped them communicate with their

teams and remain connected. Through our feedback tools—such as pulse surveys and our annual Sysco Speaks survey—we saw engagement across all workplace modalities. We also found that associates had a strong connection to our company's purpose and took pride in the products they delivered to Sysco customers.

Sysco Speaks

Our annual Sysco Speaks survey captures the collective voice of our associates around the globe, providing feedback that our leaders use to drive increased engagement and business success. As challenges of the COVID-19 pandemic continued, our FY2022 engagement score saw a 3-point year-over-year drop; however, our score remained favorable at 77%. Our participation score of 84% continues to outpace other organizations; and, thanks in part to our studio sessions, associates' understanding of their personal contributions to Sysco's purpose exceeded the industry benchmark by 10 points. Our focus areas for continued improvement include:

- Communicating transparently and proactively to build leadership trust.
- Ensuring that our associates feel heard, acknowledged and valued for sharing their ideas and suggestions.
- Improving work-life balance and enhancing safety by prioritizing associates' well-being.



Highlights from our Sysco Speaks Survey

90% of associates understand how their roles relate to the business goals of the company

85% of associates are proud of the products we sell to customers

83% of associates understand Sysco's Purpose statement

82% of associates' immediate supervisors ensure they understand the goals and objectives of their teams

81% of associates have a clear understanding of our external customers' needs

80% of associates are proud to work at Sysco

74% of associates say their site operates in an environmentally responsible way

70% have seen their site support the local community

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We invest in opportunities that bring people together and help them grow throughout their careers.

From internship programs to executive development, we provide people with the tools they need to continually build new knowledge and skills. These tools include training, mentorship and networking opportunities that emphasize a culture of belonging and enterprisewide success. In FY2022, we launched our new Thrive learning platform—a common hub of technology-based learning resources for all associates worldwide. Thrive is mobile-enabled with a user-friendly interface, making it easier than ever for associates to grow throughout their careers. We also expanded our pipeline-building internship programs and our Operations Academy programs for new delivery partners and warehouse selectors, in addition to launching three new development programs for Sysco leaders.

Expanded Internship Programs

In FY2022, we welcomed 67 college interns throughout the U.S. who gained real-world experience while exploring future Sysco careers. Interns had opportunities to connect across cohorts while hearing from senior leaders, including Sysco’s CEO. Sysco Bahamas partnered with the local government and the Ministry of Education to welcome nine interns into their operations. In the U.S., we expanded our recently launched Supply Chain Internship Program to reach across multiple Sysco sites and include students from the University of Tennessee and Penn State University. We also brought back our Sales Internship Program, welcoming a diverse and talented cohort with the aim of fueling future workforce growth.

Investing in Student Success

Sysco is a proud supporter of higher education, and we invest in scholarships aimed at furthering students’ success. In 1996, we established the John F. and Eula Mae Baugh Sysco Scholarship Program in honor of our founder and first CEO and his wife. The scholarship recognizes the determination, integrity and perseverance of Sysco associates’ children pursuing undergraduate education at accredited four-year colleges and universities. To date, Sysco has awarded over \$5 million in scholarships to help over 1,000 students.



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Earning Recognition for Our Focus on Learning and Development

Sysco’s Learning & Development team achieved LearningElite status from *Chief Learning Officer* magazine for the fifth year in a row, in recognition of our continued focus on learning and development. The award acknowledges our efforts to continue educating Sysco field associates with regularly scheduled learning programs throughout the pandemic to help them navigate a rapidly evolving business landscape.

Launching New Operations Academy Programs

We continued to expand our Operation Academy programs for our delivery partners and warehouse selectors. In Denver and Central Florida, we have graduated nearly 140 new delivery partners through our Delivery Partner Basic Training program, a five-day course that provides standardized onboarding and training for new Sysco drivers who already have a commercial driver’s licence (CDL). We also graduated four delivery partners through our Denver-based CDL Basic Training program, which we plan to expand to Central Florida soon. In Charlotte, North Carolina, we’re piloting a new Selector Basic Training program that is yielding promising results, such as faster onboarding times and increased productivity and retention rates for graduates. To enable the program’s rapid rollout, we are currently conducting Train the Trainer classes across the U.S.

Launching New Leadership Development Programs

In FY2022, Sysco launched three new leadership development programs to support leaders across business units and at various phases in their careers. The programs, which are now underway, include:



Executive Leadership Development Program (XLD)

This cutting-edge program helps senior leaders from across the organization learn to navigate complexity, drive change and deliver transformational business results. Over the course of a year, participants connect during three in-person summits and a series of virtual workshops and roundtables. They also engage in self-assessment and peer coaching to enhance accountability and self-awareness. XLD culminates in “Heat Experiences” in which leaders work to achieve a specific year-end goal.

High Potential Leadership Development Program (HLD)

This program is geared toward senior and executive functional leaders and helps accelerate their readiness to take on broader, more complex future roles. With an 11-month commitment, the program journey focuses on three key areas: Leading Self, Leading Others and Leading Enterprise. Participants apply their skills through individual experimentation and activities with their respective teams. They also apply their skills and learnings on Heat Experiences: projects and initiatives that each leader is accountable for delivering, the results of which have a positive impact on the business.

Frontline Leadership Development Program (FLD)

This program is designed for field-based leaders who supervise hourly Operations associates. It began in the U.S. and is now being expanded globally to help participants master leadership fundamentals. Supervisors engage in instructor-led, virtual courses over three nonconsecutive days. They also complete eight self-guided courses that introduce and reinforce the leadership lessons they learn.

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We aspire to empower our people, communities and future generations to make healthy choices about lifestyles and diet.

Our total well-being strategy is aligned with four pillars: Health, Mind, Security and Community. Across each of them, we offer programs to support associates and their communities by ensuring they have the resources needed to stay healthy and thrive. In FY2022, we enhanced those resources by moving to an integrated health platform with Aetna. The new platform makes it easier for associates to access and navigate various healthcare programs by consolidating them into one place. One of our focus areas is providing support that extends to associates' entire families. For example, in FY2022, we delivered several resources for parents of neurodivergent children. Within the Aetna lineup, we added new autism services such as applied behavioral analysis and various treatments. We also continued to provide Rethink, a resource that assists parents of children with autism, ADHD and other conditions with live help sessions, training videos and group support.

Looking forward, we are focused on implementing paid-leave enhancements, including additional paid vacation time and paid parental leave. In FY2023, we will realign our health and wellness goals to ensure they are fit for purpose and remain focused on meeting our associates' needs and the evolving operating context. We will continue to lean into our four pillars of Health, Mind, Security and Community and provide an update in the next sustainability report.



GOAL
Double associate participation rates in health and well-being programs

PROGRESS: Increased participation by 18% in CY 2021



GOAL
Expand products in our portfolio with health and wellness benefits

PROGRESS: [Expanded "better-for-you" options in our Cutting Edge Solutions platform](#)



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Creating a Culture of Total Well-Being

#Walk2Wellbeing

In FY2022, we continued our quarterly Walk2Wellbeing global challenge to encourage teams to enjoy some exercise, friendly competition and fresh air. Teams of up to 10 associates registered in three different categories based on the number of steps they hoped to average. We provided prizes to teams and individuals who ranked the highest in each category and offered a step conversion matrix to support those with mobility challenges. Based on the challenge's [weekly leaderboard](#), associates logged over 233 million steps.

FY2022 Walk2WellBeing Challenge

Total teams: 239	Countries represented: 9	Total Steppers: 1,625
Busy Steppers average up to 8K steps a day	Big Steppers averaged 8K-18K	Heavy Steppers averaged 18K+ steps a day

World Mental Health Day

Each October, Sysco celebrates World Mental Health Day to raise awareness, share mental health strategies and resources and build community support. Associates participated by wearing green on October 9, and our HR leaders held Toolbox Talks discussing the importance of self care. In the U.K., we continued to offer a Mental Health First Aid training course designed to teach people how to recognize crucial warning signs and symptoms and provide appropriate first aid and support. As of FY2022, Sysco sites in the U.K. have trained 136 associates as Mental Health First Aiders.

Sysco Canada: Live and Let Live Campaign

In September 2021, Sysco Canada held their sixth annual campaign, which coincided with kids going back to school. The campaign encouraged field associates to raise awareness of the dangers of distracted driving, including the common behaviors that contribute to it, the impact it has on Canadians and how it can be avoided. Vivid posters, daily safety messages, a social media campaign and an associate pledge urged associates to drive safely and speak up when they see other distracted drivers.

Prioritizing Safety and Sysco

World Day for Safety and Health at Work

Each year on April 28, the International Labour Organization (ILO) marks its World Day for Safety and Health at Work. ILO uses the occasion to raise awareness of safety and health best practices that can reduce work-related illnesses and deaths. Sysco participated in the event for the fourth year in FY2022 with events in the U.S., Canada, Bahamas, Costa Rica, Mexico and Panama. These events included daily safety messages, posters and crosswords with clues from the daily safety messages. The campaign reported a significant increase in participation from the previous year.

Incentivizing COVID-19 Vaccination

The health of our associates, customers and communities is a priority for our company, and in FY2022 we continued our Vaccine Incentive Program to encourage associates around the world to receive their vaccines. The program offered associates \$100 for an initial COVID-19 vaccination or \$200 for a completed vaccination series. Increasing vaccination rates is vital to keep people safe and to help ensure Sysco's operations continue to run smoothly.



Products



As the leading global foodservice distributor, Sysco is leading the way in efficient, ethical and responsible sourcing. The result: Products that make our associates proud and meet our customers' evolving needs.

Around the world, our associates work hard to ensure that every customer receives quality products. For us, that means products responsibly sourced from global supply partners that treat people, the planet and animals with respect. In FY2022, we continued to lead progress in responsible sourcing best practices—driving improvements in Sysco's value chain and industrywide. With our partners in the Southern Great Plains Program, we awarded the first round of grants to support rancher-led improvements in sustainable cattle grazing, and we celebrated the launch of the Peru Mahi Alliance alongside the World Wildlife Fund (WWF).

We also continued to focus on sustainable sourcing of key commodities in alignment with our commitment to combat deforestation around the world. At the same time, our Cutting Edge Solutions team grew our portfolio with an emphasis on innovative, sustainable and "good-for-you" products.

In this section:

- Animal Welfare
- Responsible Sourcing
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Animal Welfare

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We aspire to improve animal welfare practices throughout the foodservice industry.

Sysco is a major provider of animal protein products for customers around the world. Leveraging our size and scale, we are dedicated to driving improved animal welfare practices while upholding stringent standards for all Sysco Brand animal products. We work closely with all Sysco Brand veal, beef, lamb, pork, poultry, dairy, shell egg and processed egg suppliers to ensure they are meeting all regulatory requirements and employing industry best practices for animal care. In FY2022, we continued to socialize our [Animal Welfare Policy for Suppliers](#) while implementing it across our supply chain within the U.S. We also updated our plan to ensure compliance with the policy—taking a tiered approach to our ongoing supplier engagement.



Sysco's Animal Welfare Guiding Principles

1. We are committed to ensuring that high standards and practices for animal welfare are consistent throughout our supply chain.
2. We believe that the humane treatment of animals within our supply chain is the right thing to do. It builds customer confidence and supports further growth and development of the foodservice industry.
3. We serve a wide variety of customers with different needs. We are committed to providing animal protein products that meet these needs while maintaining our standards for animal care.
4. We support species-specific, science-based animal welfare standards and encourage ongoing continual improvements with our suppliers of animal proteins.
5. We work with suppliers who demonstrate a commitment to aligning with our requirements and do not tolerate violations due to supplier negligence.
6. We consider food safety, environmental, societal and economic impacts—as well as internal and external stakeholder input—as we implement our animal welfare policy.



GOAL

By 2025, ensure that all Sysco Brand protein suppliers adhere to requirements laid out in our Animal Welfare Policy for Suppliers

PROGRESS: Returned to pre-Covid audit practices in FY2022 to continue engaging suppliers



Ensuring Best Practices Through Sysco’s Auditing Program

One tool for compliance is our auditing program, carried out by Sysco’s Quality Assurance Program Quality Managers. During the COVID-19 pandemic, their ability to conduct in-person animal welfare assessments was limited by travel bans and safety concerns. However, they have continued to engage with suppliers to ensure best practices and began to return to in-person assessments in FY2022.

In addition, Sysco continued to roll out program requirements for our Sysco Brand suppliers who do not harvest animals but purchase from supply sources that are engaged in direct animal handling. Through the program, we receive attestation from suppliers that they are purchasing raw materials from supply sources harvesting animals that meet the requirements of Sysco’s Animal Welfare Policy.

Working Toward Our Goal of Cage-Free Eggs

Dependent upon supply availability, affordability and customer demand, our goal is to source only cage-free eggs by 2026. Affordability for this high protein source remains a marketplace challenge, so significant collaboration among industry participants—including our suppliers and customers—will be required to continue making progress toward this goal. In FY2022, cage-free eggs represented approximately 28% of all shell and processed/liquid egg orders fulfilled in the U.S. (a year-over-year increase of 8%) and 8% of all egg orders fulfilled in Canada.¹

Since 2004, all Sysco Brand raw shell egg suppliers have been certified by the United Egg Producers Animal Husbandry Guidelines and have undergone annual animal welfare audits. We also offer our customers a full portfolio of cage-free egg options in both the shell and processed egg categories.

¹ Due to an error in our calculation, our FY2021 reporting for the percentage of cage-free shell and processed/liquid egg sales in Canada was incorrect. The correct number was 7%, meaning that, from FY2021 to FY2022, Sysco achieved a year-over-year increase in Canadian cage-free egg sales of 1%.

While all supplier-owned farms in the U.S. have adopted group-housing systems, we continue to work with our pork suppliers to ensure compliance with all state- and federally-mandated animal welfare regulations.



Responsible Sourcing

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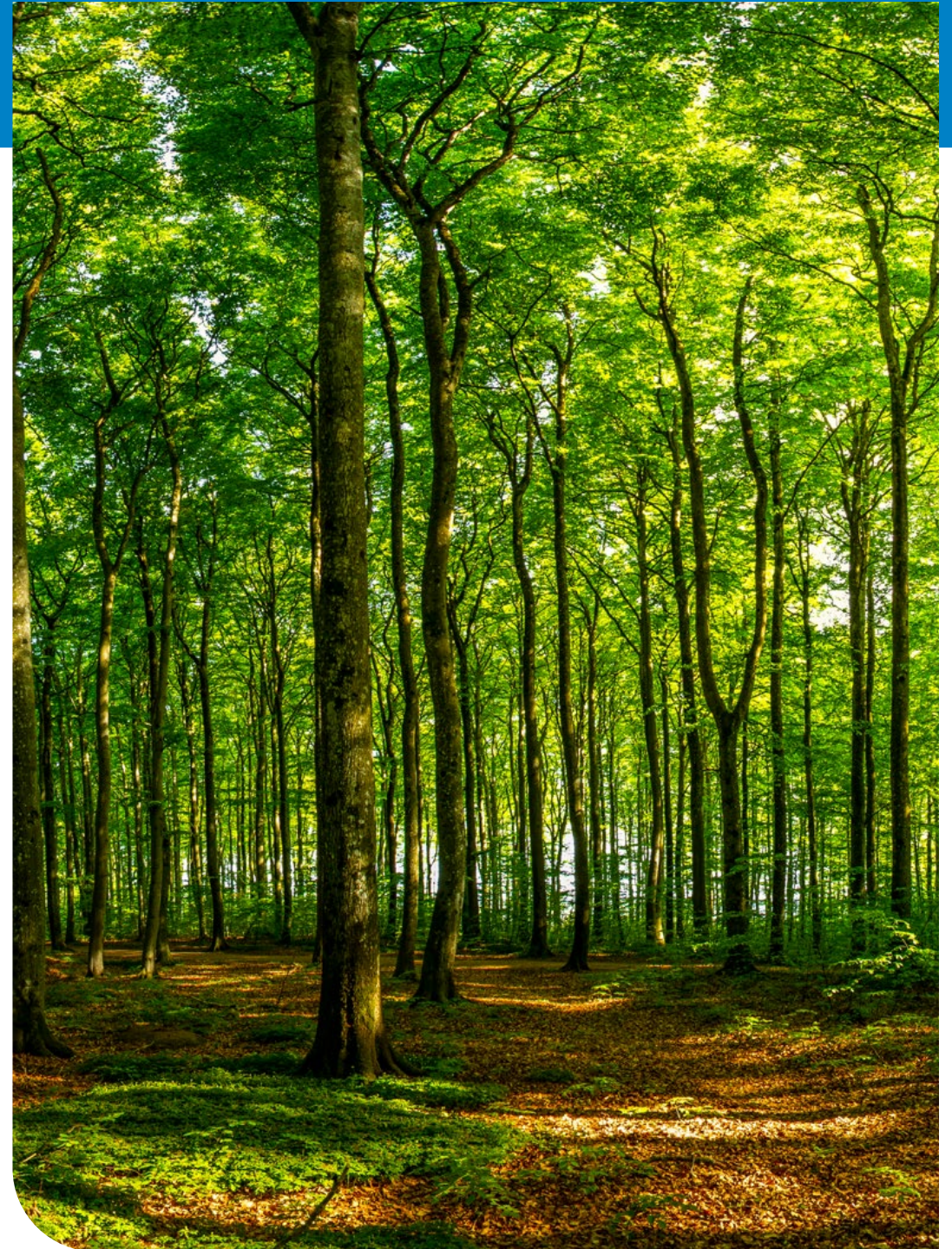
Our vision is to continuously improve our responsible sourcing practices for key commodities. By prioritizing responsible sourcing, we minimize our environmental impact while upholding the highest social and ethical standards.

The world’s forests produce many key commodities that help us meet our customers’ needs. They are also home to rich environmental ecosystems that play a critical role in protecting people, animals, plants and the planet. One of the biggest threats to these ecosystems is deforestation, which we are working to address in our agricultural supply chain. In addition to our historical commodities commitments for seafood and palm oil, we have established new commitments for beef, paper, soy and coffee. In FY2021, we released our first [Forests Report](#), which outlines these commitments and our approach to tackling deforestation and other forest-related risks. In FY2022, we continued to make progress toward these commitments while analyzing options for a fifth commodity, which we plan to name in FY2023. We also plan to submit our second Forests Report—which will be our first done through CDP—and we are committed to making continuous improvements based on the results.



GOAL
By 2025, establish responsible sourcing guidelines for five key commodities

PROGRESS: Established commitments for beef, paper, soy and coffee



Our New Key Commodity Commitments



Key Commodity: **BEEF**

Commitment

- As a member of the U.S. and Canadian Roundtables for Sustainable Beef (USRSB and CRSB), we actively participate in the development of principles and approaches for defining and measuring a sustainable beef supply chain and pilot a minimum of two projects by 2022 to positively impact the beef supply chain.

Progress

- In FY2022, we remained active in our role as a member of the CRSB and USRSB, with one Sysco member serving on USRSB's board of directors. We also awarded the first round of grants through one of our pilot projects, the Southern Plains Grassland Program, which we launched with Cargill and the National Fish and Wildlife Foundation (NFWF) in FY2021.



Key Commodity: **PAPER**^{1,2}

Commitment

- Source all Sysco Brand paper towels, paper napkins, bath and facial tissues from sources certified by the Forest Stewardship Council (FSC), the Sustainable Forestry Initiative (SFI) or other equivalent standards by 2025.

Progress

- More than 99% of the U.S. broadline Sysco Brand paper towel, paper napkin, bath and facial tissue case volume sold in FY2022 was certified by ECOLOGO, FSC and SFI.



Key Commodity: **COFFEE**^{1,2}

Commitment

- Source 75% of Sysco Brand Coffee from certified sources or verified sustainable sourcing programs by 2025.

Progress

- In FY2021, we completed a full audit of our Sysco Brand coffee sold and developed a roadmap against our 2025 commitment. During FY2022, over 2% of the U.S. broadline Sysco Brand Coffee pounds that we sold were certified fair trade and organic. We have partnered with our coffee supplier to identify new sourcing options and are launching a Rainforest Alliance certification program for our Citavo Imperial coffee. We expect to make meaningful progress toward this goal in FY2023.



Key Commodity: **SOY**

Commitment

- Partner with our Sysco Brand suppliers and soybean industry stakeholders to identify opportunities to address the environmental impacts of soybean production in the U.S. and Canada, starting with farmers enrolled in the USDA Farm program or equivalent.
- Incorporate sustainability criteria in our Sysco Brand soybean oil sourcing decisions.

Progress

- Our top four soy suppliers—comprising 90% of the soy we procure—source the commodity from within the U.S., and three of them have published deforestation-related commitments (covering ~50% of our soy-related spend). Moving forward, we plan to obtain assurance of this data and how these commitments apply to the soy we procure.

Historical Commodity Commitments

In addition to our new key commodity commitments, Sysco has long-established commodity commitments for sustainable seafood and palm. For example, we previously committed to sourcing 100% Roundabout on Sustainable Palm Oil (RSPO)-certified palm oil in Sysco Brands. While our original target for this commitment was 2020, our supply partners faced challenges in collecting the necessary data due to COVID-19. However, we remain focused on achieving progress and, in FY2022, we continued working toward RSPO certification.

Learn more in our [Palm Oil Report](#) and by reading about our [sustainable seafood commitments](#) on page 31.

¹ Broadline sites: Broadline operating sites distribute a full line 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.

² Sysco Brand: Products packaged under our private brands have been manufactured for Sysco according to specifications that have been developed by our quality assurance team. In addition, our quality assurance 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.

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Supporting Sustainable Grazing Practices Across the Southern Great Plains

What do the Monarch butterfly, the swift fox and many beef cattle have in common? They all coexist in a vast grassland ecosystem called the Southern Great Plains. Stretching across Colorado, Kansas, Nebraska, New Mexico, Oklahoma and Texas, the area is responsible for approximately 30% of beef produced in the U.S.

In 2021, we teamed up with our longtime supplier, Cargill—providing \$5 million total to fund a five-year project with the NFWF. The project supports the implementation of sustainable grazing practices across 1 million acres in the [Southern Great Plains](#). In 2022, we awarded the first round of

grants through our Southern Plains Grassland Program, providing \$2.5 million to support 10 rancher-led sustainable grazing projects in Texas, Oklahoma, New Mexico, Kansas and Colorado. In the first year of the program, the grants also leveraged \$3.3 million in matching contributions, generating a total conservation impact of \$5.8 million.

Visit the NFWF’s website to learn more about the Southern Plains Grasslands Program’s [2022 grant-funded projects](#).



Promoting Sustainable Seafood

For more than a decade, we have proudly partnered with WWF to lead the industry in sustainable seafood best practices and make progress toward our 2025 sustainable seafood commitments. Through our responsible seafood sourcing program, we help to improve protections for species and habitats worldwide while securing the livelihoods of more than 100,000 people. In FY2021, we expanded the program to include Sysco U.S. and our Canada Broadline and U.S. Specialty businesses. We also announced a new set of commitments for 2025 which we focused on advancing in FY2022 to guide the next phase of our work.

In CY2021, Sysco sourced approximately 94% of our volume for the U.S. and Canada top-15 wild-caught Portico Brand seafood species from fisheries that are Marine Stewardship Council (MSC)-certified, in MSC assessment or in a comprehensive fishery improvement project (FIP)—with 80% of this volume coming from MSC-certified fisheries. Additionally, all of Sysco’s Portico Brand wild-caught cod, clams, pollock, haddock, salmon, whiting and flounder were sourced from MSC-certified fisheries. In CY2021, 98% of our volume for U.S. and Canada top-five farmed Portico Brand species met our overall seafood commitment, with 20% of this volume coming from Aquaculture Stewardship Council (ASC)-certified farms.

In partnership with WWF, we conducted a baseline assessment of our U.S. Specialty seafood sourcing for two priority species groups: 89% of farmed salmon and 100% of wild-caught scallops volume met Sysco’s overall commitments.

2025 Sustainable Seafood Commitments

Focus Area:

ADVANCING TRACEABILITY

Commitments

- Engage with suppliers of Sysco Portico Brand farmed shrimp products to ensure supply chains are traceable to the farm’s geographic location.
- Address issues of deforestation or conversion of natural ecosystems (e.g., mangrove ecosystems and other natural wetlands).
- Work with WWF to adopt key traceability principles and build on the work of the Global Dialogue on Seafood Traceability.

Focus Area:

IMPROVING SUSTAINABLE SOURCING

Commitments

- Source 100% of our top 15 (by volume) wild-caught Sysco Portico Brand seafood species groups from fisheries that are certified by the MSC, in MSC full assessment or in a comprehensive FIP and sourcing at least 85% of this top-15 volume from fisheries that are MSC certified.
- Source 100% of Sysco Portico Brand canned or pouched tuna products from fisheries that are MSC certified, in MSC full assessment, in a comprehensive FIP or from companies that are members of the International Seafood Sustainability Association (ISSA) and source at least 25% of this volume from fisheries that are MSC certified.
- Source 100% of our top five (by volume) aquaculture Sysco Portico Brand seafood species groups from farms that are certified by the ASC, in ASC full assessment, in a credible Aquaculture Improvement Project (AIP) or, at a minimum, Best Aquaculture Practices 2-Star certified. Source at least 20% of this top-five volume from farms that are ASC certified.

Focus Area:

PROTECTING ENDANGERED SPECIES

Commitments

- Prohibit the sale of endangered seafood species globally.

Focus Area:

SYSCO FRANCE SEAFOOD

Commitments

- Source 100% of top 15 (by volume) wild-caught seafood species groups from fisheries that are certified (MSC, “sustainable fishing” or Global Sustainable Seafood Initiative certified), in good stock condition (scientifically assessed) or in a comprehensive FIP.
- Source 100% of top five (by volume) aquaculture seafood species groups from farms that are certified [ASC, Global Good Agricultural Practices (GAP) or Best Aquaculture Practices (BAP) 3-Star minimum] or in a comprehensive AIP.



During the year, our Portico Pride oyster supplier, Prestige Oyster, became the first private oyster fishery in the Americas to achieve MSC certification for their sustainable fishing practices. To do so, Prestige Oysters went through a rigorous assessment to demonstrate that the fishery is well managed, has minimal environmental impacts and is sustaining resources and livelihoods for future generations. Their sustainable fishing practices are vital to protecting both the ocean habitat where oysters are produced and the livelihoods of the families that rely on that work.

We are also proud to report that, continuing from FY2021, all of Sysco's canned tuna suppliers are ISSA-participating companies. Their participation demonstrates a commitment to following best practices for tuna conservation and management. Additionally, in March 2022, Sysco attended Seafood Expo North America where we celebrated the launch of the Peru Mahi Alliance (PMA). The launch represents an important next step in our ongoing work with the WWF to help fisheries and farms take on forward-looking projects aimed at long-term environmental protection and market success.

During FY2021, we also took important steps to begin implementing our commitment to advance the traceability and responsible production of Sysco Portico Brand farmed shrimp products and to ensure the protection of vulnerable marine species and habitats around the world. In close partnership with WWF, we began mapping our global farmed shrimp supply chains to the source-farms' geographic locations while working to address any impacts of deforestation or habitat conversion. This is part of Sysco's broader commitment to continue improving the sustainability of our products through responsible food production that balances the needs of both people and our planet.

Celebrating the Launch of the Peru Mahi Alliance



In March 2022, more than 70 people gathered at Seafood Expo North America to celebrate the launch of the PMA. The alliance brings together 15 Peruvian processing companies working to drive progress on the Peru mahi mahi FIP. Peru is the world's leading producer of mahi mahi (*Coryphaena hippurus*), sending over 70% of its exports to the U.S. The fishery supports the livelihood of more than 4,200 fishers by generating between \$90 million and \$100 million in income. Mahi mahi is also a key link in the marine-based food chain, providing sustenance for ocean predators such as dolphins and sharks.

The FIP aims to improve the fishery's performance so that it can meet the MSC standard, helping the fishery continue to thrive and support future generations. Sysco has been working to support the FIP since its beginning in 2013. Together with the WWF and other U.S. and local buyers, we encourage the advancement of several of the FIP's key goals. These include:

- Working with the government to ensure fishing permits are issued to qualified mahi mahi fishers.
- Improving traceability and transparency.
- Reducing the bycatch of sea turtles.
- Collaborating with the governments of Ecuador and Peru to develop a binational management plan for mahi mahi.

Through the FIP, over 1,500 fishers have been pilot testing a new mobile electronic catch documentation system to improve the collection and transparency of catch data. Additionally, 151 fishers across 64 fishing vessels have received training and toolkits to reduce sea turtle bycatch. Moving forward, Sysco will continue to work with other stakeholders to build on these efforts and address other important FIP goals, such as developing scientific stock assessments and vessel best practices and driving further adoption of traceability and transparency tools across the fishing industry. The launch of PMA was an important next step in this process that will spur future progress through industry collaboration.

Learn more about PMA in this WWF [Seafood Sustainability video](#).

Our Partnership with WWF

2009

Launched partnership with WWF to develop a sustainable seafood sourcing strategy.

2011

Established commitment to source top 10 wild-caught Portico Brand species from fisheries that are MSC certified, in MSC assessment or in comprehensive FIPs.

2016

Expanded commitment to include top 15 wild-caught species and shelf-stable tuna, and top five farmed species from farms that are ASC certified, in ASC assessment, in an AIP or at a minimum BAP 2-Star certified—effectively doubling the volume of seafood under commitment.

2019

Achieved sourcing of approximately 99% of our top 15 wild-caught Sysco Portico Brand seafood products from fisheries that are either MSC certified, in MSC full assessment or engaged in a comprehensive FIP.

2021

Recommitted to sourcing top 15 wild-caught and top five farmed species from fisheries that are MSC certified, in MSC full assessment or in a comprehensive FIP, and sourcing at least 85% of this top-15 volume from fisheries that are MSC certified.

2022

Launched the PMA, bringing together 13 Peruvian processing companies working to drive progress on the Peru mahi mahi FIP.

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Ensuring Safe Products

At Sysco, we are dedicated to ensuring that we provide safe, consistent and high-quality products to our customers around the world. Our Food Safety and Quality Assurance (FSQA) team designs, develops, implements and measures compliance with our food safety and quality management system based on Sysco’s values. Our FSQA programs cover our own Sysco Brands, as well as the products we manufacture in our owned facilities and our distribution activities for all food products we handle. We conduct risk assessments for our products, our sites and our suppliers to identify known food safety hazards in our supply chain. Based on those assessments, we develop preventive control programs and auditing processes, which we apply at our distribution centers, our specialty company manufacturing facilities and with our suppliers.

Upholding Compliance Standards

To receive consideration to produce Sysco Brand products, a location must first pass the FSQA supplier approval process. This comprehensive process uses documentation reviews and physical audits to verify that a supplier’s facility and products related to our FSQA programs

meet Sysco’s standards. Following approval, we establish ongoing monitoring and verification procedures in partnership with the supplier. These procedures are designed to ensure that Sysco Brand products are manufactured and packed in accordance with agreed-upon specifications in a food-safe environment.

All Sysco-owned distribution centers and branded suppliers are required to undergo an annual, independent food safety certification audit. These food safety certification programs—which have been benchmarked by the Global Food Safety Initiative—verify that industry-recognized best practices for food safety are being applied at these sites. Sysco also uses a robust internal audit process for its branded suppliers and owned companies, with more frequent audits for higher-risk suppliers. We routinely update our audit standards to ensure that proper risk management and quality requirements are met. Additionally, commodities such as raw ground beef, ready-to-eat seafood, ready-to-eat produce and ready-to-eat deli meats and poultry must adhere to even more rigorous Sysco FSQA requirements designed to mitigate pathogen risks.



In FY2022, the Sysco GAP program monitored **478** suppliers and conducted **179,000 GAP** audits and **32,000 GMP** audits in produce linked to our suppliers.

Human Rights

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Guided by our values and purpose—connecting the world to share food and care for one another—our vision is to ensure that respect for human rights is embedded in our own operations and global supply chain.

All people deserve to work in a safe environment with fair treatment and equal opportunities to succeed. At Sysco, we work diligently to uphold human rights in our own supply chain while continually seeking ways to improve them industrywide. We expect our suppliers to uphold the rights of every individual they work with, as outlined in the United Nations Declaration of Human Rights and [Sysco's Supplier Code of Conduct](#) (Supplier COC), which describes the legal, moral and ethical standards we expect from all suppliers throughout



GOAL

By 2025, ensure that all first-tier, high-risk suppliers agree to the Supplier Code of Conduct principles

PROGRESS: Completed 175 Sysco Brand facility audits



our international supply chain. We also follow 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, forced labor 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. In FY2022, we continued to work on updating our Supplier COC to ensure it reflects the global nature of our supply chain.

Conducting Social Responsibility Audits

All Sysco Brand-approved suppliers in high-risk Latin American and Asian countries must undergo third-party audits to identify potential risks relating to wages, working hours, discrimination, worker safety, living conditions and child and forced labor. In FY2022, travel restrictions continued to prevent some on-site audits, in which cases we used a virtual audit approach. In total, we conducted 175 audits in 17 countries, including 43 initial audits of new and approved supplier facilities. Among suppliers that have participated in the program for multiple years, 37% demonstrated improvement when compared to their previous audit. Additionally, 13 facilities achieved a perfect score in FY2022, while 36% received a lower rating than the previous year. Through our audits, three locations were suspended from working with Sysco based on their audit results, with one reinstated after implementing corrective action



plans and undergoing a second audit to confirm the effectiveness of their efforts.

Through annual audits and corrective actions, we have minimized human rights risks while improving working conditions in the facilities where our audits took place. Based on audit findings, we work closely with Sysco Brand suppliers and processors to develop and implement improvement plans as part of our program's focus on continuous improvement.

FY2022 Audit Results

175 audits completed for approved supplier facilities and facilities considered for approval

37% improved their score at 64 locations

7% achieved a perfect audit score at 13 locations

Product Innovation

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In the high-paced foodservice industry, operators are challenged to stay ahead of the competition. Sysco’s Cutting Edge Solutions (CES) platform delivers the innovative products and solutions our customers need to operate their businesses with confidence.

Each year, Sysco’s culinary experts and customers evaluate hundreds of new product concepts to find the very best solutions for our CES platform. CES features better-for-you items and on-trend flavors that help our customers spice up their kitchen creations. In the past year, we launched 14 new product concepts nationwide, which showcase our increasing emphasis on nutrition and sustainability—including a 100% recycled fiber cup and two flavorful Sysco Simply Plant Based products.

Sysco continually works to improve and diversify the CES platform, in terms of both products and suppliers. Within our most recent application period, 18 suppliers noted they were minority- or women-owned, and 25% of the suppliers represented a plant-based focus. Moving forward, we will continue our engagement with diverse suppliers to increase their participation, while working to identify a core assortment and strategy for plant-based CES items.



CES features better-for-you items and on-trend flavors that help our customers spice up their kitchen creations.

CES FY2022 Product Solutions and Trends

Delivering Better-for-You Ingredients

One of the five pillars of the CES platform focuses on the “better-for-you” trends, featuring wholesome, unmanipulated ingredients and plant-based products. In FY2022, we continued the trend with better-for-you options such as sweet potato coconut soup with Thai curry, which performed well in concept testing and is planned for launch in the fall of FY2023, as well as cauliflower tortillas and sprouted grain hamburger buns. The cauliflower tortillas and sprouted grain buns provide a healthier vegan, kosher and plant-based alternative to traditional options. The sweet potato coconut soup is a delicious vegan option offering functional and immune-boosting ingredients, such as sweet potatoes, turmeric, coconut and ginger. We also recently launched two plant-based items that utilize our oat-based protein to create a chili and Bolognese that are lower in fat and cholesterol than similar beef-based options.

Emphasizing Sustainable Solutions

Sustainability plays an increasingly important role in the CES platform, enabling us to launch new plant-based, farm-raised, pesticide- and synthetic fertilizer-free and non-GMO products. During evaluations for our September 2022 launch, the top-performing item was a Norwegian Farm-Raised Cod Loin produced by the world’s first successful commercial supplier of natural and sustainably farm-raised premium Atlantic cod. The Norwegian Farm-raised cod is Global GAP certified and ASC certified.

Going Global

Sysco Classic Fry Oil Filter Pods are the first-ever product to launch through the Global Innovation process, which introduces Sysco-exclusive items throughout Latin America, Europe and beyond. The pods are produced by FreshFry—a startup co-founded by CEO Jeremiah Chapman—based on an idea he began developing as a student at the University of Louisville. The all-natural pods are sustainable and plant-based and are used to remove impurities from oil that cause it to darken and taste bitter. They extend the usability of frying oil and result in lighter, crispier fried foods—a key advantage given oil scarcity, price volatility and labor shortages in current markets.



FreshFry x Sysco FY2022 Highlights

16,000+
total cases sold

400+
cases sold per week

4,400+
customers and counting!

FreshFry successfully redeployed
10 million pounds of waste by the
end of 2021.

Planet

To fulfill Sysco's purpose and ensure long-term business success, we must protect the planet. Our Recipe for Growth strategy guides our efforts to practice good environmental stewardship as we grow our global operations.

The U.N. projects that the world's population will reach 9.8 billion by 2050, with approximately 83 million people added to the population each year.¹ To support that growth, Sysco seeks out novel solutions that can provide nutrition in a more sustainable way. We develop these solutions by working with growers and suppliers, and by engaging in innovative, cross-industry partnerships. Together, we continue to find ways to operate more efficiently—reducing operational waste and supply-chain emissions. In FY2022, we forged ahead on trailblazing new projects, such as electrifying our transportation fleets and shifting to indoor farming. We also invested in renewable energy sources, such as solar, and enhanced our efforts to minimize waste and recycle. These initiatives advance our 2030 emissions reduction goals while raising the bar for our partners and industry peers.



In this section:

- Energy and Climate
- Sustainable Agriculture
- Waste Reduction

¹ "World population projected to reach 9.8 billion in 2050, and 11.2 billion in 2100." United Nations, <https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100#:~:text=COVID%2D19-World%20population%20projected%20to%20reach%209.8%20billion%20in%202050%2C%20and,Nations%20report%20being%20launched%20today>.

Energy and Climate

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We aspire to reduce the carbon footprint of our fleet and operations.

At Sysco, we believe in responsible growth that enhances our ability to connect and feed the world while minimizing our impact on the planet. We know that the climate crisis is both complex and pressing, demanding quick and decisive foodservice industry action. Our strategy is to lead the industry by example, finding new ways to reduce GHG emissions and bring those solutions to scale. We are guided by the Science-Based Targets initiative (SBTi) approved climate goals, which we aim to achieve by 2030.

To lay the foundation for this work, in FY2021, we completed a carbon footprint analysis across 17 business units and eight countries. Among other insights, Sysco’s GHG emissions data tells a complex story about the way the pandemic



continues to impact our business. From FY2019 to FY2020, pandemic-related disruptions caused a steep drop in our GHG emissions. In FY2021, our emissions increased, as we began to return to normal business activity. Following this rise, we anticipate that our GHG emissions will decrease yet again, as we yield the carbon-reduction benefits of several new initiatives. For example, in FY2022, we advanced our roadmap for progress and announced breakthrough projects focused on electrifying our outbound fleets. Implementing these projects will accelerate progress toward our Scope 1 and 2 emissions-reduction targets while creating a new model for industry-specific solutions.

Most of our Scope 3 emissions come from food production and transportation between our growers, suppliers and customers. This is a challenging area to tackle, yet it represents our greatest opportunity for supply-chain reductions. With that in mind, we continued to focus on engaging our suppliers. By helping them solidify their own emissions-reduction targets, we can amplify our impact around the world.



GOAL

By 2030, reduce our Scope 1 and 2 emissions by 27.5% from a CY2019 base year

PROGRESS: Committed to purchasing up to 800 electric trucks and piloted an electric refrigeration trailer. Installed solar panel array system to meet over 15% of energy needs in Britain.



GOAL

Work with suppliers representing 67% of our Scope 3 emissions¹ to set science-based targets by 2026

PROGRESS: Sysco suppliers representing 27% of our CY2019 Scope 3 emissions have committed to or set their own reduction goals



¹ Focusing on purchased goods and services and upstream transportation suppliers.

Measuring Our Carbon Footprint

Our Scope 3 emissions, generated by our supply chain activities, make up nearly 98% of Sysco’s carbon footprint. Within that category, 85% come from purchased goods and services—such as ingredients and raw materials, packaging and food production—in line with emissions generated throughout the food sector. Electricity use and fleet transportation account for most of our Scope 1 and 2 emissions, which make up about 2% of our carbon footprint. During our base year of CY2019, Sysco emitted 76 million metric tons (mt) of GHG emissions. We chose to measure our emissions reductions against CY2019 because it was the most recent year of routine business without pandemic-related disruptions. In FY2022, we adjusted our Scope 3 emissions baseline following the SBTi validation process.

Reducing Scope 1 and 2 Emissions

We are best positioned to drive reductions in our Scope 1 and 2 emissions, which are generated by areas under Sysco’s direct control. As we work to reduce Scope 1 and 2 emissions by 27.5% by 2030, we are focused on increasing our use of renewable energy, electrifying our tractor fleets and continually implementing new operational efficiencies.

Powering Our Global Operations with 100% Renewable Electricity by 2030

Our Energy Management Program develops energy efficiency measures—and helps to implement them at our facilities—to reduce our energy-based emissions. Additionally, in FY2022, we launched new long-term projects that will further our progress toward Sysco’s renewable energy goal.

Sysco has disclosed CDP Climate Change and Water Security responses since 2016. In our Climate Change 2021 response, Sysco achieved a B, which suggests a transition to managing environmental impact.



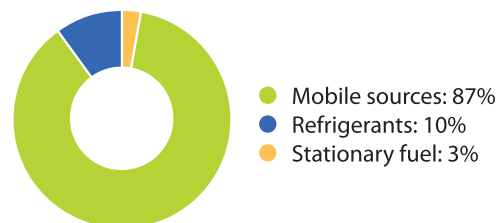
At our British business we installed a new solar panel array system that will meet over 15% of the site’s energy needs, saving the equivalent of over 200 tonnes of CO₂ each year. This represents the first phase of a long-term renewable energy project in which Sysco will implement wind and solar energy across its U.K. sites. Meanwhile, Sysco Canada announced new solar farm projects at its Edmonton and Calgary sites. The Edmonton solar farm will be fully installed and functional in 2023 and is set to produce enough electricity to accommodate 75% of the site’s annual use. The Calgary facility is set to be operational in 2024 and will boast state-of-the-art features including LED lighting, dedicated space for composting, stormwater reclamation for watering greenspace and high-efficiency refrigeration and HVAC with a heat capture system to reduce heat and energy use.

Sysco’s CY2019 Baseline GHG Footprint

TOTAL **76 million** metric tons CO₂e

SCOPE 1 DIRECT EMISSIONS

1.7% — 1,300K mt CO₂e



SCOPE 2 PURCHASED ELECTRICITY

0.4% — 320K mt CO₂e



SCOPE 3 INDIRECT VALUE CHAIN ACTIVITIES

97.9% — 75,000K mt CO₂e



Electrifying 35% of Our U.S. Tractor Fleet by 2030
 Sysco’s U.S. tractor fleet is our largest contributor of direct GHG emissions. In FY2022, we committed to purchasing up to 800 battery electric Class 8 tractors by 2026, including Daimler (aka Freightliner) eCascadia vehicles. The first delivery is expected to arrive at Sysco’s Riverside location in FY2023. We are now looking to deploy those vehicles over the next several fiscal years. In the U.S., we are also in the early stages of partnering with companies to develop some of the first battery-powered and refrigerated class 6 vehicles.

As we roll out this pilot project within the U.S., we will also begin piloting electric vehicles (EVs)—such as a Class 6 EV—abroad. In Europe, the Class 6 EV vehicle already has battery-powered units with refrigerated bodies which we are actively testing with several manufacturers. Adopting these vehicles could have a major impact. We are excited to be delivering to customers in zero-emission, multitemperature vehicles, which can save around 69 tonnes of carbon per HGV each year.

Continually Implementing Efficiencies in Our Routing, Refrigerant and Building Activities

In our transportation fleets, temperature control is crucial to keep our products fresh and safe. However, we must reduce transportation- and refrigeration-based GHGs to achieve our 2030 Scope 1 and 2 goal. In



ISO STANDARDS ACROSS SYSCO SITES IN THE U.K.

- ISO14001 Environment management
- ISO50001 Energy management



FY2022, we made progress by announcing an innovative new partnership to supply Sysco with a fleet of reduced-emission commercial trailers equipped with electric trailer refrigeration units. For a portion of each route, the trailers use generated and regenerative energy from wheel-hub electric motors to provide electricity for refrigeration. We began piloting the system at our operating site in Riverside, which is at the forefront of our electrification efforts.

Ensuring Efficient Shipping and Delivery

Our customers rely on Sysco to quickly deliver the products they need. As we do so, we focus on operational efficiencies to make every minute, mile and shipment count. In FY2022, we continued to experience disruptions to the global supply chain; however, we implemented reduced-emissions shipping solutions whenever we could. When lead times allowed, we used intermodal and

rail shipping to transport our products, which provide significant environmental and cost advantages for Sysco. As in FY2021, we worked hard to navigate extreme sales variability, using transportation modes that enabled us to maintain our service levels and meet customers’ needs.

Load-Fill Optimization

Load-fill optimization helps to reduce Sysco’s carbon footprint by reducing the number of trucks we use to stock our sites. In FY2021, we partnered with our inventory optimization software provider to develop load-fill optimization capability, which builds on work conducted at the regional distribution centers (RDCs) over the last three years. In FY2022, we deployed the technology to many RDC lanes, and while supply-chain challenges have slowed our progress, we continue working to roll out the technology across all sites.



FY2022 Shipping and Delivery Highlights

- Experienced **~18%** year-over-year increase on rail boxcars
- In the U.S., moved **1,580** rail boxcars and shipped approximately **10,426** intermodal loads to avoid using **3.5 million** gallons of fuel and **78 million** pounds of CO₂
- In Canada, shipped **~1,631** intermodal loads to avoid the use of nearly **half a million** gallons of fuel and **6 million** pounds of CO₂

Investing in Inventory Management

Rarely has strong supply-chain management been more crucial than during FY2022. Guided by our customers' experience, we are investing in streamlined solutions to assortment, stocking, supplier, transportation and customer management. In FY2022, we continued to build our omnichannel inventory management capabilities, which cut across operating disciplines and allow our customers and sales consultants to access and purchase Sysco's broad assortment of products through a common ordering platform.

Reducing Scope 3 Emissions

Most of our GHG emissions come from our supply chain activities, so our greatest opportunity to make a positive impact is by helping suppliers establish their own climate strategies. Our supplier base is large and varied, so we have segmented our suppliers to identify those making

the largest emissions contributions. Along the way, we are conducting interviews and surveys to further inform our engagement strategy and accelerate progress.

As of FY2022, Sysco suppliers representing 27% of our CY2019 Scope 3 emissions have committed to or set targets aligned with SBTi criteria.

Investing in Carbon Offsets with Menigo

Our Swedish company, Menigo, is a trailblazer in implementing climate-smart technologies and best practices. They power their facilities with 100% renewable energy and use approximately 80% renewable fuel in total transport, including third parties. In FY2022, they formed an agreement with their three largest logistical partners to exclusively transport Menigo products using hydrotreated vegetable oil-based renewable diesel fuel. They also launched plans to build a modern and

sustainable warehouse outside of Gothenburg that will reduce energy usage and internal transports when it is completed in FY2024.

One of Menigo's boldest projects is to offset their emissions. They do so based on the Greenhouse Gas Protocol—a first for the foodservice distribution industry in Sweden. In FY2022, they offset 5,000 tonnes of carbon emissions. They plan to double the amount to 10,000 tonnes of carbon emissions in FY2023 to further support projects that store carbon dioxide, contribute to forest conservation and improve the health and living conditions of the local population. Local nonprofits run the projects, which are small-scale and Plan Vivo or fair-trade certified. Examples include protecting mangrove forests in Kenya and increasing access to efficient stoves for households in Raichur, India.

Sustainable Agriculture

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Our vision is to leverage Sysco’s size, scale and knowledge to further integrate environmental sustainability within Sysco’s global agricultural supply chain.

Sysco remains the only foodservice distribution company with a program dedicated to sustainable agriculture. That means we are leaders in developing industry standards and best practices that encourage growers to operate in a more environmentally responsible way. A cornerstone of this work is our Integrated Pest Management (IPM) program, which we launched in 2004. The program encourages the responsible use of pesticide and nutrient inputs, as well as waste reduction and conservation of energy and water. During the 2021 growing season, growers who applied IPM principles reportedly avoided using almost 10 million pounds of pesticides. By the

end of FY2022, the program included 21,195 growers across 130 processing locations. During the year, we also expanded our Sustainability Standard, which promotes industry best practices for fresh crops.

Engaging Growers in Sysco’s Sustainability Standard

In FY2022, Sysco launched our Sustainability Standard, which we piloted in FY2021. Modeled after IPM, the standard recognizes farming and processing operations based on their sustainable performance and encourages continuous improvement. We are using the standard to expand our Sustainable Agriculture program beyond canned and frozen foods to include more fresh crops. By the end of the year, we surpassed our 2025 goal to include five fresh crops in the program—achieving 10 crops in categories such as tomatoes, mushrooms and leafy greens.

Moving forward, we will continue to engage growers through audits and education—including a grower summit in August—to accelerate the adoption rate. Not only does this enhance growers’ ability to grow their business with Sysco, but as other industry leaders adopt the standards, its impact is becoming increasingly widespread.



GOAL

By 2025, expand Sysco’s Sustainable Agriculture program to include five fresh crops

PROGRESS: Achieved and doubled to include 10 fresh crops



2021 Growing Season Highlights



450M+
gallons of water conserved



9.9M+
pounds of pesticides avoided



2.9B+
pounds of vegetative waste reused



1M+
field acres covered by IPM



10
fresh crops covered by our Sustainability Standard



200M+
pounds of local produce distributed by FreshPoint from 500+ local farmers

Leading the Way on Indoor Agriculture

One promising solution to support our growing population is the adoption of indoor agriculture, which, according to the USDA, reduces distribution-based emissions and drastically reduces water consumption and runoff.¹ Understanding the benefits of indoor agriculture, Sysco spent the past two years vetting more than 30 indoor farms. Through that process, we identified a key indoor growing partner to supply an increasing number of Sysco sites.

We began our partnership in the fall of 2021 through a pilot program with FreshPoint Nashville. Since launching the pilot, our partner now supplies almost 100% of the site’s stocked 4/3-pound mesclun mix. The mix uses over 95% less water and 90% less space than field-grown leafy greens. By sourcing it closer to our warehouse, we also improve the product’s freshness and shelf life—which minimizes food waste for our customers—and reduce Sysco’s freight-based emissions. In FY2022, we continued to expand our crop commitments with the grower, including by building a new farm site in South Florida. The site will drive further reductions in our freight costs and help reduce our carbon footprint. Beyond the South Florida site, we are considering additional indoor farming opportunities on the East Coast, as well as with Sysco Bahamas Foodservice and Sysco U.K.

Reducing Water in Our Value Chain

Most of our operational water consumption is used for product refrigeration, washing vehicles and landscaping our sites. In these areas, we continue to identify and implement water-saving opportunities, such as using cooling processes to recycle the water we use for condensers at five U.S. locations. Because significant water consumption isn’t part of our direct operations, we focus on reducing the water used by our suppliers.

Indoor Farming Benefits

PREDICTABLE GROWING CONDITIONS

Climate-controlled for optimal conditions year-round

PREDICTABLE HARVEST

Meets product specs based on local demand, not weather conditions

SMALLER PHYSICAL FOOTPRINT

90%+ reductions in land use vs. traditional farming

IMPROVED WATER CONSERVATION

95%+ less water-intensive vs. traditional farming

REDUCED WASTE

63% reduction in food waste vs. traditional farming



¹“Vertical Farming for the Future.” USDA, Oct. 2021, <https://www.usda.gov/media/blog/2018/08/14/vertical-farming-future>.

Waste Reduction

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Our vision is to minimize waste in Sysco's direct operations.

From our products to packaging, we are invested in sustainable solutions to reduce Sysco's operational waste. One of the best ways to reduce waste is through recycling, and in recent years, we have expanded our recycling capabilities to include food and organic waste. In FY2022, we selected Northstar Recycling Company as our new recycling partner and onboarded them across approximately 180 sites. Partnering with Northstar enabled us to streamline our recycling and waste management practices and will result in reduced disposal volumes and costs. Additionally, it enabled us to enhance our data tracking practices and update our waste-diversion rate.

Also in FY2022, we deepened our focus on both food waste and organics. Across our operations, we are emphasizing solutions such as diverting waste to produce animal feed, composting and leveraging meal donations to serve those in need. These efforts helped us make progress toward our goal to divert 90% of operations and food waste from landfills by 2025. They also support our goal to deliver \$500 million of global good by 2025, including through the value of donated meals.

Celebrating Stop Food Waste Day

Launched in 2017 by our customer Compass Group, Stop Food Waste Day is an international day of action to educate and ignite change in the fight against food waste. In April 2022, Sysco marked the occasion by joining Compass Group for their Stop Food Waste Day Webinar, during which chefs from Sysco and other organizations shared insights on repurposing and upcycling commonly wasted foods at home. Sysco's leadership also discussed efforts to reduce food waste in our own operations, which support our overarching goal of reducing GHG emissions.

In 2022, Sysco joined the USDA and Environmental Protection Agency's list of U.S. Food Loss and Waste 2030 Champions. The list identifies organizations that have made a public commitment to reduce food loss and waste by 50% in their U.S. operations by 2030.



GOAL

By 2025, divert 90% of waste, including food, from landfills

PROGRESS: Diverted 67% of waste





Minimizing Packaging Waste with M&J Seafood’s Sustainable Solution

Our U.K. brand, M&J Seafood, is committed to innovating sustainable packaging solutions that maximize shelf life, maintain quality and reduce waste from food and packaging materials. Recently, the company recognized that the typical fishmonger wax box and ice storage system led to excess waste and downstream disposal problems. Their proposed solution won the 2022 Footprint Innovations in Packaging Award.

The project began with market research, through which M&J Seafood identified two potential solutions: a Promens tray that could be implemented for most products right away and thermoformed packaging that could provide further benefits during the next step of the project’s evolution. The tray reduces the wax box’s packaging materials to two forms of easily recyclable plastic, and the thermoformed packaging improves on those benefits by using up to 40% less plastic and is designed to enable portion controlling and a longer shelf life. The solutions would allow Sysco to take expertly filleted fish from their fishmongers and place them in sustainable packaging.



Governance

Sysco's leaders are highly experienced at driving transformative change and delivering results. They are guided by our mission, purpose and values, which they embed in the business units they serve. Our strong corporate governance provides a framework for our leaders to engage Sysco's stakeholders and fuel our company's success. It is based on a simple set of principles: Act ethically. Act responsibly. Do the right thing.

As our business grows, we are dedicated to maintaining quality relationships that are rooted in mutual trust. That requires transparent communication with our shareholders, suppliers and customers, as well as the communities where we live and work. We earn that trust by ensuring strong compliance with both the letter and spirit of the law. We deepen it by going above and beyond what is required of us to lead the foodservice distribution industry in making a positive impact around the globe.



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- Data Privacy and Cybersecurity
- Government Relations

Board of Directors

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Our Board of Directors oversees Sysco’s business and risk management strategy and strives to ensure we are integrating sustainability issues into our approach.

Our director tenure policy, established July 2016, provides that no individual who, as of the date of the election to which any nomination relates will have served as a nonemployee director for 15 years, will be eligible to be nominated for election or re-election to the Board. Additionally, in FY2021, we transitioned to an independent, nonexecutive Chair structure. Our Board Committees include an Audit Committee, a Compensation and Leadership Development Committee, a Corporate Governance and Nominating Committee (the Governance Committee), a Sustainability Committee (formerly the Corporate Social Responsibility Committee), a Technology Committee and an Executive Committee.

Every year, the Board conducts a self-evaluation to determine whether the Board and its committees are functioning effectively. The Chairman of the Board and the Chairman of the Governance Committee led a discussion of the Board’s performance in executive session.

In addition, each Board committee conducts a self-evaluation of its performance, focused on the committee’s key responsibilities. As part of the

evaluation process, each director completes a committee self-evaluation questionnaire developed by the Governance Committee. The committees all reviewed feedback from their self-evaluations, as did the full Board. Key learnings from the Board and committee self-evaluations play an important role in informing the Board’s approach to refreshment and succession planning.

360-Degree Performance Reviews

For the past five years, the Board’s self-evaluation process has been enhanced to include periodic “360 degree” individual director performance reviews, which involve a confidential evaluation of the performance of directors selected by the Governance Committee by each of the other directors, key members of senior management and representatives of certain independent, third-party firms that routinely interact with the directors assessed. An independent, third-party corporate governance firm compiles and communicates the feedback from these reviews to the directors assessed.



Learn more about our Board and its practices in our [FY2022 Proxy Statement](#).

Diverse Board Recruitment

As a matter of practice, our Board looks for diversity in nominees, including reviewing enhanced perspective and experience through diversity in race, gender, ethnicity, cultural background, age, geographic origin, education and professional and life experiences. Three of our Board nominees are women—one of whom is African American—while one of our Board nominees is from outside the U.S.

Sustainability Committee

Sysco’s Board-level Sustainability Committee meets three times a year, with each meeting focused on one of the company’s three pillars: People, Products and Planet. The Sustainability Committee 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. They review, evaluate and provide input on the development and implementation of Sysco’s sustainability strategy and on the implementation of and progress toward Sysco’s 2025 sustainability goals. The Sustainability Committee also reviews areas such as philanthropic giving, agricultural programs and warehouse and transportation initiatives, which are designed to reduce the company’s environmental impact while addressing the challenges posed by climate change.

Risk Management

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We take a proactive approach toward managing Sysco’s risk and minimizing our risk exposure.

Sysco’s Executive Leadership Team (ELT) is responsible for identifying, managing and mitigating enterprise risks. Our ELT regularly reports to Sysco’s Board and Audit Committee with respect to enterprise risk management (ERM). The Audit Committee is responsible for reviewing Sysco’s ERM process, which we have enhanced in recent years. The process begins with frequent discussion of risk issues by the ELT, followed by a deep-dive risk assessment approach. Based on those discussions, an ERM plan is created to lower Sysco’s exposure to risk. The plan includes monitoring its implementation by Sysco managers and tracking all risk-related information. These efforts take place within a governance and reporting cadence, and the Board’s committees help oversee the ERM process within the respective areas of the committees’ delegated oversight authority.

Global Code of Conduct

At Sysco, we believe in delivering exceptional service with integrity. Our Global Code of Conduct (the Code) outlines our standards and expectations, in line with our company’s Purpose and values. We require all directors, officers and associates—including our principal executive officer, principal financial officer, principal accounting officer and controller—to understand and abide by this Code.

Priority topics addressed by the Code include:

- Food safety
- Fraud
- Anti-corruption and anti-bribery
- Export and import laws and trade sanctions
- Human rights
- Diversity and inclusion
- Workplace safety
- Antitrust
- Competition and fair dealing
- Confidential information
- Professional conduct—including customer relationships, equal opportunity, payment of gratuities and receipt of payments or gifts
- Political contributions
- Conflicts of interest
- Insider trading
- Financial disclosure
- Intellectual property

The Governance Committee periodically reviews the Code and requires every Sysco associate to strictly adhere to all laws and regulations applicable to our business. We also require associates to report any violations or suspected violations of the Code. Learn more in our [FY2022 Proxy Statement](#).

Our Values



Rooted In Integrity



Drive Together



Committed To Inclusion



Define Excellence



Grow Responsibly

Annual Code of Business Conduct (COBC) Training

We administer COBC training to educate associates on important COBC topics and behaviors. The training is an enterprisewide requirement, and our goal is to ensure that the content is relevant and engaging for a broad range of learning styles. By ensuring that all associates are aware of our COBC expectations, we minimize our company’s financial and reputational risks. Topics covered in the training include:

- Preventing harassment
- Anti-bribery
- Accounting and financial integrity
- Antitrust
- Avoiding conflicts of interest
- Reporting misconduct

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As a global foodservice distribution leader, we rely on technology in nearly everything we do. We focus on ensuring a technology environment that is responsible, compliant and secure.

Technology plays a substantial role in all aspects of Sysco's operations. In line with our strategic objectives, we continue to implement leading-edge business technology initiatives. We know that our customers trust us to be good stewards of their data. We take that responsibility seriously, and our commitment to cybersecurity is unwavering. Sysco's digital team guides our approach to data privacy and cybersecurity management and risk mitigation. Our chief information and digital officer and chief information security officer oversee this approach, with ultimate oversight from our Board. Two of our Board directors are highly experienced in cybersecurity matters with experience in information technology systems and related opportunities and risks. We leverage their expertise to protect our enterprise and embrace the technologies needed to facilitate responsible growth.



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Our mission to deliver success for our customers relies on sound public policy. We envision a collaborative and inclusive approach to policy-related decision making.

We work alongside our industry, supplier and customer stakeholders to advocate for our priorities. We do so at the local, state, federal and international levels. This engagement is critical to ensure that—at all levels of government—the interests of our customers, associates and shareholders are properly represented. Sysco’s public policy priorities and activities are reviewed regularly with senior management and with the Board of Directors.

Lobbying Activities

Sysco promotes and protects our company’s interests by directly lobbying government officials on a wide array of issues. Common issues include agriculture, animal

welfare, energy and the environment, food safety, healthcare, immigration, nutrition, labor, occupational safety and licensing, product labeling, taxes, trade, transportation and workers’ compensation.

Sysco complies with all U.S. federal and state lobbying laws, which require reporting on lobbying activity. For FY2022, Sysco reported U.S. federal lobbying expenditures of \$200,000 in reports filed with the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate. In jurisdictions outside of the U.S., Sysco complies with all applicable lobbying legislation.

Trade Association Engagement

Sysco works with a diverse array of industries and organizations that have similar business objectives and goals. To help achieve legislative and regulatory priorities on issues important to our overall business strategies, we maintain memberships in various industry trade associations. We don’t necessarily agree with every position these organizations take; however, we have found that providing our input is a constructive way to influence policy outcomes. That’s true whether we are for or against a particular position. A list of our memberships and dues is [available here](#).

Political Contributions

We engage in the political process by providing financial support for select candidates and issue advocacy campaigns that support Sysco’s business objectives. The Sysco Corporation Public Policy Committee determines

the level of our contributions and involvement. The committee is a multifunctional group consisting of members from Sysco’s executive leadership, Government Relations, Legal, Investor Relations, Communications and other relevant functional leaders.

The Sysco Corporation Good Government Committee, Inc. (Sysco PAC) was established to allow eligible associates to become engaged in the political process. Sysco PAC is governed by a separate board of directors comprised of PAC members from across our company. These members include representatives from executive and functional leadership, including support center and field leadership. Sysco PAC makes contributions to U.S. federal, state and local candidates in accordance with election laws and regulations. Membership in Sysco PAC is strictly voluntary and can be discontinued at any time.

Sysco PAC is regulated by the Federal Election Commission (FEC) and files reports, as required, with the FEC and relevant state election commissions. Reports filed with the FEC are publicly available on the [FEC website](#).



Visit our [website](#) for more information on Sysco’s government relations and public policy engagement.

Appendix



In this section:

- Additional Sustainability Resources
- Materiality and Stakeholder Engagement
- Assurance Statements

Additional Sustainability Resources

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Please see below for helpful links to additional information about our sustainability efforts and related topics, including how we govern, and disclosures such as our CDP reports.

About Sysco and Our Board

- Business Overview—[page 3, 2022 Annual Report](#)
- Reporting Segments—[page 3, 2022 Annual Report](#)
- Customers and Products—[page 4, 2022 Annual Report](#)
- Human Capital Resources—[page 5, 2022 Annual Report](#)
- Board Composition and Accountability—[page 13, 2022 Proxy](#)
- Board Committees—[page 15, 2022 Proxy](#)
- Risk Oversight—[page 19, 2022 Proxy](#)
- Code of Conduct—[page 37, 2022 Proxy](#)
- Reporting a Concern or Violation—[page 37, 2022 Proxy](#)
- Compensation Discussion and Analysis—[page 44, 2022 Proxy](#)

Other Resources

- [Associate Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Board-Level CSR Committee](#)
- [CDP Climate Change CY2021](#)
- [CDP Water CY2021](#)
- [Palm Oil ACOP CY2021](#)
- [Forests Report May 2021](#)
- [Sysco Seafood Sustainability Report](#)



Materiality and Stakeholder Engagement

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Sysco's sustainability strategy is based on our 2018 materiality assessment, which identified the ESG topics that our stakeholders deemed to be most important and/or influential on their decisions.¹ The company completed a materiality refresh in FY2022 to help ensure the matrix was fit for purpose and to better reflect the global enterprise.

Our Primary Stakeholders

Associates

Our 71,000 global associates bring Sysco's strategic priorities to life and enable our company's growth. We know that our associates and future talent care deeply about how we engage with communities, and our sustainability strategy has become a valuable tool in our recruiting and retention efforts. We engage with associates via Sysco Speaks (our companywide engagement survey), "The Dish" (our intranet site), Thrive (our new online learning platform), Sysco To-Go (internal app of news and resources for Sysco associates), social media and other channels. In FY2022, we continued to expand our engagement, communication and development efforts to support all our global associates.

Customers

At Sysco, we put customers first. Their needs and expectations are foundational components of our sustainability priorities. We engage with customers through several channels—including sales consultant interactions, customer service surveys, online

communications and strategic reviews—while maintaining an ongoing dialogue and partnership to help customers deliver quality and safe food options to their patrons.

Investors

Earning the confidence and support of Sysco shareholders is essential to our continued success. We know that a growing segment of our investor base is interested in how we address social and environmental issues. We engage them in various ways, including through 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 are essential activities for 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, as well as corresponding agencies in other jurisdictions where we operate.

Nongovernmental Organizations (NGOs)

We respect the role that NGOs play in moving the needle on change, and we partner with many, including the World Wildlife Fund, the Global Food Safety Initiative and the Center for Food Integrity. These partnerships help us better understand various environmental and social challenges, as well as the ways Sysco can contribute to solutions.

Suppliers

To deliver for our customers and advance our sustainability agency, it is critical that we collaborate closely with Sysco suppliers. We engage with suppliers through surveys and regular business reviews, as well as in a Joint Business Planning process with several strategic suppliers. We also partner with suppliers to advance our sustainability priorities, including through the IPM program, in which Sysco works with participating growers to implement sustainable agriculture practices.

Peers

Engaging with industry participants helps us advance best practices and influence regulatory and legislative improvements. For instance, an important driver in our work is Sysco's Animal Welfare Council, which brings together academic and industry professionals skilled in animal welfare to provide Sysco's leaders with guidance on the design, development and implementation of animal welfare programs. Council members also offer perspectives on emerging issues and best practices, and the Council meets annually with the Sysco Quality Assurance and Sustainability teams to discuss animal welfare issues, including supplier performance. Another example is our work with the British Frozen Food Federation (BFFF). Through BFFF, our U.K. 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.

¹ ESG materiality, as used in this report, and our ESG materiality assessment process, is different than when used in the context of Securities and Exchange Commission (SEC) disclosure obligations. Issues deemed material for purposes of this report and for purposes of determining our ESG strategy may not be considered material for SEC reporting purposes, nor does inclusion of information in this report indicate that the topic or information is material to Sysco's business or operating results.

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Being transparent about our sustainability performance is a critical component in taking accountability and achieving our goals. Therefore, this year we expanded our third-party assurance beyond environmental verification. We will continue to pursue additional assessment/verification of key data points going forward.

LRQA Assurance Statement

We engaged LRQA to provide a limited level of assurance for the following data pertaining to the calendar year 2021:

- Direct (Scope 1) and Energy Indirect (Scope 2) GHG emissions
- Scope 3 GHG emissions (verified by LRQA only include business travel—hotel stays, car rentals and air travel)
- Water withdrawn, discharged and consumed

LRQA's Independent Assurance Statement is available [here](#).

EY Assurance Statement

We engaged EY to perform limited assurance over various FY2022 ESG metrics, including:

- Charitable giving—Meal donations
- Charitable giving—Monetary donations
- Sustainable/Responsible Sourcing—Percentage of coffee pounds sold
- Sustainable/Responsible Sourcing—Percentage of paper towel, paper napkin, bath and facial tissue case volume sold

More information is available [here](#).





For questions or comments concerning this report, please contact the Sysco Sustainability

Team at sustainability@sysco.com.

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