



2020 Corporate Social Responsibility Report

Leadership in Extraordinary Times





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Sysco Through the Decades

Since Sysco became a publicly traded company in 1970, we have strived to provide our customers with the highest level of service and support they need to run their businesses. We will continue to lead the industry we pioneered 50 years ago, while being a socially responsible organization that cares for people, supplies products responsibly and protects the planet.

Pioneers

John Baugh and his wife Eula Mae Baugh established Zero Foods Company in 1946 as one of the early participants in the foodservice distribution industry.



More than a name

For John Baugh, a new company's name was meaningless until the integrity and diligence of its people, and the distinctive results of its operations, merit recognition.

The beginning of a brand

Graphic designer Cal Simpson asked for \$50 for his work on designing the Sysco logo. John Baugh gave him \$100.



Accelerated growth

During the first decade of Sysco's operations, the size of the Sysco family grew from 1,000 to 5,200 men and women, serving 90,000 customers. Today, our 57,000 associates serve more than 625,000 customer locations around the world.

Enhancing the supply chain

Sysco's first Redistribution Center (RDC) began shipping products in 2005 to create additional value-added supply chain capabilities.

The start of a national supply chain

In 1970, there were 24 operating sites and a total of 260 delivery vehicles. As of 2020, we operate 326 distribution facilities worldwide.

Adaptable and ever evolving

When Sysco began operating, 77% of business was associated with the distribution of frozen foods. Today, we deliver fresh produce, meat, seafood and imported foods along with supplies and equipment, technology solutions and consultative services.



Sysco goes international

The acquisition of CFS (Canada) in 1985 was the first Sysco location outside the U.S. In 2002, the acquisition of SERCA Foodservice gave Sysco a coast-to-coast presence in Canada. Since then, Sysco has continued to expand internationally, with foodservice operations in Europe, The Bahamas and Latin America.





About Sysco

Sysco is the global leader in selling, marketing and distributing food products to restaurants, health care and educational facilities, lodging establishments and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. With more than 57,000 associates, the company operates 326 distribution facilities worldwide and serves more than 625,000 customer locations. For fiscal year (FY) 2020 that ended June 27, 2020, the company generated sales of more than \$52 billion.

For more information, visit www.sysco.com or connect with Sysco on Facebook at www.facebook.com/SyscoCorporation or Twitter at <https://twitter.com/Sysco>. For important news and information regarding Sysco, visit the Investor Relations section of the company's internet home page at investors.sysco.com, which Sysco plans to use as a primary channel for publishing key information to its investors, some of which may contain material and previously nonpublic information. Investors should also follow Sysco at www.twitter.com/SyscoStock and download the Sysco IR App, available on the [iTunes App Store](#) and the [Google Play Market](#). In addition, investors should continue to review the Company's news releases and filings with the SEC. It is possible that the information Sysco discloses through any of these channels of distribution could be deemed to be material information.

About this report

Information in this report primarily reflects the corporate social responsibility performance of Sysco Corporation in the United States and Canada during FY2020, ending June 27, 2020, unless stated otherwise. This report has been published in accordance with GRI Core. A GRI index is available to download from our website. Changes from our FY2019 CSR report include updates on annual progress and expanded information on our global impact.

For more information about Sysco's carbon footprint and water use, please see our 2020 CDP Climate and Water responses. In addition, please see our annual report and SEC filings for more information on Sysco's operations and business performance. As with FY2019 and FY2020, we will continue to publish corporate social responsibility reports annually, upon the completion of each fiscal year. We value feedback from all our stakeholders. For questions or comments concerning this report, please contact the Sysco Corporate Social Responsibility Team at csr@corp.sysco.com.



Sysco At-a-Glance



\$53 Billion
FY2020 global sales



625,000
customer locations
served



57,000
global
associates



326
distribution
facilities worldwide



Global footprint

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

U.S.	United Kingdom
Canada	France
The Bahamas	Ireland
Mexico	Sweden
Costa Rica	Spain
Panama	Belgium

Our international brands:

Sysco France	Davigal
Sysco Canada	International
Brakes U.K.	Food Group
kff (U.K.)	Pacific Star
Pallas Foods (Ireland)	Foodservice
Fresh Direct (U.K.)	Mayca
Menigo Foodservice (Sweden)	Sysco Panama
	Sysco Bahamas



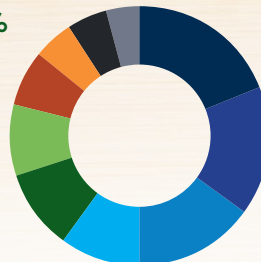
Four business
segments

Broadline
International
SYGMA
Specialty Companies



Principal product categories

Fresh and frozen meats 19%	Fresh produce 9%
Canned and dry products 16%	Paper and disposables 7%
Frozen fruits, vegetables, bakery and other 15%	Seafood 5%
Poultry 10%	Other 5%
Dairy products 10%	Beverage products 4%





Corporate Social Responsibility at Sysco

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

Sysco's CSR priorities and initiatives are anchored in three pillars — People, Products and Planet. We are committed to caring for people, sourcing products responsibly and respecting the planet. Within this framework, we have prioritized our efforts on issues that most closely touch our operations and where we believe we can drive the most impact.

The CSR strategy launched in August 2018 continued to guide our efforts in FY2020. We made headway against several goals, refreshed others and successfully hosted workshops with our European and Canadian colleagues to lay the foundation for a global strategy.

In many of our businesses operating outside the U.S., robust CSR activity has been in place for a number of years. We are continuing to work toward total alignment under a unified Sysco CSR Framework to ensure our CSR goals are globally relevant and locally actionable. Examples include ensuring each business' goals connect to Sysco's global focus areas, working toward aligned targets and common metrics whenever possible, and expanding our CSR alignment efforts to Latin America and the The Bahamas in FY2021.





Our global CSR strategic framework

Global CSR Vision

We are committed to advancing corporate social responsibility within our company across three pillars. We will care for people, source products responsibly and protect the planet.



PEOPLE



PRODUCTS



PLANET

Global CSR Focus Areas	Philanthropy & Community Giving	Inclusion & Diversity	Health & Wellness	Animal Welfare	Responsible Sourcing	Human Rights	Sustainable Agriculture	Energy & Carbon	Waste Reduction
Vision Statements	To lead the foodservice distribution industry by giving back, doing good and changing lives to support the communities where we live and work.	To build a diverse and inclusive work environment that reflects the customers and communities we serve.	To empower our people, communities, and the next generation to make healthy choices about lifestyles and diet.	To improve animal welfare practices across the foodservice industry.	To continuously improve our responsible sourcing practices for key commodities to minimize negative environmental, social or ethical impacts.	To ensure respect for human rights is embedded in our own operations and global supply chain.	By leveraging our size, scale and knowledge of best practices in sustainable agriculture, we will further integrate environmental sustainability within our agricultural supply chain.	Reduce the carbon footprint of our fleet and operations.	Minimize waste generated in our direct operations.
Sysco 2025 Goals	<ul style="list-style-type: none"> ● Donate 200 million meals in our local communities. ● Contribute \$50 million to our communities. 	<ul style="list-style-type: none"> ● Increase total gender and ethnic diversity of U.S.-based associates to 62%. ● Increase spend with women and minority-owned suppliers 25%. 	<ul style="list-style-type: none"> ● Double associate participation rates in health and well-being programs. ● Expand products in our portfolio with health and wellness benefits. 	<ul style="list-style-type: none"> ● All Sysco Brand protein suppliers will adhere to requirements laid out in Sysco's Animal Welfare Policy for Suppliers. 	<ul style="list-style-type: none"> ● Establish responsible sourcing guidelines for five key commodities. 	<ul style="list-style-type: none"> ● Ensure that all first-tier high-risk suppliers agree to the Supplier Code of Conduct principles. 	<ul style="list-style-type: none"> ● Double the availability of Sysco Brand organic produce. ● Expand our Sustainable Agriculture program to include five fresh crops. 	<ul style="list-style-type: none"> ● Source 20% of electricity from renewable sources. ● Power 20% of fleet with alternative fuel vehicles 	<ul style="list-style-type: none"> ● Divert 90% of waste, including food, from landfill.

● Sysco Canada is actively contributing to achieving this goal.

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

In addition, other initiatives exist in Canada and Europe that are aligned to the global vision statements. Country- and/or company-specific goals have been developed to address geographic, regulatory and local market needs.



Achieving some goals, refreshing others

We also achieved several milestones, including finalizing our Animal Welfare Policy for Suppliers, establishing responsible sourcing guidelines for four of our five key commodities, rolling out mental health awareness initiatives for our associates and expanding our meal donation program.

With the COVID-19 pandemic forcing almost all hotels and restaurants to stop operations or reduce them to a minimum, Sysco had to pause some of our planned efforts to shift focus toward supporting our customers and associates. That meant reevaluating some of our 2025 goals to align with a shifting market, such as our energy goal. We began the work to develop broader carbon reduction goals informed by science and expect the work to be completed in FY2021.



"The high level of interest from institutional investors for this offering indicates the market's support for our CSR strategy. This Bond will help us make significant strides in our 2025 CSR commitments."

—Neil Russell
Vice President, Corporate Affairs

Sysco allocates \$500M from our first Environmental, Social and Governance (ESG) bond report

In a landmark milestone, we closed [Sysco's inaugural Sustainability Bond](#) issuance in FY2020. As of June 27, 2020, net proceeds from the \$500 million offering have been fully allocated to fund projects in the areas of renewable energy, energy efficiency and clean transportation projects, among others. Our [Sustainability Bond Framework](#) was reviewed by Sustainalytics, a global provider of environmental, social and corporate governance research and ratings.^[1]

Sysco's ESG bond projects demonstrate our long-term commitment to minimize our environmental impact, drive operating efficiencies and benefit the communities we serve. [View Report of Independent Accountants](#)

As the company matures in our efforts to expand and standardize globally, one of our most important priorities is the health and safety of our associates and maintaining the ability to minimize risk and business disruptions while continuing to service our customers. In FY2020, we reorganized our environmental, health and safety teams into one centralized global Environmental Health and Safety (EHS) Compliance group. Our EHS Compliance team now comprises functional experts across geographies with a broad focus that includes our offices and delivery associates. We formed a new Global Operational Risk and Business Continuity team with responsibility for the development and implementation of enterprisewide risk mitigation strategies, tools and processes, including operational risk assessments, transportation regulatory compliance, associate and site security, business continuity and third-party risk.

Looking ahead, we remain focused and committed to our 2025 goals while we navigate the repercussions of the COVID-19 pandemic. What has not changed is our commitment to delivering a better tomorrow, and our belief that our role as a CSR leader must act as a differentiator for the foodservice industry. As the global leader in foodservice, we will continue to work toward our goals with a firm eye on the future and guided by our strategy.


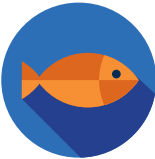

Celebrating 50 years

The next 50 years: Our past will shape our future; our continued focus on the customer and investment in innovation, plus our deep understanding of this industry, will drive our leadership in the next half century.

[1] Eligibility criteria has been mapped to the ICMA Green Bond Principles (2018), Social Bond Principles (2018) and Sustainability Bond Guidelines (2018).



Spotlight: Continued progress across priorities

PRIORITY	CAPITAL ALLOCATION	PROJECTS
 <p>Renewable Energy, Energy Efficiency and Clean Transportation</p>	<p>\$13 million</p>	<p>Entered a renewable energy purchase agreement with NRG Energy to purchase 25 MW of solar energy annually to power a majority of our Texas locations, comprising 10% of Sysco's U.S. energy needs.</p> <p>Invested in on-site solar installations to power our facilities at selected Sysco locations.</p> <p>See more on this topic on page 37.</p> <p>Installed LED energy-efficient lighting fixtures at U.S. facilities.</p> <p>See more on this topic on page 37.</p> <p>Placed a deposit for 50 Tesla fully electric Semi tractors.</p> <p>Purchased renewable Liquefied Natural Gas (LNG) tractors for our fleets in California.</p> <p>See more on this topic on page 38.</p>
 <p>Aquatic Biodiversity Conservation / Food Security</p>	<p>\$185 million</p>	<p>Procured seafood products from Marine Stewardship Council (MSC) certified fisheries and Aquaculture Stewardship Council (ASC) certified farms.</p> <p>See more on this topic on page 31.</p>
 <p>Environmentally Sustainable Management of Living Natural Resources and Land Use/Food Security</p>	<p>\$302 million</p>	<p>Procured canned/frozen fruits and vegetables that are grown by suppliers meeting Sysco's Sustainable Agriculture/Integrated Pest Management (IPM) program guidelines with environmentally sustainable growing methods.</p> <p>See more on this topic on page 36.</p>



Expanding Our 2025 Goals

In FY2020, we reevaluated our goals based on the progress we made since setting them in 2018. The reevaluation included areas that have become critically important since 2018, the international scope of our business and implications to our operations due to the COVID-19 pandemic. We also looked for opportunities to expand the goals to include additional Sysco companies and geographies. As a result, the following goals shifted in scope:



Charitable Giving

We want to go broader and bigger with our charitable giving, so our new 2025 goal will be inclusive of all locations and all methods of giving. This cumulative goal will include our associates time spent in volunteering and pro bono activities, as well as cash donations and inventory donations. This will allow us to more holistically reflect the scale of Sysco's positive social impact, unite our global efforts and maintain our focus on hunger, while allowing for growth into other areas. The final goal will be released before the end of FY2021.



Sustainable Agriculture

To ensure that we are being holistic in our efforts and influencing best practices at the same time, our new goal expands the Sysco Sustainable Agriculture program to include five fresh crops by 2025 and promotes sustainable agriculture through participation in industry organizations and continuous communication of best practices to stakeholders. As a result, we eliminated our goal to double availability of Sysco Brand organic produce. While we will continue to offer organic products and expand our selections based on customer demand, given continued uncertainty in the market, we will no longer prioritize organic products as part of our 2025 Goals.



Energy

In FY2021, we began the work to assess and reduce our footprint for our business' continued progress. Several of our businesses have been making strides in reducing their carbon footprint over the years, but to position Sysco as a leader in our sector, we recognize the need to revise our energy goals to align with science and be global in scope. Based on the results, we will finalize and announce new emissions reduction goals later this year. These will replace our original goals by powering 20% of our tractor fleet with alternative fuels and sourcing 20% of electricity from alternative sources.



Supplier Diversity

Partnering with diverse suppliers has been and continues to be a key priority for Sysco. In order to ensure we have a leading program that supports diverse suppliers, we are revisiting our goals in FY2021 and launching a diverse supplier mentor program. An updated goal will be released by the end of FY2021.



Our updated 2025 goals are:

People



- New, broader charitable giving goal in development
- Donate a total of 200 million meals to our local communities

- Increase U.S. associate ethnic and gender diversity to 62%
- Increase spend 25% with minority- and women-owned suppliers (new goal to be announced in FY2021)
- Double associate participation in health and well-being programs
- Expand products in our portfolio with health and wellness benefits

Products



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



Planet



- New emissions goal in development
- Divert 90% of operations and food waste from landfill
- Expand the Sysco Sustainable Agriculture program to include five fresh crops by 2025 and promote sustainable agriculture through participation in industry organizations and continuous communication of best practices to stakeholders



Acting Now, Building the Future

A Message From Kevin Hourican,
President and Chief Executive Officer



Despite the depth of uncertainty from the global pandemic, our associates joined in support of our customers, communities and each other with tremendous agility, moving swiftly to create positive change."



Brett Coomer/©Houston Chronicle. Used with permission

I joined Sysco as President and Chief Executive Officer at the beginning of a historic year for the company, as we celebrated 50 years of success and heritage at the heart of food and service.

Soon after, the global pandemic crisis changed life as we knew it, and we witnessed deep, widespread impacts to people and businesses alike. As people lost their jobs and businesses were forced to shut down, we faced a level of adversity unlike anything we had previously experienced as a company or an industry.

Despite the depth of uncertainty, our associates joined in support of our customers, communities and each other. With tremendous agility, we adjusted to meet the fast-evolving needs of our customers and provided them with tools, resources and expertise they needed to keep their businesses running despite the COVID-19 restrictions. We helped our restaurant customers pivot to a new selling model, which involved converting 16,000 customer dining rooms into

grocery pop-up shops. These customers secured an additional source of revenue and helped serve communities in need of food and cleaning supplies. We also provided customers with consulting assistance to stand up new delivery and take-out operations at scale.

As the challenges evolved and we saw our communities in crisis, Sysco donated more than 30 million meals across eight countries as part of our community response strategy. With more families than ever unable to put food on the table, we initiated an enterprise-wide product donation effort to get nutritious food to those in greatest need. We implemented global strategies to keep our associates safe and healthy, including a pandemic response program and mental health and well-being campaign. As we faced civil unrest in communities across the U.S. and around the world, we committed to being better as a company and launched a global "Real Talk" initiative to promote safe, open and ongoing dialogue about racial and social injustice. I also recently signed

the CEO Pledge to Advance Diversity & Inclusion, which outlines a set of actions that we will take as a company to cultivate a trusting environment where all ideas are welcomed, and associates feel comfortable and empowered to have discussions about diversity and inclusion. This will continue to be an area of important focus for us as a company.

There is a well-known quote by historian, civil rights activist and author W. E. B. Du Bois that states, "Now is the accepted time, not tomorrow, not some more convenient season. It is today that our best work can be done and not some future day or future year." To me, this captures the spirit of the swift action Sysco took in response to the global pandemic



Celebrating 50 years

We are inspired by Sysco founder John Baugh's vision of bringing together foodservice leaders for a common cause: to partner with our customers and provide a full range of products, delivered with efficiency and timeliness.

Continuing to Make Progress A Message From Kevin Hourican, President and Chief Executive Officer *(continued)*

and the needs of our customers and associates. It represents our deep commitment to make a difference and create positive change in the communities where we live and operate.

When there is a significant need, we do not hesitate or wait — we act.

As you read through this report, I hope you feel as proud as I do about the progress Sysco has made in the last year.

We hit another major milestone when we closed Sysco's inaugural Sustainability Bond issuance toward the end of FY2020, which we will use to fund projects in renewable energy, energy efficiency, clean transportation and waste reduction, among others. This was the first-ever Sustainability Bond in the foodservice industry. We also celebrated 10 years of partnership with the World Wildlife Fund (WWF) on responsibly sourced seafood.

In this report, you will also learn how we are making progress into the future. To position Sysco as a leader in our sector, we recognize the need to revise our energy goals to align with science and be global in scope. We have recently begun work to assess our carbon footprint and expect

to announce new emissions reduction goals later this fiscal year. We have also begun testing an electric semi-truck. This important pilot will help us understand how these semi-trucks perform in our rigorous business environment and will inform the development of future design.

As we look to our next 50 years, I am truly excited about the opportunities we have before us to become a more responsible and sustainable organization — one that continues to exceed the expectations of our customers and stakeholders.

I am so proud of how Sysco has risen to the occasion in the most challenging of circumstances. As we continue to make progress on our CSR journey and 2025 goals, I look forward to what we will achieve together.

Respectfully,

Kevin Hourican, President and CEO
October 2020



COVID-19: Our Critical Issues and Approach

As the world's largest food distribution company, running an efficient and sustainable supply chain is a key priority and a competitive edge. With the COVID-19 pandemic at its peak at the close of FY2020, Sysco quickly pivoted to find new channels of business such as becoming a direct supplier to grocers and grocery chains whose own supply chains were overextended, while remaining focused on ways to help foodservice customers keep their operations open by offering new channels of service to patrons.

This pivot, while short term, required us to think differently about how we can support our customers, communities and associates. We had to ensure the safety of our associates. We could not shut down operations, given our service to essential business operations, including health care facilities. Our business expanded from foodservice distribution to identifying gaps and hunger hot spots for meal donations. With many facing sudden loss of income in our own industry, we worked quickly to protect them and ensure the safety of our frontline associates (see sidebar). We worked cross functionally, including our chefs, sales and business development teams, to provide support where it was most needed: small restaurants that needed to

The shield packages delivered by Brakes U.K. contained more than 20 products, including some that were a challenge to source at the beginning of the pandemic, such as pasta and rice. In total, more than 15 million cans of soup and 3,000 tonnes of rice and pasta were delivered.



Sysco's COVID-19 response

CUSTOMERS

- Alternate delivery methods, including no-touch deliveries and pallet drops
- Alternate sales strategies, including Sysco at Home and truckload sales
- Pop-up markets housed in customers' restaurants
- Partnerships with U.S. retail grocers to keep shelves in stock
- Case tracking/management and contact tracing investigation protocols

ASSOCIATES

- Pandemic plans for each Sysco location and Personal Protective Equipment (PPE) requirements
- "Return to Work" protocol and clean and disinfection SOP
- Daily health screenings and social distancing guidelines
- Mental health awareness program for associates





evolve their takeout menus to stay in business; grocers who needed to serve consumers through home deliveries; and nonprofits in need of fresh, nutritious and high-quality meals for distribution in hard-hit communities.

We launched the "Sysco Knows Fresh™" multichannel campaign, designed to promote Sysco's high-quality, fresh product offering and its widespread availability to customers, consumers and the industry, differentiating Sysco from the competition. In the U.K., Brakes, a Sysco company, partnered with Department for Environment, Food and Rural Affairs (DEFRA) and another U.K. foodservice provider, to deliver over 5 million shield packs to those identified as clinically extremely vulnerable. With more than 3,000 associates from both companies helping out, it was described as the largest effort to feed the U.K.'s most vulnerable population since the Second World War.

We then launched a [Restaurant Readiness Tool](#) focused on U.S.-based customers, a first-of-its kind simulation that intuitively provides a comprehensive view of best practices, key considerations and essential supplies for operators re-opening their restaurants as COVID-19 stay-at-home orders continue to ease. The Restaurant Readiness Tool enables operators to tour a virtual restaurant where users can navigate through the restaurant, clicking various icons for each area and foodservice role to learn about best practices for ensuring the health and safety of both guests and associates. This is accomplished through a series of videos, lists of recommended products and links to helpful services, all with seamless access to our shopping platform, Sysco SHOP.

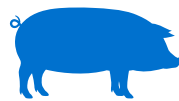
While COVID-19 did slow down some of our efforts, we remain focused and on track with achieving our 2025 CSR goals overall. For example:

Charitable Giving



All Sysco locations began consistently tracking their donations in the U.S. while international locations began tracking their meal donations. The importance of donations was reinforced as a way to pursue our 200 million meal goal (see page 15 for more).

Animal Welfare



We finalized our Animal Welfare Policy for Suppliers after numerous internal and external validations with key stakeholders (see page 26 for more).

Responsible Sourcing



We established responsible sourcing guidelines for four of our five key commodities with the last in progress (see page 29 for more).

Sustainable Agriculture



We completed the first pilot of the Sustainable Food Group Sustainability Standard™ with one of our fresh tomato suppliers and one of their growers in Mexico (see page 35 for more).



PEOPLE

At Sysco, we empower people to be their best — and take care of their well-being so they can thrive. Our diverse associates and inclusive culture create an environment where associates can develop their skills and give back to their communities. Sysco works with diverse suppliers to ensure our scale can create shared value for every participant in our supply chain. And we are committed to breaking the poverty cycle by nourishing our neighbors and partnering with nonprofit organizations on fighting hunger, access to education and workforce development.





FY2020 Highlights

- Hosted a global mental health campaign during COVID-19
- Created a centralized global EHS Team, bringing three functions under one umbrella enterprisewide
- Contributed nearly \$3 million across the U.S. through Nourishing Neighbors
- Sysco President and CEO Kevin Hourican signed the CEO Pledge as part of the CEO Action for Diversity & Inclusion

Progress

Charitable giving

Our approach to community investment is guided by our values and commitment to eradicating hunger. We prioritize our grants and product donations for organizations that are fighting to end food insecurity and hunger in communities around the world. Secondly, we work with organizations that help create access to education and workforce development through grants as well as pro bono efforts.

Our signature community development program, Nourishing Neighbors, was launched in 2017 in the U.S. and expanded to Canada in 2019. Through Nourishing Neighbors, we take a uniform and consistent approach to local market giving, with our goal being to direct at least 75% of all donations and volunteer efforts toward charities that





fight hunger and food insecurity in the local communities where we operate. In FY2020, we contributed nearly \$3 million across the U.S. through this program.

Sysco Scholars Program

Sysco continues to invest in the future of the foodservice industry, including our participation in the Sysco Scholars program. Organized in partnership with the National Restaurant Association Education Foundation to encourage and attract people to the foodservice industry in all aspects from culinary to logistics, FY2020 marked our first year with the program. For FY2021, 25 individuals were provided with grants to fund secondary education in the fields of culinary arts, restaurant management and hospitality.

Sysco Canada has partnered with WeCare for over 36 years and donated over \$1.4 million since 2002, which equals 5,600 days at camp for children with disabilities.



Associate Volunteerism

Our associates value opportunities to give back to their communities, whether that is through hands-on or skills-based pro bono activities — and as responsible community members, it is important for us to do our part. In September 2019, we hosted Hunger Action Month events in Houston with most events focused on packing lunches for Kids Meals and distributing food at several local food pantries. Over the month, 600 associates spent 1,400 hours participating in 30 events.

We also hosted our fourth annual Sysco Gives Back Weeks to combat hunger and food insecurity in the greater Houston community. The event connects our associates with Sysco's core community partners who are focused on hunger relief and provides Houston-based associates with an array of opportunities to volunteer during regular work hours, including on-site events at both corporate campuses and Sysco Houston. We also hosted Saturday events to allow associates to volunteer as a family.

COVID-19: Community Response

Sysco donated 30 million meals across eight countries during the first three months of the pandemic as part of our community response strategy to COVID-19. These donations were valued at over \$100 million and included nearly 16 million pounds of fresh produce and approximately 6 million pounds of fresh dairy products. With millions more people around the world seeking food assistance, Sysco worked closely with suppliers, customers and government entities, along with key partners in the U.S., Canada, U.K. and Ireland, among others, to distribute food to those who need it most.



In FY2020, Sysco donated \$25,000 to The Bahamas Red Cross and provided funds directly to impacted Sysco associates in the aftermath of Hurricane Dorian.

For example, Sysco Canada donated over 5 million meals — or an estimated 51,000 cases — in partnership with multiple nonprofits such as Second Harvest, FoodRescue.ca and Food Banks Canada, as well as numerous local community centers and food banks. On the foodrescue.ca platform alone, seven Sysco locations donated nearly 200,000 pounds of food which was distributed to 25 nonprofit organizations. Additionally, Mayca associates in Costa Rica prepared 50,000 meal kits for the Costa Rican National Emergency Committee.

Brakes U.K., Fresh Direct Group and kff supported vulnerable populations throughout the pandemic's early months in partnership with Fareshare, distributing the equivalent of more than 470,000 meals. They also worked with various charities through Meals & More to provide emergency food parcels to more than 50,000 families





Foodservice Doesn't Brake for Adversity campaign

To help small foodservice businesses stay in business during the COVID-19 pandemic, we launched a new campaign called "Foodservice Doesn't Brake for Adversity." The campaign consisted of

strategically placed messages across multiple channels nationally in the U.S. designed to encourage Americans to support their local restaurants and also highlighted the resilience of all foodservice workers. Sysco also donated \$0.50 to No Kid Hungry for every photo of a restaurant takeout meal shared on social media with the hashtags #TakeOutToGiveBack and #TeamNoKidHungry by consumers, totaling \$150,000.

in need of support. Another Sysco company in the U.K., kff, activated several partnerships, including creating food parcels for the elderly and primary school children and donating baked goods to medical workers. They also opened their doors for direct customer pickup, ensuring no food goes to waste.



Sysco donated **30 million** meals to community organizations in their efforts to address hunger and food insecurity during COVID-19.

In Ireland, Pallas Foods donated 50 iPads to Comfort4Covid, a program that distributes digital tablets to hospitals and nursing homes around Ireland to allow patients in isolation to connect with their families. Sysco France also stepped up, donating approximately 90,000 meals over two months in partnership with nonprofit PHENIX. Sysco Davigel in Spain worked closely with Cruz Roja Española — Spain Red Cross to distribute food products across Madrid, the Balearic Islands and Canary Islands, while our Swedish subsidiary Menigo donated funds to The Rescue Mission to help start a social supermarket, allowing people living in extreme poverty to buy food (donated from Menigo and other companies) for a very low price.

With a companywide objective to focus all efforts on helping our customers and partners during the pandemic, we focused on addressing the broader set of needs facing food redistribution efforts, including providing direct delivery to food banks and other hunger relief organizations, loaning refrigerated trucks and facility storage space to increase capacity for local food distribution, and providing volunteer and staffing support for mobile distribution efforts. Through these collective efforts, Sysco helped more than 900 community organizations in their efforts to address hunger and food insecurity.

Inclusion & Diversity

Inclusiveness training

As a part of Global Talent Management, the Inclusion & Diversity (I&D) team develops global strategic initiatives that are then implemented locally to ensure the needs specific to each region are addressed. In FY2020, we launched a global online Inclusiveness at Sysco training for all associates as part of our annual training. To further embed inclusiveness in their culture, we simultaneously launched an online leader version of the Inclusiveness at Sysco training. All leaders are required to complete this additional training and provided a guide to help them facilitate a discussion with their teams on recognizing and overcoming unconscious biases. Over time these programs will be implemented in all of our geographic regions.





Global Mental Health Campaign

Given the unprecedented challenges brought on by COVID-19, we launched a global mental health and well-being campaign in April 2020. Sysco CEO Kevin Hourican kicked off the campaign with a letter encouraging associates to take a pledge to support mental health. The campaign introduced 10 Ways to take care of our mental health which was made available on our newly created Sysco Associate Well-Being website and our internal Sysco-to-Go app.

Then for five weeks, we spotlighted two of the 10 Ways on "Well-being Wednesdays." Associates from around the world posted their pledges and videos of how they are taking care of their mental health on the Sysco-to-Go app. As we continue to navigate the repercussions of COVID-19 in coming months, we will maintain our focus on mental health — a commitment shared and appreciated by our associates.

Sysco Canada's Mental Health Campaign featured cooking shows hosted by our Ontario South Sales team and live meditation sessions. In Sweden, we hosted health bingo as well as several virtual leadership coaching activities. Associates also stepped up, hosting digital coffee breaks with each other and sharing travel guides for people making small trips into Sweden.

10 WAYS



New partnerships

Sysco is a member of the Business Coalition for Equality Act, a group of U.S. employers that support legislation providing the same protections for LGBTQ+ associates as other protected groups under federal law. Our new President and CEO, Kevin Hourican, also signed the CEO Pledge, part of the [CEO Action for Diversity & Inclusion](#), an effort to rally the business community to advance I&D within the workplace.



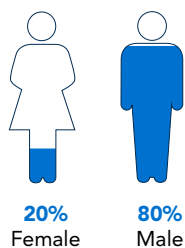
International Women's Day

In 2020, Sysco celebrated International Women's Day across our global operations for the second consecutive year. With a global task force helping plan and execute the festivities, we launched a new Gender Equity Momentum (GEM) award and expanded our guidance for local celebrations. Locations could choose to sponsor and implement the GEM award to recognize an associate who worked to remove gender barriers by championing gender equality and creating an inclusive culture, and a toolkit provided turn-key resources that sites could use to coordinate internal and customer/supplier events. The toolkit was developed in multiple languages, and a panel discussion comprised of women customers and company leaders was recorded and shared internationally. Associates across the organization wore purple, and Sysco's celebrations were highlighted on our social media channels.

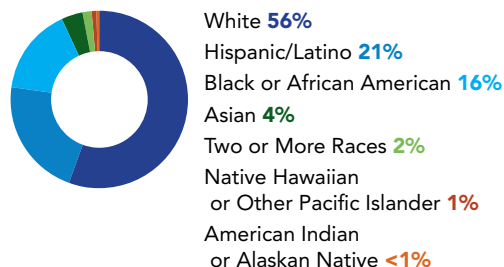


U.S. WORKFORCE DIVERSITY

Gender Diversity

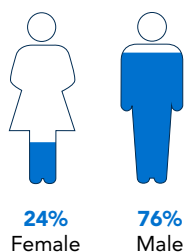


U.S. Race & Ethnicity

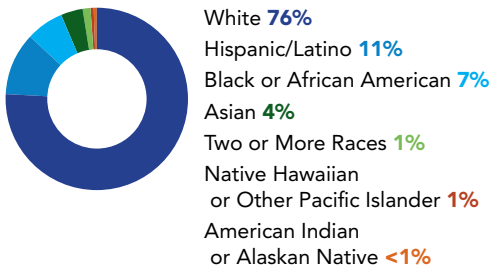


U.S. MANAGERS

Gender Diversity



U.S. Race & Ethnicity



Advancing Diverse Talent

We have implemented a series of actions to help meet our 2025 learning goals. In order to meet our goals, every leader in the U.S. at Sysco must have visibility into where we are in our I&D journey and be held accountable for driving progress through their operating units. Our Diversity dashboard enables us to track representation for groups by location over time. For the second consecutive year, we also required leaders, director level and above, to identify a performance management goal for I&D. Leaders must select from a menu of critical activities they can undertake, specified by function, as a way to reinforce the importance of having an inclusive and diverse workforce.

Training, collaborating, mentoring and networking are all important contributors to becoming a more diverse and inclusive organization. We supplement these learning and development initiatives with partnerships such as the Women's Foodservice Forum, the Executive Leadership Council and the Multicultural Food and Hospitality Association. We also help mentors, mentees and supporting groups establish effective mentoring relationships that support the development of women and ethnically diverse associates within Sysco.

Sysco Canada awarded two associates with their inaugural Inclusion, Diversity & Equity Award (IDEA), which recognizes individual contributors and People Leaders who champion inclusion, diversity and equity in everything they do: Benjamin Wiersma, a culinary consultant and human resources vice president Carmen Singh.



Looking Ahead: A New Inclusion & Diversity Roadmap

In FY2021, we are working to create our next three-year Inclusion & Diversity Roadmap. To begin, we will be conducting listening sessions across the organization to understand what types of biases exist in the workplace, including racial injustices and biases against other underrepresented groups. While participation in these sessions is



voluntary, we are encouraging associates across the globe at all levels of the organization, including executive leadership, to participate in one of these sessions or provide their feedback anonymously via a web-based survey. After collecting this feedback, we will develop strategies and key initiatives as well as a new Inclusion, Diversity &

Celebrating 50 years

By the end of the first decade of Sysco's operations, the Sysco family was made up of 5,200 men and women serving 90,000 customers across more than two-thirds of the U.S.

Belonging Council to help guide our strategic objectives. Our plan includes focusing on data and analytics, expanding our Associate Resource Groups (ARGs) to include global participation and bolstering our recruitment efforts and community focus.

Associate engagement

Engaged and empowered associates drive business success. From the time our associates are recruited, Sysco fosters a highly engaged, high-performance, team-based culture by focusing on the associate experience throughout their tenure with us. Our Culture and Engagement team is positioned with Global Talent Management to enable a comprehensive view of the associate experience. We have numerous ways in which we collect feedback from associates on a regular basis, including annual engagement surveys, focus group sessions and frequent dialogue between managers and their team members.

In FY2020, we launched three new ARGs at Brakes U.K. focused on women, LGBTQ and Generations. In Canada, we now have a Lean-In ARG, Spectrum-Canada chapter for our LGBTQ+ & Allies and a Mental Health ARG.

In September 2019, we organized All In Days to connect all associates to our customers, our business model and our future strategy. Every associate in the U.S., Canada, Costa Rica and The Bahamas spent a day learning about Sysco's business and culture.

Global Associate Resource Groups

Our Associate Resource Groups (ARGs) are a critical element of our engagement efforts and are voluntarily organized at both our headquarters and at local sites by interested associates. These groups are effective vehicles for diverse associates to strengthen their skills, build relationships and foster mutually supportive interactions with their Sysco colleagues. By the end of FY2020, multiple diversity groups were represented by an ARG. All groups have an executive sponsor, and a leadership council meets monthly to align approaches and leverage learning and volunteering opportunities across the ARGs.





In the U.S., we have several ARGs representing gender, race, ethnicity, sexual orientation and gender identification, generations and more. In FY2020, we celebrated several holidays, including International Women's Day (see more on page 18), Black History Month, Diwali and Lunar New Year. We also launched three new ARGs in the U.K. focused on women, LGBTQ and generations. In Canada, we now have a Lean-In ARG, Spectrum-Canada chapter for our LGBTQ+ & Allies as well as Food for Thought, a Mental Health ARG.

Sysco Speaks

Our annual engagement survey, Sysco Speaks, provides associates the opportunity to give anonymous feedback and suggest ideas to improve engagement and overall business performance. All Sysco associates across our global operations are invited to participate, and 87% of associates completed the survey in FY2020. To promote direct and positive impact, people leaders receive access to their team's results, enabling them to understand the strengths and opportunities within their team and develop local action plans based on specific feedback points. Together, the feedback is translated into actionable goals and improvements.



Supplier diversity

Learning highlights

- 2,918 books, audio books, book summaries and videos accessed by 13,884 associates
- Over 55,000 associates with access to Sysco Interactive University (SIU)
- Over 10,000 custom and off-the-shelf e-learning courses offered in multiple languages



Our commitment to continually expand our supplier partnerships while driving increasing awareness and demand for minority- or women-owned business enterprise (MWBE)-sourced products continued in FY2020 — with the focus on the U.S. market. We strengthened our communication channels with Sysco customers and sites to better inform them about our certified MWBE suppliers. This communication included producing collateral detailing products from hundreds of suppliers by category as well as producing and distributing quarterly supplier diversity newsletters highlighting diverse suppliers and the products they provide. We also brought our supplier diversity portal in-house to maximize its efficiency and functionality, giving us the ability to seamlessly integrate it with future reporting capabilities, supplier registration and management systems. We are beginning to identify ways to support supplier diversity initiatives in our businesses outside of the U.S.



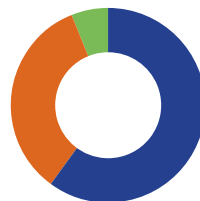
Sysco is a local member of the Houston Minority Supplier Development Council (HMSDC), a nonprofit that connects minority-owned businesses with major corporations committed to increasing their procurement from diverse suppliers.

Due to a significant decrease in restaurant traffic amid the COVID-19 pandemic and several suppliers losing their minority- or women-owned status; we saw a steep decline in our diverse supplier partnerships at the end of FY2020. We are, however, committed to shifting these numbers in coming months as we and our partners navigate this new normal. In FY2021, we plan to introduce our Supplier Diversity Mentor program, a business development program that will pair qualified MWBE suppliers with Sysco mentors to support and solidify Sysco business acumen. This program is designed to overcome barriers that typically inhibit the success of minority, women-owned and emerging small businesses and strives to produce a broad base of high-quality, competitive and profitable diverse suppliers through continuous improvement. We are also working on a comprehensive program to capture and report indirect supplier spend and improve our overall reporting and tracking capabilities to bring heightened attention to our MWBE supplier network. This will allow us to attract, retain and develop diverse suppliers that fall within this scope as well.

Our FY2020 supplier partnerships

- 535 minority- and women-owned enterprises
- \$643 million in spend (▼17.8%)
- 22 new certified MWBE suppliers were added to the program during FY2020. Out of the 22, we showed spend with 13 in FY2020.

Minority- and Women-Owned Partnerships



Minority: **60%**

Women: **34%**

Minority + Women
(both certifications): **6%**

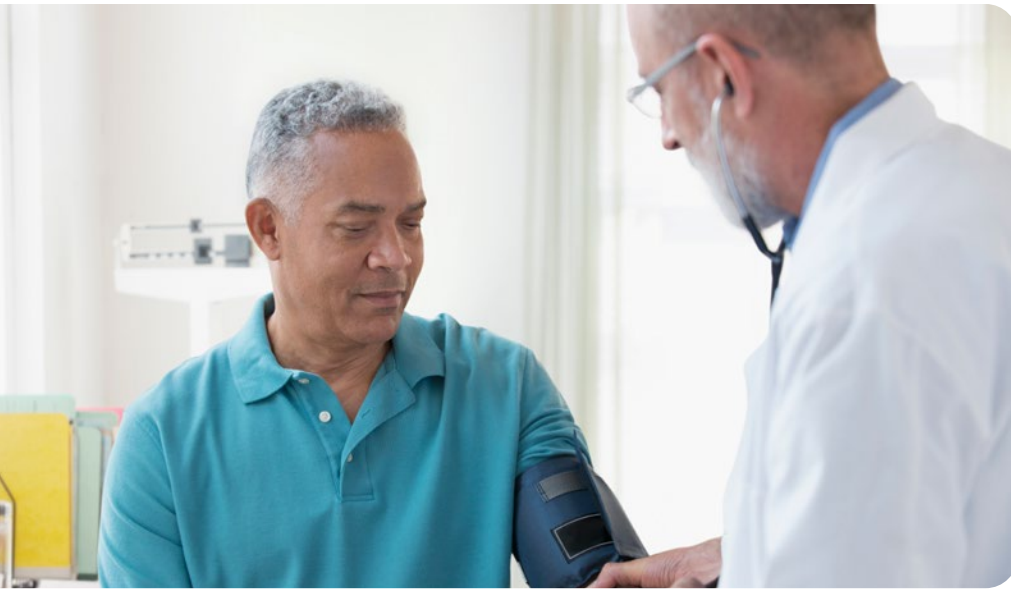


Health & well-being

Associate health, well-being and safety

In FY2020, our environmental compliance, occupational health and safety teams were brought together under one central Environmental Health and Safety (EHS) team comprising functional experts across many geographies. The team's shared mandate: to have a continuous improvement process that addresses EHS at every point in our business process. The team reports into the legal and compliance function and operates under one umbrella across Sysco. Despite COVID-19 restrictions, the EHS team worked together to strengthen their collective ability to work cross functionally and various geographical areas, with normal regulatory matters continuing as planned.

We hosted our first EHS conference in early 2020, bringing together EHS associates from Canada, The Bahamas, International Food Group (IFG) and Latin America. The team, previously known as the international America's team, participated in four days of workshops to discuss best practices and complete business reviews.



Healthy benefits

Sysco strives to offer associates more than just great benefits. We provide our associates and their families programs that support every aspect of their lives — at work and at home.

In 2020, Sysco strengthened and expanded our commitment to the total wellness of our associates. Our Powering You program for U.S. associates supports four pillars of total well-being: health, mind, security and community. Well-being is not just about physical health. It is also about being financially secure and planning for the future, getting support when life gets tough and staying connected to our communities.

Our occupational health services and total rewards/benefits teams continue to invest in a wide range of programs, both internally and through specialized third parties that address the needs of our workforce. In 2019, we introduced a healthcare advocate support service in the U.S. to help our associates navigate the complicated U.S. healthcare market and ensure they fully utilize the many benefits we make available to them. We also ensure that

associates are afforded every opportunity to engage in health and wellness programs, supporting our 2025 goal to double associate participation. Participation increased in CY2019 from 20% to 23%.

In addition to fully covering the cost of preventive health care services, Sysco invests in specialized healthcare solutions to further encourage associates to stay healthy. Periodic wellness reminders are issued from safety and occupational health services via email and electronic message boards for communication to associates in pre-shift meetings and postings on bulletin boards and break areas. Sites with occupational health nurses provide health and wellness information to our associates in lunch and learn seminars, pre-shift meetings, periodic newsletters, health fairs and one-on-one counseling.



In Houston, as well as East Texas, Knoxville, Hampton Roads and Syracuse, Sysco sites have been recognized by the American Heart Association as “Fit-Friendly” workplaces since 2012.

Safety campaigns

In FY2020, we successfully hosted Sysco's third annual World Day for Health and Safety, highlighting health and safety best practices to limit the transmission of COVID-19. We also conducted our annual campaign called Live & Let Live: Distracted Driving Campaign to raise awareness among associates of the dangers of distracted driving and reconfirming our expectations to remain distraction-free while driving both for Sysco and personally.

Moving forward, our global EHS team is working on a deep dive review of our program and build-out of Sysco's three-year roadmap toward building a world-class EHS program.



Healthful products

Constantly evolving and expanding our healthful food options is part of how we help grow healthier habits and communities. Reducing saturated fats, trans fats, salt and sugar while increasing the consumption of fruits, vegetables, whole grains and fiber puts consumers on a path to healthier, more productive and longer lives. We continually work to increase the number of healthful food options that are also great tasting, including a core focus on products that meet objective science-based nutritional standards, as well as products that support emerging trends and lifestyles.

Cutting Edge Solutions

In FY2020, we launched 11 new menu concepts. These innovative products are available exclusively for Sysco customers across the U.S. through our Cutting Edge Solutions platform. Designed to help Sysco's customers stay ahead of their competition, Cutting Edge Solutions products are sourced from best-in-class suppliers at the forefront of innovation. Some of our new 2020 offerings included:

- **Sysco Simply Plant-Based Protein:** A superfood blend of oats (pulled oats™), beans and peas easily replaces meat in any dish.
- **Sysco Simply Plant-Based Sprouted Grain Breads:** Available in oat grain and wheatberry, these whole grain breads are plant-based with no artificial ingredients.
- **Sysco Simply Plant-Based Vegan Cornettos:** Certified vegan Italian croissants.

Plant-Based Meatless Burger Patty

We also launched the Sysco Simply™ Plant-Based Meatless Burger Patty to all customers in the majority of our U.S. markets. This plant-based burger is the latest offering from Sysco Simply, our lifestyle brand designed to help foodservice operators meet growing consumer demand for flexible and customized menu choices. The Sysco Simply burger is a vegan, gluten-free, non-GMO soy patty with 18 grams of plant-based protein per serving, helping foodservice operators deliver a flavorful and on-trend menu offering to consumers seeking plant-based alternatives.



The new Sysco Simply burger is a vegan, gluten-free, non-GMO soy patty with 18 grams of plant-based protein per serving.



PRODUCTS

At Sysco, we have grown our business over 50 years because we prioritize our customers. We are proud of every product we serve our customers and believe it is our primary responsibility to ensure product quality and safety. As a global foodservice leader, we universally meet this expectation head-on, while also continuing to strengthen, year-over-year, our programs and processes around animal welfare, human rights and responsible sourcing.



Celebrating 50 years

Sysco associates work together to serve more than 625,000 customers.





FY2020 Highlights

- Finalized and published Sysco's Animal Welfare Policy for Suppliers
- Completed 140 human rights assessments in 19 countries
- Established responsible sourcing guidelines for four key commodities: beef, soy, paper and coffee

Progress

Animal welfare

As the global leader in foodservice distribution, Sysco is a major provider of animal protein products. Animal welfare is an important material issue for our suppliers, our customers and the patrons they serve. We uphold high welfare standards for Sysco Brand animal products while working with our Sysco Brand veal, beef, lamb, pork and poultry suppliers, as well as shell egg and processed egg suppliers, to promote the humane treatment of animals. All Sysco suppliers must meet regulatory requirements and use industry best practices for animal care. In FY2020, we made tremendous progress toward our 2025 goal by publishing [Sysco's Animal Welfare Policy For Suppliers](#). The geographic scope of this policy covers suppliers in the United States and Canada. This Policy formalizes our standard practices, supports science-based standards, encourages continuous improvement and broadens the scope to include dairy and Sysco Specialty Meat Group. Now we begin the work to ensure compliance by all Sysco Brand suppliers.

Our policy demonstrates a commitment to animal welfare, supports industry standards/best practices and sets clear standards for our suppliers to the benefit of our customers.

We worked cross-functionally internally and with our external Animal Welfare Council to draft a policy that's right for Sysco, given our scale and multitiered supply chain. We gathered industry guidance; reviewed Sysco's





existing standards and customer expectations; benchmarked them with customer, competitor and supplier policies; engaged internal and external stakeholders; and defined the proteins that would be in scope. We also continued to encourage our suppliers to make advancements in this area based on the latest scientific research. Our Swedish company Menigo completed tracing 100% of its meat, mapping all of its meat and poultry suppliers and verifying that it comes from farms using responsible antibiotics. Over 56% of Menigo suppliers were approved by the end FY2020.

Cage-free eggs

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

Since the adoption of our commitment, Sysco has developed a full portfolio of cage-free egg options for our customers in both the shell and processed egg categories, currently at 160 items. Cage-free eggs currently make up approximately 17% of our total U.S. egg sales, for both shell and processed/liquid eggs. Affordability for this high-protein source remains a challenge in the marketplace. We believe the transition to a 100% cage-free egg supply chain by 2026 in the U.S. will require significant collaboration among industry participants, including our suppliers and customers, to specifically address food affordability and environmental concerns.



Group-housed pork

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



Human rights

We consider fair treatment of every worker involved in growing, harvesting, processing and shipping food products for Sysco a critical element of our responsibility as the global leader in food distribution. While we continually strive to identify new, better and more impactful ways to drive improvement in human rights throughout our supply chain, we expect our suppliers to uphold the rights of individuals as outlined in the United Nations Declaration of Human Rights. 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.

Our efforts are guided by our [Global Supplier Code of Conduct](#) (Supplier COC), which describes the legal, moral and ethical standards we expect from all suppliers throughout our global operations, including the protection of human rights. In addition we expect each supplier to operate in full compliance with all applicable national, state, provincial, regional, local and other laws and regulations. The Supplier COC also applies to affiliates and subcontractors of suppliers and to their respective facilities, to the extent those facilities supply goods for ultimate sale to Sysco. The Supplier COC makes clear that Sysco will initiate and renew contractual relationships only with suppliers who do not violate basic human rights. In FY2021 we will work to review and enhance the Supplier COC to ensure it is reflective of the global influences and nuances of our corporation.

Sysco subsidiary Brakes U.K.'s 2025 goal: All Brakes suppliers will abide by the Code of Conduct and be members of SEDEX.



Assessments

All Sysco Brand approved suppliers in high-risk Latin American and Asian countries must undergo third-party assessments to identify potential risks relating to wages, working hours, discrimination, worker safety, living conditions and child and forced labor.

In FY2020, 140 assessments were conducted in 19 countries. This total included 21 initial audits and 119 assessments of facilities that had been audited in 2020. Among suppliers that have participated in the program for multiple years, 17% demonstrated improvement when compared to their previous audit. Additionally, nine facilities achieved a perfect score in FY2020 while 11% received a lower rating than the previous year, and one supplier was terminated for not meeting expectations.



Responsible sourcing

Given our global scale, we source commodities from around the world continuously. Our supply chain represents both a competitive edge and a significant opportunity to display how we practice corporate social responsibility. Regardless of the commodity we source, ensuring its sustainability is critical for us to deliver high-quality, safe products to customers. In 2019, we began the work

toward our 2025 goal: establishing responsible sourcing guidelines in our U.S. and Canadian markets for five key commodities. To ensure our commitments are clear, tangible and implementable, we spent much of the year doing the groundwork required to set our goals and validate them with experts and partners. In late FY2020, we completed the work to establish the following commitments in our U.S. and Canadian markets for four of our five key commodities, with the last expected to publish in FY2021.

RESPONSIBLE SOURCING COMMITMENTS

Beef



Our scope:

265 million pounds in Sysco Brand or equivalent to to **487,000** head of cattle

Our commitment:

As a major global purchaser and distributor of a wide variety of beef products, we understand our responsibility to ensure that the beef products we procure in our supply chain are produced in a manner that sustains the beef industry while minimizing negative environmental and social impacts. We are embarking on a new journey to use our influence to positively impact this process and are committing to the following actions:

- Join the U.S. and Canadian Roundtables for Sustainable Beef in 2020 and actively participate in forming the principles and approaches for defining and measuring a sustainable beef supply chain.
- Partner with our major beef suppliers to pilot a minimum of two projects by 2022 that will result in positive impacts in the beef supply chain. These could include, but are not limited to, procurement initiatives that reduce miles driven and optimize load fill for our beef purchases; and mapping the carbon footprint of our beef supply chain to find mutual opportunities for improvement.

As we learn more from our participation in the U.S. and Canadian Roundtables, and as the industry progresses, we commit to report on our progress and share any key learnings or opportunities we discover.



Paper



Our scope:

81 million pounds in Sysco Brand

Our commitment:

Sysco is committed to working with suppliers that implement sustainable forest management practices. By 2025, all Sysco Brand paper towels, paper napkins, bath and facial tissues will come from Forest Stewardship Council or Sustainable Forestry Initiative-certified sources or equivalent standards. We will begin by focusing on the categories with the highest volume where we are better able to leverage our scale to drive change.

Coffee



Our scope:

5 million pounds in Sysco Brand equivalent to **3.3 million** coffee trees

Our commitment:

Sysco is committed to advancing sustainable practices in our coffee supply chain. By 2025, 75% of Sysco Brand Coffee will come from certified sources or verified sustainable sourcing programs.

Soy



Our scope:

430 million pounds Sysco Brand or equivalent to **780,000** acres

Our commitment:

As a major purchaser of soybean oil, Sysco is committed to advancing sustainable agricultural practices in our supply chain. By 2025, Sysco will:

- 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, beginning with farmers enrolled in the USDA Farm program or equivalent assurance as determined by Sysco.
- Incorporate sustainability criteria into future Sysco Brand commodity soybean oil events.
- Should we need to source soybean oil from high-risk areas around the globe, ensure sustainability standards are factored into sourcing decisions.



Our Swedish company Menigo exceeded its responsible sourcing target for the second year in a row in FY2020, with 22% of total sales coming from third-party-certified environmental labeled products. Menigo also maintained 100% use of sustainably sourced palm oil and sustainable soy in its branded products, including the feed used for producing meat, poultry, fish and dairy products.

Sustainable seafood

Seafood is a significant source of protein for millions of people around the world with many relying solely on seafood for their nutrition. However, given the continued pressure on ecosystems and fisheries due to decades of overfishing, Sysco maintains a long-standing commitment to sourcing sustainable seafood. In partnership with the World Wildlife Fund (WWF), we work to continually improve processes and technologies across our seafood supply chain since 2009.



In FY2020, we honored McCormick & Company U.S. as part of our annual Supplier Excellence Awards, that recognize the commitment, support and partnership of suppliers who best deliver Sysco's vision of being our customers' most valued and trusted business partner.

Our 2020 sustainable seafood sourcing commitments are focused on our Top 15 wild-caught and Top 5 aquaculture species where we have the purchasing power to drive change. We seek to both purchase products from certified fisheries and farms and support fisheries and farms pursuing fishery or aquaculture improvement projects. See our full commitments [here](#).

As of December 31, 2019, Sysco sourced approximately 99% of our top 15 wild-caught Portico Brand seafood species from fisheries in that are MSC certified, in MSC assessment, or in a comprehensive



Sysco purchased 42 million pounds of seafood from MSC-certified fisheries in CY2019.



fishery improvement project (FIP). Additionally, all of Sysco's Portico Brand wild-caught cod, haddock, salmon, halibut, clams, whiting, and flounder are sourced from MSC-certified fisheries. All of Sysco's canned tuna suppliers were International Seafood Sustainability Association (ISSA) participating companies, committed to following best practices for tuna conservation and management.

Supporting change on the water, for both the fisheries and the communities that depend upon them, is a core part of Sysco's comprehensive sustainable seafood commitment. Sysco encourages continuous improvement in these fisheries by working with suppliers to participate in comprehensive FIPs as they transition to certified sources. Sysco has supported 20 comprehensive FIPs since 2009 through our partnership with WWF. We believe the most beneficial approach is to continue working with these fisheries to improve their environmental performance and ultimately achieve MSC certification.

By the end of calendar year 2019, Sysco had sourced approximately 79 percent of volume for our top five aquaculture Portico Brand seafood species from sources that are ASC-certified, in ASC assessment, in a credible aquaculture improvement project (AIP)



Celebrating 50 years

Sysco's CSR journey began decades ago when the Board first established our food safety audit process and continues today with our 2025 goals.

or at a minimum BAP 2-star certified. This 2019 volume included approximately 13.8 million pounds of seafood from ASC-certified farms. We continue to work with our supply chain and NGO partners to advance the sustainability performance of our remaining top aquaculture species, including farmed shrimp and catfish, and support efforts to reach certification. We are also committed to promote WWF's efforts to improve seafood traceability globally by participating in the Global Dialogue for Seafood Traceability, as well as enhancing Sysco's capabilities to trace seafood products throughout our supply chain. As we near the end of our current seafood commitments, we are actively working to establish new commitments for the next five years with WWF and will be announcing these later this year. Learn more about our sustainable seafood efforts [here](#).

Safe products

The principles of responsibility, inclusiveness, integrity, trust and excellence guide our quality assurance (QA) and food safety (FSQA) programs and allow us to provide the highest-quality products to our customers globally. 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. Risk assessments for products, our suppliers and our own sites inform the development of preventive controls for known food safety hazards in our supply chain. These preventive controls programs are applied at our suppliers, our specialty company manufacturing facilities and in our distribution centers.



Compliance standards

All potential locations to be considered for production of Sysco Brand product must first pass the FSQA supplier approval process. This is a comprehensive process that uses documentation review and physical audits to verify a supplier's facility, product-related food safety and QA programs. Following approval, we then establish ongoing monitoring and verification procedures in partnership with the supplier to ensure Sysco Brand products are manufactured and packed in accordance with agreed-upon specifications in an environment conducive to food safety. Commodities such as raw ground beef, ready-to-eat deli meats and poultry, ready-to-eat seafood and ready-to-eat produce must adhere to even more rigorous Sysco QA food safety requirements designed to mitigate pathogen risks.

Our FSQA team includes approximately 290 full-time associates.



We use industry-leading standards to ensure our food's utmost safety and quality:



- **Global Food Safety Initiative (GFSI):** We use the food safety and quality systems certification processes of the Global Food Safety Initiative (GFSI) to guide our owned facilities as well as those used by our suppliers who produce products for Sysco Brand.

- **Brand Reputation for Compliance (BRC) Global Standards Storage & Distribution:**

We use the BRC Global Standards Storage & Distribution food safety certification audit program for Sysco Broadline and SYGMA distribution centers.

- **Safe Quality Foods (SQF):** FreshPoint and all our Specialty Meat Companies use SQF as their certification standard.
- **Good Agricultural Practices (GAP):** All suppliers of Sysco Brand fresh, ready-to-eat produce are required to comply with our Good Agricultural Practices (GAP), requirements. In FY2020, the Sysco GAP program monitored nearly 600 suppliers and conducted over 40,000 GAP audits.
- **Point Source Inspections:** We have formal inspection programs under our Point Source Inspection Program at more than 150 approved overseas supply facilities in Africa, Asia, Europe and Latin America to monitor products for quality and safety prior to being delivered to our North American companies. Sysco suppliers must also undergo annual independent food safety audits every year in addition to our monitoring.
- **Preventive controls along the supply chain:** To minimize risks in food safety from supplier to the customer, we deploy multiple preventive controls throughout our process, including hazard analysis and critical control points (HACCP) and formal food safety programs, such as supplier approval programs, sanitation, foreign materials control, allergen control, good food handling practices and recall procedures.

In FY2020, the Sysco GAP program monitored nearly **600** suppliers and conducted over **40,000** GAP audits.



PLANET

At Sysco our commitment to protecting our planet is one we have worked toward since our inception 50 years ago. Our priorities remain expanding sustainable agriculture practices, reducing our carbon footprint and delivering more goods safely while generating fewer emissions. We also remain committed to making organic products more affordable and accessible as a healthy and environmentally friendly option and reducing waste across our operations.





FY2020 Highlights

- Incorporated 139 facilities in Sysco's Energy Management program
- Completed the first pilot program of the Sustainable Food Group Sustainability Standard for tomatoes
- Solidified partnership with Freightliner to test electric vehicle in FY2021
- Identified nearly 290 carbon emissions-reduction improvements at 19 facilities

Progress



Sustainable agriculture

We deliver food across 625,000 customer locations globally. For our customers to consistently receive delicious and safe food for their patrons, we must ensure that our sourcing and agricultural practices follow high standards and are sustainable. We promote economically viable practices to protect environmentally sensitive areas, improve air, water, soil quality and wildlife resources, and conserve nonrenewable mineral resources. Sysco's Sustainable Agriculture/Integrated Pest Management (IPM) program was launched in 2004 and encourages responsible use of pesticide and nutrient inputs to only those needed for a successful crop. The initiative also



promotes waste reduction through recycling and the conservation of energy and water in farming, processing and distribution. Suppliers and growers who participate in our program typically apply IPM practices throughout their acres beyond those devoted to Sysco product. This elevates standards and practices across the industry, yielding valuable data about suppliers' agricultural inputs and conservation efforts. The impact of our IPM program is broad and global, involving 125 processing locations and 11,399 growers of agricultural products worldwide. In the 2019 growing season, our suppliers reported avoiding over 8.4 million pounds of pesticides by utilizing IPM principles. Pesticides avoided since the inception of the program 14 years ago now total over 49 million pounds.

COMMITTED TO PROGRESS

Due to travel restrictions imposed by the COVID-19 pandemic, we had to pause some of our planned work in FY2020 toward extending our sustainable agriculture program into fresh crops. We remain committed to our goals and our partnerships and aim to continue implementing once travel restrictions have been lifted.



Piloting the Sustainable Food Group Sustainability Standard in Mexico

With the wide success of the Sysco Sustainable/IPM Program, now implemented worldwide with 62 fruit and vegetable supply chains and more than 1.3 million acres, the Sustainable Food Group Sustainability Standard™ was launched in the fresh supply chain. This standard addresses requests from additional producers that performance be similarly documented and reported to buyers and others and has been modeled after the IPM Program.

The objective of the program is to recognize farming and processing operations for performance on sustainability measures and encourage continuous improvement — and in 2019, we completed the first pilot with one of our fresh tomato suppliers and one of their growers in Mexico. Developed by Sustainable Food Group, part of the IPM Institute of North America, Azzule Systems and Primus Auditing Ops, this marks the first completed pilot for the standard.

Among the significant practices the standard identified at our supplier include:

- **Soil health:** Breeding beneficial soil fungi and bacteria to control nematodes, soil-dwelling pests that damage the roots of many crops, with new soil samples collected multiple times per season to isolate and reproduce new strains.
- **Beneficial insects habitat:** Introducing new efforts to attract and release beneficial insects, including planting a few rows of oats, which attract three different species of lady beetles, outside the greenhouses.
- **Worker welfare:** The 2,000+ workers are provided with 24-hour access to medical care, an on-site dentist and psychologist, on-site daycare and schooling for children of workers, and adult literacy classes, which provide workers with the ability to earn their high school diplomas. All seasonal workers also receive safe transportation to and from their communities at the beginning and end of the growing season.

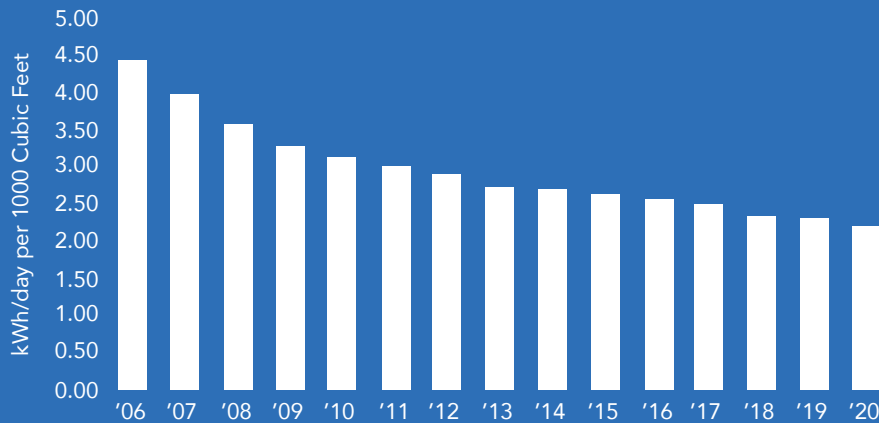




Energy

We are committed to reducing the energy intensity of our operations across Sysco's facilities globally. Our goal is to deploy energy-efficiency measures that are the right ones not just for today, but for years to come. In FY2020, we exceeded our goals by continuing to make progress with our Energy Management (EM) program wherever deployed. Our EM program goes beyond equipment upgrades to implementation of more efficient processes. By the end of FY2020, some 139 facilities were included in the EM program. We expect 142 facilities to be enrolled in the program by the end of FY2021.

ANNUAL AVERAGE ENERGY INTENSITY



Historical progress on reducing the average kWh per 1000 cubic feet at U.S. and Canada Broadline facilities

Our energy conservation efforts were also boosted due to office closures and reduced case volume toward the end of FY2020 because of the COVID-19 pandemic. Despite having to pause capital investments as planned, continued monitoring and efficient management of our operations throughout the pandemic helped

achieve several of our goals ahead of schedule. We calculate that since 2014 our EM program has increased energy efficiency 16.6% across participating locations. In FY2020, we identified nearly 290 emissions-reduction improvements at 19 facilities.

Renewable energy

With research and testing proving the value of using electric vehicles to meet our operational requirements and sustainability objectives, we began actively pursuing the electrification of our truck fleet in FY2020. We also went live with two new solar arrays at our Sacramento and SYGMA Lancaster operating sites, reflecting our commitment to solar generation to minimize our environmental footprint. We now have a total of eight sites generating a total of 10,880 MWh.

Piloting electric vehicles

With electric vehicles expected to have a major impact on the transportation industry, both in helping reduce carbon emissions as well as fundamentally improving mobility, we continue to test technologies and forge new partnerships to get closer to our fleet target. Specifically, in FY2020, we focused on evaluating various new technologies, designing scalable charging infrastructure, working with partners on incentive funding to offset capital and operation costs, and planning curriculum for drivers' training. Our aim is to begin procurement in latter half of FY2022. We also continued our partnership with Advanced Clean Transportation (ACT) Fleet Forum, a consortium of trucking companies looking to share best practices on reducing their carbon footprint through adoption of renewable energy technologies. The ACT Fleet Forum provides a range of value and business benefits by enabling participating commercial fleets to stay at the cutting edge of advanced clean fleet technologies, regulations, funding and low-emission fuels.



We calculate that since 2014 our Energy Management program has increased energy efficiency **16.6%** across participating locations.



Contract carriers

Intermodal and rail shipping provides significant environmental and cost advantages for Sysco. Toward the end of the year, however, we had to reduce the use of all rail modes in order to minimize the amount of inventory needed to accommodate the significantly longer lead-times. We continue to work hard to navigate the ongoing extreme sales variability by using transportation modes with short lead-times to maintain service levels.

- **U.S.:** Moved 1,282 rail boxcars and shipped 11,389 intermodal loads to avoid using 3.4 million gallons of fuel and 77 million pounds of CO₂.
- **Canada:** Shipped 1,624 intermodal loads to avoid the use of almost a half million gallons of fuel and 7 million pounds of CO₂.

Load-fill optimization

We also partnered with Manhattan Inventory to develop load-fill optimization software as part of their May 2020 release. This capability builds on work conducted at the regional distribution centers (RDCs) over the last three years, which eliminated, on average, 125 truckloads per year. In late 2020, RDCs will begin testing this new functionality with planned rollout to all sites during 2021, which will reduce Sysco's carbon footprint by reducing the number of trucks we use to stock our sites.

Truckloads avoided due to improved load-fill:

- 2019: 159 trucks
- 2018: 100 trucks

There was ~20% reduction from FY2019 to FY2020 on rail boxcars, intermodal loads, fuel and carbon emissions.



Sysco won the Manhattan Inventory Innovator of the year award for our enduring success in optimizing inventory across more than 80 distribution locations and more than 700 end users.

Building omnichannel inventory capabilities

In FY2020, we reorganized our inbound supply chain teams, forming a Global Supply Chain organization tasked with developing our omnichannel inventory management capabilities. This will allow our customers and sales consultants to access and purchase Sysco's broad assortment of products through a common ordering platform. Our customers' experience guides our evolution — and we believe that by building a world-class Global Supply Chain organization, our teams can better connect the dots between procurement, suppliers, transportation and customer needs.

Waste

Roughly 40% of the world's food goes uneaten, along with 52 million tons of food sent to landfills annually in the U.S. alone. Yet, hunger hot spots continue to emerge. We believe that waste represents a critical area for collaboration and incremental progress. With recycling infrastructure unevenly available and disparately managed around the world, our focus is on establishing best practices internally on how to best manage our organic waste. We spent much of FY2020 piloting several approaches, including meal donations, livestock feed and biofuel production, to understand what we can implement across our locations in a way that is impactful, locally driven and scalable. The COVID-19 pandemic crisis brought hunger back on the front page — and helped us better partner to provide food to those struggling the



most. With millions more people around the world seeking food assistance, Sysco worked closely with suppliers, customers and other entities on diverting food to outlets and donation sites. The recycling market also took a major hit in 2019 from China's decision to stop accepting recyclable waste from other countries.

While our sites and plants stayed the course by identifying local solutions and avoiding waste-to-landfill, this geopolitical tension represents an ongoing challenge in our pursuit of our 2025 goal to divert 90% of operations and food waste from landfill. In FY2020, our diversion rate was 69%. In line with its 2030 goal to ensure all



Seven Sysco Canada locations have donated nearly 200,000 pounds of food since joining FoodRescue.ca. These donations diverted more than 500,000 kg of greenhouse gas emissions from being released in landfills.

plastic material for packages and consumables comes from fossil-free sources or from recycled fossil raw material, the Menigo team phased out the use of black plastic from its own meat production in FY2020 because of the difficulty involved in separating it in recycling plants. As with all manufacturing and distribution businesses, this also gave us the opportunity to do more with organic waste and be creative with whom we collaborate and how. Challenges force innovation, and we remain committed to working with other vendors in the U.S. and globally on alternatives to landfill.

Water

Although Sysco is not an intensive water user, we use water for refrigeration systems, washing vehicles and landscaping. We have identified and implemented water-saving opportunities such recycling water from vehicle washing stations and using rainwater for landscaping at our offices. Sysco's largest water usage is from condensers in refrigeration, which we address by capturing and recycling condensation from cooling processes at five U.S. locations. These systems can conserve and recycle a significant volume of water.



We have installed technology to capture and recycle condensation from cooling processes at five locations.












[Celebrating Sysco's 50th](#)[CSR at Sysco](#)[People](#)[Products](#)[Planet](#)[Appendix](#)

APPENDIX

A close-up photograph of a chef in a white uniform and gloves, carefully garnishing a dish on a white plate. The dish features a large piece of seared salmon, a fresh green salad, and a slice of lemon. The chef is smiling and looking down at the food.



CSR Scorecard

Impact area	FY2025 goal	FY2018 baseline	FY2020 progress
 Charitable Giving	Donate 200 million meals Contribute \$50 million	6.3 million meals \$4.7 million	39.2 million meals ¹ \$4.4 million ²
 Inclusion + Diversity	Increase U.S. associate ethnic and gender diversity to 62% Increase spend 25% with minority- and women-owned enterprise (MWBE) suppliers	54.8% \$750 million	56.9% \$643 million ³
 Health & Well-being	Double associate participation in health and well-being program Expand portfolio of products with health and wellness benefits	21% TBD	23% Exploring additional pillars
 Animal Welfare	100% Sysco Brand supplier compliance with Animal Welfare Policy for Suppliers	TBD	Published Sysco's Animal Welfare Policy for Suppliers
 Human Rights	100% first-tier, high-risk supplier compliance	TBD	Identifying high-risk suppliers
 Responsible Sourcing	Five commodities identified and commitments met	TBD	Established guidelines for four key commodities
 Sustainable Agriculture	Double availability of organic produce Five fresh crops in the sustainable agriculture program	38 items TBD	38 items Piloted tomatoes
 Energy	Source 20% of electricity from renewable sources Power 20% of tractor fleet with alternative fuels	1% 0%	11% 0%
 Waste	Divert 90% solid and food waste from landfill	65%	69%

¹ Sysco has donated a total of 53 million meals since FY18.

² Sysco has donated a total of \$15.5 million dollars since FY18.

³ Despite a downturn in FY2020 due to the COVID-19 pandemic, in FY2019, Sysco spent \$782M with MWBE suppliers, marking an increase of 4.3% from our FY18 baseline.



Additional CSR Resources

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

About Sysco and our Board

- [About our Business – Page 1, Annual Report](#)
- [Reporting segments – Page 1, Annual Report](#)
- [Customers and products – Page 2, Annual Report](#)
- [Product sourcing – Page 3, Annual Report](#)
- [Associates – Page 4, Annual Report](#)
- [Identifying and managing risk – Page 17, Proxy](#)
- [Board composition and responsibilities](#)
- [Board committees and their role](#)
- [Executive compensation – Page 40, Proxy](#)
- [Ethics and compliance – Page 18, Proxy](#)
- [Reporting concerns – Page 18, Proxy](#)

Other Resources

- [Associate Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [CDP Climate Change CY2019](#)
- [CDP Water CY2019](#)
- [LRQA Assurance Statement CY2019](#)
- [Palm Oil ACOP CY2019](#)





Materiality & stakeholder engagement

Sysco's 2025 CSR strategy is based on our 2018 materiality assessment, which identified the environmental, social and governance topics that reflect what our stakeholders deem to be most important and/or that influence their decisions. We did not conduct another materiality assessment in FY2020, given the shift in focus on navigating the COVID-19 pandemic and continuing internal efforts in pursuit of our 2025 goals.

Our primary stakeholders

Associates

Our 57,000 global associates bring Sysco's strategic priorities to life and enable our growth. We know that our associates and future talent care deeply about how we engage with communities, and CSR has become a valuable tool in our recruiting and retention efforts. We engage with associates via Sysco Speaks (our companywide engagement survey), "The Dish" (our intranet site), Sysco Interactive University (our online learning platform), Sysco To-Go (internal app of news and resources for Sysco associates), social media and other channels. We made strong progress in FY2020 in continuing to expand the scope of our engagement and communication efforts to include all of our global associates.

Customers

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



Investors

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

Regulators

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



NGOs

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

Suppliers

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

Peers

Engagement with industry participants helps advance best practices and influence regulatory and legislative improvements. Sysco's Animal Welfare Council, for instance, brings together academic and industry animal welfare experts to provide guidance to Sysco leaders on the design, development and implementation of animal welfare programs, and offers perspectives on emerging issues and best practices. An important driver in our work is Sysco's Animal Welfare Advisory Council. The Council meets annually with the Sysco Quality Assurance (QA) and CSR teams to discuss animal welfare issues, including supplier performance. And through the British Frozen Food Federation (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.

