

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Sysco Corporation (“Sysco” or the “Company”) is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. We market our own quality Sysco brands in addition to major national, regional and ethnic brands, as well as local foods.

While our trucks are a familiar sight in cities across the U.S. and in Canada, many people are surprised to learn the full range of our products and services. We provide a wide spectrum of quality-assured food products, from basic fare to hard-to-find and imported gourmet items. Our restaurant products range from kitchen equipment, dishes and glassware to eco-friendly disposables. Our services include restaurant design, menu consultation, marketing support, employee training and more. For hotels, we offer supplies from bedding to guest soaps.

Our success comes from a commitment to partner with our customers to understand and meet their needs. We take the same hands-on approach with the growers, ranchers and processors who supply Sysco Brand products to make sure that everything we market represents our promise to make the experience of working with Sysco satisfying.

We serve approximately 500,000 customer locations around the world through a network of local operating companies complemented by specialty businesses. This structure gives us an effective blend of local knowledge, wide product selection and broad service capabilities. Our operations primarily exist in the United States and Canada, but also include operations in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas.

Our Broadline operating companies serve a wide spectrum of foodservice operators, from single-location, chef-driven restaurants to multi-unit restaurant groups, hotels, hospitals, educational facilities and entertainment venues including cruise ships and sports arenas. Our marketing associates know their customers and local market characteristics well, helping to create strong and lasting customer relationships.

SYGMA operating locations provide multi-unit customers with logistics and operational expertise.

Our network also includes various specialty companies that enhance our ability to provide our customers with niche and exclusive products. These include our meat-processing locations that provide our customers unique and fresh cuts of meat and seafood. Our specialty produce companies address customers' needs for fresh, unique and local produce items. European Imports provides customers with high-quality, specialty and imported food products.

Our Guest Supply company distributes equipment, textiles, accessories and personal care amenities to hotels and other lodging facilities. Our International Food Group distributes both food and non-food products to international customers in more than 90 countries.

Due to costs required to collect and report on data, we have chosen not to report on significant operations related to our international Broadline companies located in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas; a majority specialty meat and produce facilities; European Imports (a foodservice import specialty company); Guest Supply (a hotel amenities company); and International Food Group (a foodservice company that exports products to international customers).

Note:

Certain statements made herein that look forward in time or express management's expectations or beliefs with respect to the occurrence of future events are forward-looking statements under the Private Securities Litigation Reform Act of 1995.

These statements are based on management's current expectations and estimates; actual results may differ materially due in part to the risk factors discussed at Item 1.A. in the Annual Report on Form 10-K and elsewhere.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Distribution

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date |
|----------------|----------------|------------------|
| Reporting year | January 1 2017 | December 31 2017 |

W0.3

(W0.3) Select the countries/regions for which you will be supplying data.

Canada
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

| Exclusion | Please explain |
|---|--|
| Significant operations not evaluated include our international Broadline companies located in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas; the majority of our specialty meat and produce facilities; European Imports (a foodservice import specialty company); Guest Supply (a hotel amenities company); and International Food Group (a foodservice company that exports products to international customers). | Due to costs required to collect and report on data, we have chosen not to report on significant operations related to our international Broadline companies located in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas; European Imports (a foodservice import specialty company); Guest Supply (a hotel amenities company); and International Food Group (a foodservice company that exports products to international customers). The data set includes data from 12 specialty facilities that participated in a water data pilot program in CY17. Collecting information for all specialty companies and other excluded operations may be evaluated in the future. |

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

| | Direct use importance rating | Indirect use importance rating | Please explain |
|--|------------------------------|--------------------------------|--|
| Sufficient amounts of good quality freshwater available for use | Important | Important | Sysco's direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. Access to sufficient volumes and good quality water is required; however, our direct operations do not require significant water use. Sufficient volumes of good quality freshwater, primarily rainwater and/or irrigation water, has an indirect impact on our business as it is required to produce nearly all of our products. Short-term weather conditions or more prolonged climate change, crop conditions, water shortages, natural disasters, and extreme weather conditions have the potential to reduce or disrupt product availability within our supply chain and/or increase our cost of goods. Our inability to obtain adequate freshwater supplies as a result of these factors in the future could lead to inability to fulfill customer obligations. Should these situations arise, we may also be able to increase our sales prices for affected products to mitigate increases in our costs of goods. |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Neutral | Important | Although our operations are not water intensive, our ability to use recycled water reduces our freshwater withdrawals. Our operations (direct) have already identified water-saving opportunities, including recycling water from vehicle washing stations and refrigeration units and using rainwater for landscaping at some of our offices. We currently capture and recycle condensation from cooling processes at several newer facilities, and we plan to install these systems in new facilities constructed in the future. A number of Sysco suppliers (non-direct) utilize recycled/reused water in their manufacturing facilities. In FY17 (2016 crop season), our suppliers reported conserving nearly 370 million gallons of processing facility water based on water recycling/reuse implemented under Sysco's Integrated Pest Management (IPM) program. Conservation of water in our suppliers' operations is important to enhancing their long-term sustainability and may contribute to lower production costs. |

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

| Agricultural commodities | % of revenue dependent on these agricultural commodities | Produced and/or sourced | Please explain |
|---------------------------------|--|-------------------------|---|
| Cattle products | Less than 10% | Sourced | These two products represent the highest revenue ingredients for Sysco and likely the highest proportion of Sysco's water demand given they are protein-based and therefore require considerable water inputs in the 'raw material' life cycle stage. |
| Other, please specify (Poultry) | Less than 10% | Sourced | These two products represent the highest revenue ingredients for Sysco and likely the highest proportion of Sysco's water demand given they are protein-based and therefore require considerable water inputs in the 'raw material' life cycle stage. |

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

| | % of sites/facilities/operations | Please explain |
|---|----------------------------------|--|
| Water withdrawals – total volumes | 100% | Total water withdrawals are captured at 98% of our operating locations (not including exclusions reported under W0.4a) as part of our environmental data management system. We developed a company-wide intensity metric based on sites with water withdrawal data (ML/1,000 ft3 average space) to estimate water withdrawals for the sites without data, bringing our total up to 100% of sites covered. We record this data to better understand our resource usage at a facility and company level. |
| Water withdrawals – volumes from water stressed areas | 100% | Using the WRI's Aqueduct tool, we were able to assess all the sites given their location for water stress. We defined stressed as having an 'overall water risk' (as defined by the WRI as 'High' or 'Extremely High'). |

| | % of sites/facilities/operations | Please explain |
|---|----------------------------------|--|
| Water withdrawals – volumes by source | 100% | Water withdrawals by source are captured at 121 of 123 of our operating locations (not including exclusions reported under W0.4a) as part of our environmental data management system. The vast majority of our operating locations with water withdrawal data (117 of 123) rely on municipal supply (10 sites use renewable groundwater, including 4 sites that use both municipal supply and groundwater), so municipal supply was assumed for the 6 sites with water withdrawals estimated using the company-wide intensity metric, bringing our total up to 100% of sites covered. We record this level of data to better understand our resource usage at a facility and company level. |
| Produced water associated with your metals & mining sector activities - total volumes | <Not Applicable> | <Not Applicable> |
| Produced water associated with your oil & gas sector activities - total volumes | <Not Applicable> | <Not Applicable> |
| Water withdrawals quality | 100% | The Water Risk Filter has a metric called Physical Risk Pollution (quality) which we used as a guide to determine quality for all sites. This covers aspects such as general situation of water pollution around facility, nitrogen/phosphorous/pesticide/organic/sediment/mercury loading, soil salination, potential acidification and thermal alteration. |
| Water discharges – total volumes | 100% | Select operating locations are currently working to improve their recording of total water discharges in our environmental data management system. Total water discharges are captured at 62 of 123 of our operating locations (not including exclusions reported under W0.4a). We developed a company-wide intensity metric based on sites with water discharge data (ML/1,000 ft3 average space) to estimate water discharges for the 61 sites without data, bringing our total up to 100% of sites covered. Please note that according to the GRI, “discharge of collected rainwater and domestic sewage is not regarded as water discharge”; however, domestic sewage is included in Sysco’s water discharges. |
| Water discharges – volumes by destination | 100% | Select operating locations are currently working to improve their recording of water discharges by destination in our environmental data management system. Water discharges by destination are captured at 62 of 123 of our operating locations (not including exclusions reported under W0.4a). The vast majority of our operating locations with water discharge data (55 of 62) discharge to municipal/industrial treatment plants (9 sites discharge to groundwater, including 2 sites that discharge to both municipal/industrial treatment plants and groundwater), so municipal/industrial treatment plant was assumed for the 61 sites with water discharges estimated using the company-wide intensity metric, bringing our total up to 100% of sites covered. Please note that according to the GRI, “discharge of collected rainwater and domestic sewage is not regarded as water discharge”; however, domestic sewage is included in Sysco’s water discharges. |
| Water discharges – volumes by treatment method | 100% | Volume by treatment method refers to primary, secondary or tertiary treatment or pre-treatment/technology types before being returned to the environment. Since the majority of sites (89%) discharge to municipal/industrial treatment plants (73% of total water discharges), and since most municipal wastewater treatment facilities use primary and secondary levels of treatment, though some also use tertiary treatments, we have assumed secondary treatment for 73% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. We will evaluate opportunities to capture treatment methods for the 9 sites that discharge to groundwater in the future. |
| Water discharge quality – by standard effluent parameters | 100% | Based on the 62 sites with actual water discharge data, 9 sites discharge to groundwater while 73% of water discharges are sent to municipal/industrial treatment plants. ‘Water discharge quality data - quality by standard effluent parameters’ is applicable to organizations that discharge effluents or process water, so this water aspect is not applicable to the majority of our water discharges. We do not currently track water discharge quality by standard effluent parameter (e.g., BOD or TSS) for the 9 sites that discharge to groundwater (27% of our water discharges) as part of our environmental data management system. We will evaluate opportunities to capture this level of data in the future. |
| Water discharge quality – temperature | Not monitored | We do not currently monitor the temperature of waster discharged from our sites. |
| Water consumption – total volume | 100% | We estimate consumption by calculating the difference between total (actual and estimated) water withdrawals and total (actual and estimated) water discharges (not including exclusions reported under W0.4a). Please note that according to the GRI, “discharge of collected rainwater and domestic sewage is not regarded as water discharge”; however, domestic sewage is included in Sysco’s water discharges. Our work to improve our process for recording water discharges will enhance our ability to calculate our total consumption at our operating locations in the future. |
| Water recycled/reused | Not monitored | This is not currently monitored but the aim is to start collecting the data over the next year from our facilities. |
| The provision of fully-functioning, safely managed WASH services to all workers | 100% | All of our Sysco-owned facilities provide and regularly review access to fully-functioning WASH services for all workers in support of our Prerequisite & Food Safety Program - Good Manufacturing Practices (GMP) section. |

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

| | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|-------------------|--------------------------|---|--|
| Total withdrawals | 2366 | Higher | Total water withdrawals increased 12% from 2121.76 ML in 2016 to 2,366 ML in 2017 due to more accurate tracking of water withdrawal data by source and normal fluctuations in water withdrawals; 2% of the 2016 withdrawals (61 ML) were estimated. To quantify uncertainty associated with the estimated data, a 20% margin of error was applied to the estimated withdrawals based on the estimation technique utilized and professional judgment. Using the "GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories & Calculating Statistical Parameter Uncertainty", Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares technique). The aggregated uncertainty introduced to Sysco's total water withdrawals is approximately 0.8%. |
| Total discharges | 1610 | Higher | Total water discharges increased 46% from 1106 ML in 2016 to 1610 ML in 2017 due to accounting for additional sites 111 sites in 2016, 123 sites in 2017). Please note that domestic sewage is included in Sysco's water discharges. To quantify uncertainty associated with estimated data, a 20% margin of error was applied to the estimated discharges based on the estimation technique utilized and professional judgment. Using "GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories & Calculating Statistical Parameter Uncertainty", Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares technique). Aggregated uncertainty introduced to Sysco's total discharges is approximately 9.8%. |
| Total consumption | 756 | Much lower | We estimate consumption by calculating the difference between total (actual and estimated) water withdrawals and total (actual and estimated) water discharges (not including exclusions reported under W0.4a). Total water consumption decreased 26% from 1015.76 ML in 2016 to 756 ML in 2017 primarily due to a significant increase in discharge but only a relatively same increase in withdrawals. Please note that according to the GRI, "discharge of collected rainwater and domestic sewage is not regarded as water discharge"; however, domestic sewage is included in Sysco's water discharges. Our work to improve our process for recording water discharges will enhance our ability to calculate our total consumption at our operating locations in the future. |

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

| | % withdrawn from stressed areas | Comparison with previous reporting year | Identification tool | Please explain |
|-------|---------------------------------|---|---------------------|--|
| Row 1 | 46 | This is our first year of measurement | WRI Aqueduct | Using the WRI's Aqueduct tool, we were able to assess all the sites in the risk assessment, given their location, for water stress. We defined stressed as having an 'overall water risk' (as defined by the WRI) as 'High' or 'Extremely High'. Given the granularity of the Aqueduct data to river basin, we determined this to be an appropriate tool to use. |

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from water stressed areas?

| Agricultural commodities | The proportion of this commodity produced in water stressed basins is known | The proportion of this commodity sourced from water stressed basins is known | Please explain |
|---|---|--|---|
| Cattle products | Not applicable | No, we do not have this data and have no plans to obtain it | Since Sysco primarily obtains our foodservice and related products from third-party suppliers through a complex supply chain, the data collection required to evaluate water stress for our significant commodities will require significant investment in time and resources. This is not an immediate business priority, as we continue to evaluate the impacts of our direct operations and other material focus areas resulting from our newly developed sustainability strategy. |
| Other commodities from W-FB1.1a, please specify (Poultry) | Not applicable | No, we do not have this data and have no plans to obtain it | Since Sysco primarily obtains our foodservice and related products from third-party suppliers through a complex supply chain, the data collection required to evaluate water stress for our significant commodities will require significant investment in time and resources. This is not an immediate business priority, as we continue to evaluate the impacts of our direct operations and other material focus areas resulting from our newly developed sustainability strategy. |

W1.2h

(W1.2h) Provide total water withdrawal data by source.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|--|--------------|--------------------------|---|---|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Not relevant | <Not Applicable> | <Not Applicable> | We do not have fresh surface water withdrawals |
| Brackish surface water/seawater | Not relevant | <Not Applicable> | <Not Applicable> | We do not have brackish surface water/seawater withdrawals |
| Groundwater – renewable | Relevant | 198.05 | Higher | Renewable groundwater was used at 10 of our operating locations in 2017. Our renewable groundwater withdrawals increased 29% from 153.48 ML in 2016 to 198.05 ML in 2017; 0.4% of these withdrawals (0.7 ML) were estimated. This increase can be attributed to more accurate tracking of water withdrawal data by source. |
| Groundwater – non-renewable | Not relevant | <Not Applicable> | <Not Applicable> | We do not have non-renewable groundwater withdrawals |
| Produced water | Not relevant | <Not Applicable> | <Not Applicable> | We do not use produced/process water |
| Third party sources | Relevant | 2167.95 | About the same | 114 of our 123 operating locations (not including exclusions reported under W0.4a) used 2167.95 ML of municipal supply water (our only source of third party water) in 2017, and 4.2% (91.37 ML) of these water withdrawals were estimated. To estimate withdrawals for the 7 sites without data, assumed to be municipal supply, Sysco developed a company-wide intensity metric based on sites with renewable groundwater and municipal supply withdrawal data (0.00264 ML/1,000 ft ³ average space) to estimate withdrawals of 91.37ML. Total municipal supply increased 10% compared to 2016 (1968.31 ML) due to normal fluctuations in water withdrawals. |

W1.2i

(W1.2i) Provide total water discharge data by destination.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|---------------------------------|--------------|--------------------------|---|--|
| Fresh surface water | Not relevant | <Not Applicable> | <Not Applicable> | We do not discharge to fresh surface water |
| Brackish surface water/seawater | Not relevant | <Not Applicable> | <Not Applicable> | We do not discharge to brackish surface water/seawater |
| Groundwater | Relevant | 204.4 | Higher | 9 of our operating locations discharged 204.4 ML to groundwater in 2016 (0.3% estimated); this represents a 31.3% increase compared to 155.7 ML in 2016. Select operating locations are currently working to improve their recording of water discharges by destination in our environmental data management system. |
| Third-party destinations | Relevant | 1406.02 | Higher | Total water discharges increased 27% from 1,106.03 ML in 2016 to 1406.02 ML in 2017 due to more sites being covered and normal fluctuations in water discharges; 56.8% of 2017 discharges (715.83 ML) were estimated. Please note that domestic sewage is included in Sysco's water discharges. To quantify uncertainty associated with estimated data, a 20% margin of error was applied to the estimated discharges based on the estimation technique utilized and professional judgment. Using "GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories & Calculating Statistical Parameter Uncertainty" (http://www.ghgprotocol.org/files/ghgp/tools/ghg-uncertainty.pdf), Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares technique). Aggregated uncertainty introduced to Sysco's total discharges is approximately 10.2% |

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

| Agricultural commodities | Water intensity information for this produced commodity is collected/calculated | Water intensity information for this sourced commodity is collected/calculated | Please explain |
|---|---|--|--|
| Cattle products | Not applicable | No, not currently but we intend to collect/calculate this data within the next two years | Since Sysco primarily obtains our foodservice and related products from third-party suppliers through a complex supply chain, the data collection required to evaluate water consumption for our significant commodities will require significant investment in time and resources. This is not an immediate business priority, as we continue to evaluate the impacts of our direct operations and other material focus areas resulting from our newly developed sustainability strategy. |
| Other commodities from W-FB1.1a, please specify (Poultry) | Not applicable | No, not currently but we intend to collect/calculate this data within the next two years | Since Sysco primarily obtains our foodservice and related products from third-party suppliers through a complex supply chain, the data collection required to evaluate water consumption for our significant commodities will require significant investment in time and resources. This is not an immediate business priority, as we continue to evaluate the impacts of our direct operations and other material focus areas resulting from our newly developed sustainability strategy. |

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25%

% of total procurement spend

1-25

Rationale for this coverage

Sysco's IPM program, launched in 2004, promotes responsible use of agricultural inputs, such as fertilizers, pesticides, energy and water, by growers of Sysco Brand canned and frozen fruit, vegetables and potatoes. Participating processors and farmers work to identify and protect environmentally sensitive areas, build soil health and preserve water quality by using cover crops, crop rotation and natural pest control methods. Our suppliers often find it cost-effective to apply the sustainable and IPM practices Sysco requires on acreage throughout their operation, elevating the standards and practices in the industry. This also results in suppliers reporting performance metrics to us for their entire operation, including input and waste reduction, and water and energy conservation. These have improved dramatically from prior reported numbers as we engage new suppliers and as metrics reported to us on a voluntary basis increase. This is a key indicator of program success.

Impact of the engagement and measures of success

In crop year 2016, the program covered the full range of 59 crops we purchase, representing 68 Sysco Brand suppliers, 183 processing locations and over 2 million acres under cultivation. Suppliers are required to follow the program and report certain data, but recognizing that reporting may be overly burdensome to smaller suppliers, they are not required to report all environmental indicators (e.g., water); ~1/2 of Sysco Brand suppliers participating in the program do report water data. For crop year 2016, suppliers reported conserving 370 million gallons of water in manufacturing facilities plus field water through employment of good agricultural practices. Suppliers reported numerous other successes, reducing electricity use by over 125 million kWh, recycling nearly 4 million tons of non-edible oil, as well as avoiding the use of 6.5 million pounds of pesticides.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

No other supplier engagements

Details of engagement

<Not Applicable>

% of suppliers by number

<Not Applicable>

% of total procurement spend

<Not Applicable>

Rationale for the coverage of your engagement

Impact of the engagement and measures of success

<Not Applicable>

Comment

<Not Applicable>

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and total financial impact.

Country/Region

United States of America

River basin

Other, please specify (multiple - see comment)

Multiple river basins across US Gulf Coast, East Coast, and the Caribbean.

Type of impact driver

Physical

Primary impact driver

Severe weather events

Primary impact

Closure of operations

Description of impact

During the 2017 hurricane season, Sysco experienced a series of 5 back-to-back hurricanes that threatened operations at 68 Sysco locations, some more than once, and activated over 350 associate responders across the US Gulf Coast, East Coast, and the Caribbean. However, no products were lost at the various companies, employees were supported throughout, and no major assets were lost, which demonstrated resiliency of Sysco's operations and response to such extreme conditions.

Primary response

Amend the Business Continuity Plan

Total financial impact

6800000

Description of response

As a result of our 2017 Hurricane Season Post Incident Review a number of improvements have been made to our Crisis Management planning and response processes, including the following: (1) We have developed additional processes to communicate details about critical incident and operational delays to our corporate teams. This information is used to make necessary adjustments to internal functional processes and systems, ultimately providing better service to our customers; (2) We have also improved on our Emergency Business Transfer processes, created or updated numerous Standard Operating Procedures that support our crisis response, and updated a pre and post hurricane customer communications plan to clarify delivery strategies, inventory levels, and operational and late delivery schedules; and (3) We are also taking steps to increase our awareness and understanding of the impact climate changes have on our operations. One approach to address these risks includes the implementation of extended weather forecasting tools across all 190 of our operating locations.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

In the US, Sysco identifies and classifies potential water pollutants associated with our food sector activities as required by the U.S. Environmental Protection Agency (EPA) per the Clean Water Act (CWA). CWA is the primary Federal law that seeks to protect our nation's waters, improving the quality of the nation's water, as well as, protect human health. As such, Sysco's Environmental Policy sets forth enterprise-wide guidelines for all Sysco Operating Companies and U.S. Specialties that ensures governance, as well as, prevents detrimental impact on water ecosystems and human health.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant

Chemicals formed during processing, storage and distribution (e.g., acrylamide, aflatoxins)

Activity/value chain stage

Distribution – direct operations

Description of water pollutant and potential impacts

Any Sysco facility that discharges wastewater directly to the surface water must obtain a wastewater discharge permit if such is required in the country for operation. For example, U.S. facilities shall obtain a NPDES permit from the U.S. EPA or an authorized state agency. Fortunately, due to the functionality of Operating Companies and U.S. Specialties, Sysco does not discharge water pollutants that have an impact on the environment or human health.

Management procedures

Follow regulation standards

Please explain

In the US, Sysco operating companies and subsidiaries have regulatory applicability to the Clean Water Act. Sysco's Environmental Policy provides specific guidance and standard operating procedures for all operating companies and subsidiaries to ensure we protect the environment and comply with all environmental laws and regulations set forward by the EPA. As such, Sysco requires all operating companies and subsidiaries to assess the potential for source pollutants and to minimize the discharge of such pollutants and appropriately implement stormwater control measures in accordance with local, state, and Federal regulations.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

6 to 10 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
Databases

Tools and methods used

WRI Aqueduct
WWF-DEG Water Risk Filter
FAO/AQUASTAT
Other, please specify (internal methods; external consultants)

Comment

The Company reassesses and reprioritizes risks on an ongoing basis at the business and executive levels. We conduct an annual water-related risk assessment to identify operating locations potentially exposed to risks. WRI's Aqueduct Water Risk Atlas is cross-referenced against our operating locations, water withdrawals, and sales to determine and prioritize management actions. We reference WWF-DEG Water Risk Filter and FAO HydroSHEDS for cross-referencing river basins unavailable in Aqueduct.

Supply chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|------------------------------|---|
| Water availability at a basin/catchment level | Relevant, always included | Uncertainty around short-term weather conditions or more prolonged climate change, crop conditions, water shortages, natural disasters, and extreme weather conditions have the potential to reduce or disrupt product availability within our supply chain and increase our cost of goods. Our inability to obtain adequate supplies of water of sufficient quality as a result of the aforementioned factors could lead to inability to fulfill our obligations to customers. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including current water availability and quality parameters, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed. |
| Water quality at a basin/catchment level | Relevant, not included | Water availability is critical to Sysco. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including analysis of availability of sufficient quantities of water, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed, for example, to analyze water pollution data. However, although we have analysed water quality data and have done scenario analysis with respect to water quantity data, we have not done scenario analysis covering both water quantity and water quality data to date, nor have we evaluated plans to do so in the future. |
| Stakeholder conflicts concerning water resources at a basin/catchment level | Relevant, always included | Current stakeholder conflicts concerning water resources at a local level have the potential to impact Sysco's business continuity, license to operate, and brand value. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including stakeholder conflicts concerning water resources at a local level, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed. |
| Implications of water on your key commodities/raw materials | Relevant, sometimes included | Current implications of water impact on key commodities and raw materials are considered as conditions warrant. For example, we monitored drought conditions in California carefully to understand how the supply of certain products may be impacted so that if needed, we are able to source product from a different area or supplier. |
| Water-related regulatory frameworks | Relevant, always included | Sysco complies with water regulatory frameworks and tariffs locally. Significant changes to regulatory frameworks or tariffs are evaluated at the local level as conditions change, and are escalated as conditions warrant. Furthermore, Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed, for example, to analyze regulatory water risks. |
| Status of ecosystems and habitats | Relevant, always included | It is essential to good water stewardship to incorporate impacts on local water-dependent ecosystems into our risk assessments. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including threatened amphibians, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed, for example, to analyze threats to biodiversity. |
| Access to fully-functioning, safely managed WASH services for all employees | Relevant, always included | We include this at all of our operating locations to ensure the health and safety of all our employees. All of our Sysco-owned facilities provide and regularly review access to fully-functioning WASH services for all workers, in support of our Prerequisite & Food Safety Program - Good Manufacturing Practices (GMP) section. |
| Other contextual issues, please specify | Please select | |

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

| | Relevance & inclusion | Please explain |
|--|-----------------------|----------------|
| | | |

| | Relevance & inclusion | Please explain |
|--|---------------------------|---|
| Customers | Relevant, always included | Increased water stress could result in supply chain disruptions, which could also impact our ability to fulfil our obligations to customers. To mitigate this risk, we engage with growers of Sysco Brand canned and frozen fruit, vegetables and potatoes through Sysco's Sustainable Agriculture/Integrated Pest Management (IPM) program. The program encourages supplier water conservation through irrigation efficiencies, and water quality improvement through more responsible use of fertilizers and pesticides. We engage customers through sales relationships, customer service surveys, online communications, and strategic meetings. We regularly survey our customers to understand issues of importance to them, including the importance of sustainability. "Customer's First" - our listening program - was established to gain an understanding of the most effective ways to respond to their needs and concerns. |
| Employees | Relevant, always included | Our associates drive innovation, support business growth and provide personally delivered service. The perspectives of our associates are critical to our success. We strive to make Sysco a place where talented and capable people are inspired, motivated and fully engaged in their work. We engage associates through a company-wide associate survey, associate training, our intranet site, and newsletters. Sysco Speaks, our company-wide survey, offers our associates an opportunity to provide anonymous feedback and put forward ideas to improve engagement and overall business performance (see Our Associates - http://sustainability.sysco.com/supporting-communities/associates.php). Our online learning platform, Sysco Interactive University, provides associates with professional development opportunities and contributes to a culture of continuous learning (see Our Associates for more information). Our intranet site "The Dish" provides timely, engaging news and information to employees, as well as easy access to important tools and resources. AlertLine, our global, 24-hour, toll-free hotline, allows associates to report ethical concerns. All Sysco associates are trained annually on the company's ethics and food safety policies (see Ethics - http://sustainability.sysco.com/supporting-communities/ethics-governance/ethics.php and Governance - http://sustainability.sysco.com/supporting-communities/ethics-governance/governance.php). |
| Investors | Relevant, always included | Certain investors have previously asked us to disclose more information about the direct and indirect impact of water on our business. As a result, we began monitoring water use for the substantial majority of our direct operations in CY2012, and we have been responding to the CDP Water request since 2013. We may evaluate additional actions in the future. We engage investors through financial reports (e.g., FY2017 Annual Report, FY2017 10-K), annual shareholder meetings, news releases, investor conference presentations, meetings with Socially Responsible Investors, and our investor relations website. |
| Local communities | Relevant, always included | We are committed to the protection of the environment in communities in which we live and operate. |
| NGOs | Relevant, always included | Through our partnerships with reputable global NGOs we further our understanding of global trends impacting our business, customers and communities around the world. We engage investors through corporate communications and in-person meetings. Our NGO partnerships in 2017 included the World Wildlife Fund (WWF), Global Food Safety Initiative (GFSI), and Share Our Strength. The WWF is advising us as we work toward sourcing our Sysco Brand top 15 wild-caught and top five farmed seafood species from sustainable fisheries (see Sourcing Our Food Sustainably and Responsibly - http://sustainability.sysco.com/supplying-food-responsibly/sourcing-food-responsibly/sustainable-seafood.php). Our relationship with the GFSI is improving efficiencies in global food safety management systems (see Safe and Healthy Products - http://sustainability.sysco.com/supplying-food-responsibly/safe-healthy-products.php). We celebrated the 14th year of our partnership with Share Our Strength, a leading national nonprofit organization devoted to ending childhood hunger (see Philanthropy and Community - http://sustainability.sysco.com/supporting-communities/philanthropy-community.php). In December 2015, Sysco made a commitment to support the Center for Produce Safety with a \$250,000 donation over five years (see Examples - http://sustainability.sysco.com/supplying-food-responsibly/safe-healthy-products/quality-assurance.php). |
| Other water users at a basin/catchment level | Relevant, always included | We engage a diverse set of stakeholders, including peers, to assess the materiality of sustainability-specific issues. We engage peers through industry events, benchmarking, and best practices. Collaborating with the Produce Marketing Association, we have offered 21 Good Agricultural Practices workshops since 2011, reaching more than 1,200 small farmers (see Sourcing our Food Sustainably and Responsibly - http://sustainability.sysco.com/supplying-food-responsibly/sourcing-food-responsibly.php). We influence business, legislation and regulation through our industry trade associations with the International Foodservice Distributors Association and the National Council of Chain Restaurants (see Government Relations and Public Policy - http://sustainability.sysco.com/supporting-communities/government-public-policy.php). Sysco's Animal Welfare Council, comprised of Sysco Quality Assurance and Merchandising personnel and invited experts in animal welfare, provides feedback to our management team on the design, development and implementation of our animal care and handling programs, and also advises us on emerging issues. |
| Regulators | Relevant, always included | Sysco complies with water-related regulatory frameworks and partners with regulatory agencies at the local level routinely. We engage regulators through industry association activities and direct outreach. Complying with regulatory agencies is an important part of our business. We interact regularly with organizations such as the U.S. Department of Transportation, the Occupational Safety and Health Administration, the Environmental Protection Agency and the Department of Homeland Security to ensure that our business practices meet their requirements. |
| River basin management authorities | Relevant, not included | Sysco has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of river basin management authorities in future assessments. |
| Statutory special interest groups at a local level | Relevant, not included | Sysco has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of local statutory special interest groups in future assessments. We employ a multi-faceted process to determine our company's material issues to align materiality with our company and customers' key business drivers and to analyze risks and opportunities specific to sustainability. We engage a diverse set of stakeholders to assess the materiality of sustainability-specific issues, inclusive of a targeted stakeholder engagement process that includes employees, customers, investors and relevant external groups. |

| | Relevance & inclusion | Please explain |
|-----------------------------------|------------------------------------|--|
| Suppliers | Relevant, sometimes included | Sysco relies on its supply chain to provide adequate supplies of foodservice & related products. Suppliers are not currently included in our annual water-related risk assessment, but we do communicate closely with many suppliers on various production & supply issues (e.g., impact of water-related events such as droughts). Through our IPM program, we work with participating processors & farmers to protect environmentally sensitive growing areas, soils & water sources by encouraging responsible use of fertilizers & pesticides, cover crops, crop rotation & natural pest control methods. During FY17 (crop year 2016), the program covered all 59 crops we purchase, representing 68 Sysco Brand suppliers, 183 processing locations & over 2 million acres under cultivation. For FY17, suppliers reported conserving 370 million gal of water in manufacturing facilities plus field water through good agricultural practices. Suppliers & growers typically apply IPM practices throughout their operations, not just Sysco acreage, elevating standards/practices across the industry. In addition, we hold a triennial conference where suppliers share best practices & innovative IPM methods. We also engage suppliers through surveys, in-person meetings, ongoing communication & education, & our Supplier Sustainability Award. Our Joint Business Planning program provides a structured collaboration process that benefits all parties by aligning objectives, identifying efficiencies & encouraging innovation. We work with small & midsized specialty producers to provide customers with locally-produced items (e.g., FreshPoint locations track local purchases from farm to customer & Broadline companies have various local food programs). |
| Water utilities at a local level | Relevant, sometimes included | Water utilities/suppliers are engaged on an as needed basis to support our water stewardship efforts. |
| Other stakeholder, please specify | Not relevant, explanation provided | There are no other stakeholders included in our risk assessment process. |

W3.3d

(W3.3d) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Sysco Corporation (“Sysco or “Company”) utilizes an Enterprise Risk Management (ERM) process to identify and evaluate risks to the company at an enterprise-wide level. Management and risk owners are responsible for identifying, managing and mitigating risks, and reports directly to the Audit Committee and the Board on a regular basis with respect to risk management. On an annual basis, management reviews with the Board the key enterprise risks identified in the process, such as strategic, operational, financial, compliance, reputation, and regulatory/external risks, as well as management’s process for addressing and mitigating the potential effects of such risks.

Sysco uses a risk rating criteria matrix to aid in assessing relative significance of risks. This assessment involves rating impact (financial EBITDA impact, and reputational impact), risk management effectiveness, vulnerability and speed of onset. The Company reassesses and reprioritizes risks on an ongoing basis at the business and executive levels. Sysco also conducts an annual water-related risk assessment to identify operating locations potentially exposed to risks. WRI’s Aqueduct Water Risk Atlas and the WWF-DEG Water Risk Filter and FAO HydroSHEDS are required to do this.

After a risk is identified as having the potential to be an enterprise risk, Sysco consults outside support for specialist insight and involves the operational risk and compliance committee for further evaluation. Risks are then transferred into the management phase to identify an Executive Risk Sponsor, Business Risk Owners, and Subject Matter Experts as appropriate whereby three different levels of people who have responsibility for managing the risk. Once owners are assigned, a risk management plan is put into place along with a cadence for reporting to senior management and the Audit Committee.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Substantive change in our direct operations is measured primarily by financial impact. With respect to water, substantive change is based upon a high-level assessment of water risks at our operating locations that could result in a "High" or "Very High" financial impact based on EBITDA and a "highly likely/imminent" or "frequently" likelihood as defined in Sysco's proprietary Risk Rating Criteria. Estimated CY2017 EBITDA at risk is used to determine the appropriate Very Low, Low, Medium, High, and Very High financial impact category, while likelihood of the risk is used to determine the extremely unlikely, unlikely, occasionally, highly likely/imminent, and frequently likelihood category.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

| | Primary reason | Please explain |
|-------|--|---|
| Row 1 | Risks exist, but no substantive impact anticipated | Sysco's direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. However, our direct operations do not require significant water use. We evaluated water-related risks for 123 Sysco sites (not including exclusions reported under W0.4a) based on 3 primary criteria: an overall Aqueduct water risk factor (default weighting scheme) greater than 2.01 (e.g., higher than average which is more stringent than used last year), a site to total water withdrawal intensity ratio greater than 0.34% (lower than last year), and a water withdrawal per million cases intensity ratio greater than 2.11. Our annual analysis indicates that we do have facilities operating in regions with a defined level of water stress, but only 11 facilities (representing 16.7% of total water withdrawals and 9.6% of case volumes) and corresponding river basins may be significantly affected by our water withdrawals. The potential impact on cases was converted to CY2017 sales, and we estimated CY2017 EBITDA at risk based on the FY2017 EBITDA / FY2017 sales ratio. Plugging the estimated CY2017 EBITDA at risk and likelihood into Sysco's proprietary Risk Rating Criteria resulted in a medium financial impact and an unlikely likelihood. Since Sysco defines substantive change as a "High" or "Very High" financial impact (EBITDA) and a "highly likely/imminent" or "frequently" likelihood, we believe that our risk would not result in a substantive change to our business, operations, revenues or expenditures. |

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

| | Primary reason | Please explain |
|-------|-------------------|---|
| Row 1 | Not yet evaluated | Sysco does not currently have data needed to evaluate supplier water-related risk in terms of our definition of substantive change (W3.2), but we may evaluate supplier risks in the future as our sustainability strategy matures. That being said, we recognize that water plays a fundamental role in the food industry; potential value chain risks are described below (Reference: Water Scarcity & Climate Change: Growing Risks for Businesses & Investors). •Physical: Most significant water use is embedded in crop or livestock production. Changes in precipitation patterns, severe drought & flooding due to climate change may decrease crop yield & quality. Increased temperature & dry weather due to climate change may raise water requirements for crop & livestock. •Regulatory: Water scarcity & increased demand & competition for freshwater resources can change the pricing structure. More stringent requirements for wastewater quality may be imposed on food/meat processing facilities. •Reputational: Agricultural runoff & wastewater from food/meat processing facilities may have negative impacts on local water sources & ecosystems, potentially damaging brand image & reputation. Meat has a very large water & carbon footprint, with a potential reputational risk & impact on demand for meat products. Higher water temperature due to climate change may increase water borne pathogens, & fruit/food supply may face more risk of contamination, & subsequent reputational and financial damage. |

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Recognition as the industry leader in sustainability is a brand enhancement, but we believe we also have an opportunity to further enhance customer loyalty and potentially gain new customers by enhancing our operational efficiency and increasing our offerings of local and sustainable products, including products that conserve water or enhance water quality. Advancing our sustainability initiatives enhances our customer relationships either by elevating their trust in Sysco as an environmentally and socially responsible business, or by enabling us to provide more sustainable products to help them reach their business goals. To that end, in the Fall of 2015, we established a full time Corporate Social Responsibility function to strategically identify and manage these efforts (specific pay and benefits are proprietary). Financial implications depend on the volume of increased business related to our customers' desire for sustainably-sourced products. Toward this end, we work with small and midsized specialty producers to provide customers with locally-produced items. Our FreshPoint locations have implemented technology that enables tracking of local purchases from farm to customer, and our Broadline companies have various local food programs. Customers can even define what they mean by local and suppliers/farmers are identified <http://www.freshpoint.com/about-us/core-values/local/> FY2017 sales from FreshPoint produce locations have totalled over \$1.6 billion.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Potential financial impact

Explanation of financial impact

Financial implications depend upon the volume of increased business specifically related to our customers' desire for sustainably-sourced products. Toward this end, we work with small and midsized specialty producers to provide customers with locally-produced items. Our FreshPoint locations have implemented technology that enables the tracking of local purchases from farm to customer, and our Broadline companies have various local food programs. Sales from Freshpoint produce locations have totaled over \$1.6 billion during the 2017 reporting year.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) of the individual(s) on the board with responsibility for water-related issues.

| Position of individual | Please explain |
|------------------------|---|
| Director on board | The Chair of Corporate Social Responsibility Committee is responsible for upholding the Committee's duties which include water-related issues pertaining to (but not limited to) - reviewing and assessing water-related risk, policy, projects and proposals. Reference: http://investors.sysco.com/~media/Files/S/Sysco-IR/documents/corporate-governance/FINAL-Corporate-Social-Responsibility-Committee-Charter-20170525.pdf |

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

| | Frequency that water-related issues are a scheduled agenda item | Governance mechanisms into which water-related issues are integrated | Please explain |
|-------|---|---|---|
| Row 1 | Scheduled - some meetings | Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy | The Corporate Social Responsibility Committee of Sysco's Board of Directors (the "Committee") provides review for, and acts in an advisory capacity to, the Board of Directors (the "Board") and management of Sysco Corporation (the "Corporation" or "Sysco") with respect to those policies and strategies of the Corporation that affect the Corporation's long-term sustainability and its role as a socially and environmentally responsible organization. In addition, the Committee annually reviews, evaluates and provides input on Sysco's strategy, direction and policies related to sustainability, corporate responsibility, and social and environmental issues. The Committee meets at least three times a year. Water-related risks are integrated into the agenda within the framework of the sustainability issues and risk assessment tools systematically reviewed and revised throughout the year. |

W6.3

(W6.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.

Name of the position(s) and/or committee(s)

Environment/Sustainability manager

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

VP of Corporate Social Responsibility (CSR) : i. Sysco's CSR Department is headed by the VP of CSR, supported by the Senior Director of Sustainability. ii. Sysco recognizes the value to be gained from a strong sustainability strategy that maintains our achievements and identifies new ways of becoming more sustainable in ways that are most relevant to our business. As head of the CSR department, VP of CSR is assigned the responsibility of leading the Company's approach to topics relating to People, Products and Planet whereby water-related issues are integrated. iii. The Senior Director of Sustainability reports to the VP and leads the Company's strategy, policy development and external engagement relating to environmental and social issues. The VP is supported in order to assess and manage water-related issues focused on three key areas for sustainability. We believe that these areas are where we have the greatest impact and offer the greatest opportunities to improve sustainability.

W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4

(W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

No, and we do not plan to introduce them in the next two years

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are water-related issues integrated? | Long-term time horizon (years) | Please explain |
|---|---|--------------------------------|---|
| Long-term business objectives | No, water-related issues were reviewed but not considered as strategically relevant/significant | 5-10 | Through the process of completing our materiality assessment, we determined that water is not a leading priority in relation to other sustainability issues. Our newly launched sustainability strategy will offer us the greatest opportunities to improve sustainability within our Company in high priority areas: o People: Sysco will care for people by giving back, doing good and changing lives in our communities; creating a diverse and inclusive work environment; and empowering associates, customers and the next generation to make healthy choices about lifestyles and diet. o Products: Sysco will supply products responsibly by improving animal welfare in the foodservice industry; minimizing negative environmental, social or ethical impacts when sourcing products; and ensuring that human rights are respected in the company's operations, as well as the global supply chain. o Planet: Sysco will protect the planet by advancing sustainable agriculture practices, reducing the company's carbon footprint and diverting waste from landfills, in order to protect and preserve the environment for future generations. Given that our direct water use is relatively low, we believe water-related issues may be integrated specifically into our responsible sourcing and sustainable agriculture commitment. |
| Strategy for achieving long-term objectives | No, water-related issues were reviewed but not considered as strategically relevant/significant | 5-10 | Through the process of completing our materiality assessment, we determined that water is not a leading priority in relation to other sustainability issues. Our newly launched sustainability strategy will offer us the greatest opportunities to improve sustainability within our Company in high priority areas: o People: Sysco will care for people by giving back, doing good and changing lives in our communities; creating a diverse and inclusive work environment; and empowering associates, customers and the next generation to make healthy choices about lifestyles and diet. o Products: Sysco will supply products responsibly by improving animal welfare in the foodservice industry; minimizing negative environmental, social or ethical impacts when sourcing products; and ensuring that human rights are respected in the company's operations, as well as the global supply chain. o Planet: Sysco will protect the planet by advancing sustainable agriculture practices, reducing the company's carbon footprint and diverting waste from landfills, in order to protect and preserve the environment for future generations. Given that our direct water use is relatively low, we believe water-related issues may be integrated specifically into our responsible sourcing and sustainable agriculture commitment. |
| Financial planning | No, water-related issues were reviewed but not considered as strategically relevant/significant | 5-10 | Through the process of completing our materiality assessment, we determined that water is not a leading priority in relation to other sustainability issues. Our newly launched sustainability strategy will offer us the greatest opportunities to improve sustainability within our Company in high priority areas: o People: Sysco will care for people by giving back, doing good and changing lives in our communities; creating a diverse and inclusive work environment; and empowering associates, customers and the next generation to make healthy choices about lifestyles and diet. o Products: Sysco will supply products responsibly by improving animal welfare in the foodservice industry; minimizing negative environmental, social or ethical impacts when sourcing products; and ensuring that human rights are respected in the company's operations, as well as the global supply chain. o Planet: Sysco will protect the planet by advancing sustainable agriculture practices, reducing the company's carbon footprint and diverting waste from landfills, in order to protect and preserve the environment for future generations. Given that our direct water use is relatively low, we believe water-related issues may be integrated specifically into our responsible sourcing and sustainable agriculture commitment. |

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

| | Water-related CAPEX (+/- % change) | Anticipated forward trend for CAPEX (+/- % change) | Water-related OPEX (+/- % change) | Anticipated forward trend for OPEX (+/- % change) | Please explain |
|-------|------------------------------------|--|-----------------------------------|---|--|
| Row 1 | 0 | 0 | 0 | 0 | Water-related CAPEX and OPEX expenditures are not currently tracked in detail. However, a high-level analysis indicates that water-related expenditures remained relatively stable compared to 2016. |

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

| | Use of climate-related scenario analysis | Comment |
|-------|--|---------|
| Row 1 | No plans for the next two years | |

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Sysco's direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. Access to sufficient volumes and good quality water is required; however, our direct operations do not require significant water use.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

| | Levels for targets and/or goals | Monitoring at corporate level | Approach to setting and monitoring targets and/or goals |
|-------|---|--|---|
| Row 1 | Brand/product specific targets and/or goals | Goals are monitored at the corporate level | As a major purchaser of fruit and vegetables, Sysco can play a significant role in improving agricultural standards among growers, processors and distributors. Because maintaining a safe food supply is a priority, we promote responsible use of agricultural inputs such as fertilizers and pesticides in partnership with our suppliers of Sysco Brand canned and frozen fruits, vegetables and potatoes, including small specialty-crops. Sysco's Integrated Pest Management program, launched in 2004 and ongoing, works with participating processors and farmers to protect environmentally sensitive growing areas; conserve water and energy; build soil health and preserve water quality by using cover crops and crop rotation; improve air quality; reduce, reuse and recycle resources; and promote responsible use of agricultural inputs; thereby helping to reduce the negative impact on the health of local water sources. |

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Promotion of sustainable agriculture practices

Level

Brand/product

Motivation

Recommended sector best practice

Description of goal

Sysco's Integrated Pest Management program, launched in 2004 and ongoing, works with participating processors and farmers to protect environmentally sensitive growing areas; conserve water and energy; build soil health and preserve water quality by using cover crops and crop rotation; improve air quality; reduce, reuse and recycle resources; and promote responsible use of agricultural inputs; thereby helping to reduce the negative impact on the health of local water sources. Participating suppliers submit written programs addressing criteria we established with input from suppliers, university-based experts and other reviewers. These written programs are assessed and scored by the IPM Institute of North America. Suppliers implement the program with their raw material sources and participate in an annual third-party audit of their performance that includes both processing facilities and raw material suppliers. In addition, suppliers annually report environmental indicators such as pesticide and nutrient applications, and recycling and reuse activities.

Baseline year

2004

Start year

2004

End year

2018

Progress

This program is ongoing. The most recent tabulated results in crop year 2016, the program covered the full range of 59 crops we purchase, representing 68 Sysco Brand suppliers, 183 processing locations and over 2 million acres under cultivation. Suppliers are required to follow the program and report certain data, but recognizing that reporting may be overly burdensome to smaller suppliers, they are not required to report all environmental indicators (e.g., water); ~1/2 of Sysco Brand suppliers participating in the program do report water data. For crop year 2016, suppliers reported conserving 370 million gallons of water in manufacturing facilities plus field water through employment of good agricultural practices. Suppliers reported numerous other successes, reducing electricity use by over 125 million kWh, recycling nearly 4 million tons of non-edible oil, as well as avoiding the use of 6.5 million pounds of pesticides.

W9. Linkages and trade-offs

W9.1

(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

Yes

W9.1a

(W9.1a) Describe the linkages or tradeoffs and the related management policy or action.

Linkage or tradeoff

Linkage

Type of linkage/tradeoff

Decreased GHG emissions

Description of linkage/tradeoff

Both our operations and supply chain have implemented water conservation initiatives, which, due to the energy-water nexus, have also resulted in energy savings.

Policy or action

Sysco's IPM program works with participating processors and farmers to identify and protect environmentally sensitive growing areas, build soil health and preserve water quality by using cover crops, crop rotation and natural pest control methods; thereby helping to reduce the negative impact on the health of local water sources. For FY17 (crop year 2016), by utilizing Sustainable Agriculture/IPM practices, Suppliers reported numerous successes, reducing electricity use by over 125M kWh, recycling nearly 4M tons of non-edible oil, as well as avoiding the use of 6.5M pounds of pesticides. Example success stories include implementing a heated water defrost system, which reduced water consumption by 70%, and installing a retention pond to capture condensate water from evaporators, reducing water usage up to 60%. Water saving initiatives implemented in our operations include, recycling water from vehicle washing stations and refrigeration units, using rainwater for landscaping at some of our offices, and capturing and recycling condensation from cooling processes at several newer facilities, with plans to install this in new facilities constructed in the future. Suppliers reported conserving 370M gallons of water in manufacturing facilities mainly by changing processing strategies and practicing water reuse and recycling. An example success stories includes soil moisture monitoring and use of drip irrigation reducing the need for water and electricity to run pumps.

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

Yes

CY17 Sysco Assurance Statement.pdf

W10.1a

(W10.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

| Disclosure module | Data verified | Verification standard | Please explain |
|-------------------|---|------------------------------------|---|
| W1. Current state | Water withdrawal (classified as consumption in the assurance documentation) = 2,366 ML Water discharge (sewer) = 1,610 ML | Other, please specify (ISO14064-3) | These are the two most important figures from the analysis of Sysco's 123 sites. These totals included both site specific actual and estimated data points. |

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

| | Job title | Corresponding job category |
|-------|---|------------------------------------|
| Row 1 | Vice President, Corporate Social Responsibility | Environment/Sustainability manager |

W11.2

(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

| | Annual revenue |
|-------|----------------|
| Row 1 | 51147906044 |

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1

(SW1.1) Have you identified if any of your facilities reported in W5.1 could have an impact on a requesting CDP supply chain member?

No, CDP supply chain members do not buy goods or services from facilities listed in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your site facilities not already reported in W5.1?

Yes, for all facilities

SW1.2a

(SW1.2a) Please provide geolocation data for your site facilities not already reported in W5.1.

| Identifier | Latitude | Longitude | Comment |
|----------------------|-----------|-------------|---------|
| Alaska | 61.160576 | -149.907041 | |
| Albany | 42.898917 | -73.771311 | |
| Arizona | 33.441763 | -112.232439 | |
| Arkansas | 34.690558 | -92.339761 | |
| St Paul | 44.981672 | -93.090038 | |
| Atlanta | 33.631509 | -84.464469 | |
| Baltimore | 39.151615 | -76.782786 | |
| Baraboo | 43.460039 | -89.759285 | |
| Boston | 41.947445 | -70.772535 | |
| Calgary | 50.989522 | -113.967897 | |
| Central Alabama | 33.153594 | -86.756683 | |
| Central California | 37.637396 | -120.970295 | |
| Central Florida | 28.558342 | -81.589961 | |
| Central Illinois | 40.151028 | -89.408706 | |
| Central Ontario | 44.255635 | -78.386185 | |
| Central Pennsylvania | 40.272466 | -76.824331 | |
| Central Texas | 29.63683 | -98.211612 | |
| Charlotte | 35.424633 | -80.653283 | |
| Chicago | 42.04586 | -87.906328 | |
| Cincinnati | 39.257204 | -84.44151 | |
| Cleveland | 41.515654 | -81.677666 | |
| Connecticut | 41.637776 | -72.679079 | |
| Dallas | 33.065632 | -96.871384 | |
| Denver | 39.786122 | -104.881179 | |
| Detroit | 42.264865 | -83.443321 | |
| East Maryland | 38.083685 | -75.601945 | |
| Columbia | 33.951773 | -80.922265 | |
| East Texas | 32.423737 | -94.716027 | |
| East Wisconsin | 43.320091 | -88.186128 | |
| Edmonton | 53.55594 | -113.762739 | |
| Great Rapids | 42.897549 | -85.536216 | |
| Gulf Coast | 31.052433 | -85.9055 | |
| Hampton Roads | 36.890548 | -76.43733 | |
| Houston | 29.750265 | -95.367298 | |
| Idaho | 43.664465 | -116.164631 | |
| Indianapolis | 39.867689 | -86.228129 | |
| Intermountain | 40.577713 | -112.038418 | |
| Iowa | 41.712081 | -93.587369 | |
| Jackson | 32.288885 | -90.184322 | |
| Jacksonville | 30.344216 | -81.739441 | |
| Kansas City | 38.901921 | -94.786346 | |
| Kelowna | 50.016414 | -119.391694 | |
| Kingston | 44.267105 | -76.569257 | |
| Knoxville | 35.984574 | -83.94703 | |
| Lakeside | 44.644907 | -63.688915 | |
| Las Vegas | 36.276937 | -115.038121 | |
| Lincoln | 40.766009 | -96.694581 | |
| Long Island | 40.791815 | -73.18852 | |
| Los Angeles | 34.006181 | -117.855011 | |
| Louisville | 38.141702 | -85.754723 | |
| Memphis | 35.029494 | -89.92428 | |
| Metro NY | 40.697091 | -74.057564 | |
| Milton | 43.540452 | -79.915765 | |

| Identifier | Latitude | Longitude | Comment |
|--------------------------------|-----------|-------------|---------|
| Minnesota | 45.074828 | -93.197911 | |
| Moncton | 46.131144 | -64.755541 | |
| Moncton NASYS | 46.111284 | -64.699845 | |
| Montana | 45.762448 | -108.554856 | |
| N. New England | 43.649401 | -70.350873 | |
| Nashville | 36.179305 | -86.879709 | |
| New Mexico | 35.126032 | -106.629226 | |
| New Orleans | 29.960307 | -90.202718 | |
| North Dakota | 47.845663 | -97.523103 | |
| Oklahoma | 35.261906 | -97.461714 | |
| Philadelphia | 39.90888 | -75.159376 | |
| Pittsburgh | 40.801345 | -80.121442 | |
| Portland | 45.330149 | -122.760703 | |
| Quebec | 45.637754 | -73.587694 | |
| Raleigh | 35.535274 | -78.309206 | |
| RDC Northeast | 38.98922 | -78.170689 | |
| RDC South | 29.82057 | -82.491062 | |
| Regina | 50.44474 | -104.606527 | |
| Riverside | 33.89483 | -117.280886 | |
| Sacramento | 38.58164 | -121.495911 | |
| San Diego | 32.938452 | -117.050591 | |
| San Francisco | 37.51472 | -121.983748 | |
| Seattle | 47.397382 | -122.26691 | |
| South Florida | 25.726714 | -80.235958 | |
| Southeast Florida | 26.769996 | -80.087741 | |
| Spokane | 47.703547 | -117.028354 | |
| St Johns | 47.512914 | -52.830792 | |
| St Louis | 38.825504 | -90.507056 | |
| SW-Ontario | 43.123357 | -80.707007 | |
| SW-Ontario (Windsor) | 42.242265 | -82.96937 | |
| Sygma Carolina | 35.281308 | -80.842628 | |
| Sygma Columbus | 39.994232 | -83.123679 | |
| Sygma Dallas | 32.745527 | -97.068211 | |
| Sygma Denver | 39.78641 | -104.868892 | |
| Sygma Detroit | 41.918827 | -83.370316 | |
| Sygma Florida | 28.466312 | -81.412374 | |
| Sygma Georgia | 33.410111 | -84.728496 | |
| Sygma Illinois | 40.109734 | -87.543033 | |
| Sygma Kansas City | 39.300017 | -94.66786 | |
| Sygma Northern California | 37.911461 | -121.218134 | |
| Sygma Oklahoma | 36.248648 | -95.303581 | |
| Sygma Pennsylvania | 40.314625 | -76.888261 | |
| Sygma Portland | 45.404033 | -122.529563 | |
| Sygma San Antonio | 29.475074 | -98.377132 | |
| Sygma Soutern California | 34.704033 | -118.257699 | |
| Syracuse | 43.090479 | -76.342058 | |
| Sysco Corp HQ | 29.760122 | -95.620056 | |
| Sysco Shared Business Services | 29.963091 | -95.681313 | |
| Vancouver | 49.248287 | -122.751802 | |
| Toronto | 43.656851 | -79.696598 | |
| Ventura | 34.20188 | -119.132814 | |
| Thunder Bay | 48.397448 | -89.249688 | |
| Virginia | 38.380561 | -78.92736 | |
| Victoria | 48.458915 | -123.54613 | |
| W. Minnesota | 45.578176 | -94.147796 | |

| Identifier | Latitude | Longitude | Comment |
|------------------|-----------|-------------|---------|
| W. Coast Florida | 27.575606 | -82.533025 | |
| Winnipeg | 49.827791 | -97.176693 | |
| W. Texas | 33.595448 | -101.842346 | |

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services across its operations.

Product name

Raw outbound cases

Water intensity value

1.76

Numerator: Water aspect

Water withdrawn

Denominator: Unit of production

Raw outbound cases (millions)

Comment

Average company-wide intensity figure (ML water withdrawals per million raw outbound cases)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

| | Public or Non-Public Submission | I am submitting to | Are you ready to submit the additional Supply Chain Questions? |
|-----------------------------|---------------------------------|------------------------|--|
| I am submitting my response | Public | Investors Customers | Yes, submit Supply Chain Questions now |

Please confirm below

I have read and accept the applicable Terms