

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Sysco Corporation (“Sysco” or the “Company”) is the global leader in marketing and distributing food products and related foodservice supplies to restaurants, health care and educational facilities, hotels, and other foodservice and hospitality businesses. We market quality Sysco brands, major national, regional, and ethnic brands as well as locally sourced foods. As of June 27, 2020, with more than 57,000 associates, the company operates 326 distribution facilities worldwide and serves more than 625,000 customer locations.

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

We serve approximately 625,000 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, Belgium, Costa Rica, Mexico, Panama and the Bahamas. Sysco’s portfolio includes specialty companies that enhance our ability to provide customers with premium-quality, niche, and exclusive products. FreshPoint, our specialty produce company, addresses customers’ needs for fresh, unique, organic, and local produce items. Our specialty meat companies are among the industry’s largest and most recognized providers of high-quality protein products. European Imports offers



foodservice professionals and retail stores an extensive variety of products from around the world. SYGMA operating locations provide contract customers with logistics and operational expertise. Our Guest Worldwide company distributes equipment, textiles, accessories, and personal care amenities to hotels and other lodging facilities. Supplies on the Fly is an innovative, 24/7 online platform offering more than 170,000 foodservice products, including heavy equipment, kitchen supplies, specialty foods, and kitchen staples. Sysco International Food Group (IFG) is the export specialty division of Sysco. More than 30 U.S.-based restaurant chains rely on IFG to deliver their brands and unique customer experiences to consumers around the world. Sysco Labs offers a suite of technology solutions that helps our company innovate with digital tools that make it easier for our customers to do business with us.

Due to costs required to collect and report on data, as well as relative size of these businesses, we have chosen not to report on operations related to our international Broadline companies located in Ireland, France, Sweden, Belgium, Costa Rica, Mexico, Panama and the Bahamas; European Imports (a foodservice import specialty company); Guest Worldwide (a hotel amenities company); International Food Group (a foodservice company that exports products to international customers); and all other calendar year 2020 acquisitions. Collecting information for excluded operations may be evaluated in the future.

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.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Canada



United Kingdom of Great Britain and Northern Ireland
 United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	No

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

Sysco does not own or manage any land for agricultural/forestry activities. As Sysco is primarily a foodservice distribution company, Sysco does not control the demand or supply of the products that are distributed. The production, distribution, and preparation of our products do produce emissions, and, therefore, are of higher priority for Sysco in terms of potential future evaluation.

C-AC0.6g/C-FB0.6g/C-PF0.6g

(C-AC0.6g/C-FB0.6g/C-PF0.6g) Why are emissions from the consumption of your products not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Evaluated but judged to be unimportant

Please explain

As Sysco is primarily a foodservice company, consumption of our products does not produce emissions. The production, distribution, and preparation of our products do produce emissions, and, therefore, are of higher priority for Sysco in terms of potential future evaluation.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Cattle products

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain

As described in our Annual Report, fresh and frozen meats, of which cattle products are a subset, is a principal product category that comprised 19% of our sales mix in FY2020.

Agricultural commodity

Other, please specify

Poultry

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced



Please explain

As described in our Annual Report, poultry is a principal product category that comprised 10% of our sales mix in FY2020.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>i. Climate change responsibility: Sysco’s Board recognizes climate-related issues are important under the broad scope of CSR. As CSR is a priority for Sysco, director-level oversight of climate-related issues is ensured by assigning responsibility to the Corporate Social Responsibility Committee, allowing dedicated time and expertise to address these issues. 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, CSR, and social and environmental issues.</p> <p>ii. Example of climate-related decision during reporting year: The Board reviewed, evaluated and provided input on Sysco’s CSR renewable energy and renewable fleet goals, as Sysco explores broader carbon reduction goals informed by science.</p>



C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies	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 social responsibility, and social and environmental issues. The Committee meets at least three times a year.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify Senior Vice President of Corporate Affairs and Chief Communications Officer	Both assessing and managing climate-related risks and opportunities ¹	Quarterly

¹Reporting to the board occurs three times a year; selection dropdowns does not allow for this response.

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Senior Vice President - Corporate Affairs and Chief Communications Officer:

i. Description of responsibilities: Sysco's corporate social responsibility department is headed by the Senior Vice President (VP) - Corporate Affairs and Chief Communications Officer (CCO), supported by the Senior Director of Corporate Social Responsibility. The Senior VP of Corporate Affairs and CCO reports to the President and CEO. The Senior VP of Corporate Affairs and CCO monitors climate-related issues by evaluating issues relating to People, Products and Planet. The Senior VP of Corporate Affairs and CCO leads the company's strategy, policy development and external engagement relating to environmental and social issues, while the Senior Director of Corporate Social Responsibility (CSR) reports to the Senior VP of Corporate Affairs and CCO and leads on day to day execution. The CSR Program Manager and CSR Analyst report to the Senior Director of CSR and is responsible for conducting research and quantitative analysis on topics, as well as supporting with internal and external CSR communications/engagement. In these roles, the Senior VP of Corporate Affairs and CCO is supported in order to assess and manage climate-related issues focused on three key areas for CSR. We believe that these areas are where we have the greatest impact and that they offer the greatest opportunities to improve CSR within our company.

- 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.
- 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.
- Planet: Sysco will respect 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.

ii. Rationale: 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 a result, in the Fall of 2015, Sysco established our first Corporate Social Responsibility department with full time resources. As head of the department, the Senior VP of Corporate Affairs and CCO is assigned the responsibility of leading the company's approach to topics relating to People, Products and Planet whereby climate-related issues are integrated.



C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other, please specify All eligible employees	Monetary reward	Emissions reduction target	<p>Incentives are available for all employees eligible to receive an annual incentive award, including Corporate executive team, officers, operating company leadership, and other mid-level positions.</p> <p>Annual incentive awards directly link a portion of employees' and officers' compensation to the achievement of certain planned consolidated financial targets of Sysco. Savings related to our energy management program are now included in the company's annual financial plan and, as such, contribute to the company's achievement of planned financial targets and, in turn, potential payment of incentive compensation.</p>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes



C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	5	
Long-term	5	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Definition and quantitative metrics: Substantive change in our direct operations is measured primarily by financial impact. In most cases, substantive impact is defined as “High” (>\$250MM) financial EBITDA impact. Sysco prioritizes risks 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.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

- Direct operations
- Upstream
- Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Medium-term

Description of process

i. Description: 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, which simultaneously addresses both the company and asset levels. These can include strategic, operational, people, financial, reputational, and regulatory/external risks. Sysco does not isolate ‘climate change risk’ into any one of these categories or as a separate category; rather the effects of climate change are captured in the Company’s Risk Universe. For example, an increase in costs due to shortages of food or fuel or any business interruption event, both potentially caused by climate change, are captured in the Operational risk category. Non-compliance with climate change regulations is captured in the Operational risk category. Each risk in Sysco’s Risk Universe has an assigned Risk Owner. Sysco’s continuous ERM framework process includes six interrelated components; gathering information, identifying and assessing, assigning ownership, prioritizing, responding with risk management, and monitoring and reporting.

Management and risk owners are responsible for identifying, managing and mitigating risks, and report directly to the Audit Committee and the Board on a regular basis with respect to risk management. The Audit Committee reviews Sysco’s process by which management assesses and manages the Company’s exposure to risk. The Audit Committee also makes recommendations to the Board of Directors with respect to the process by which members of the Board and relevant committees will be made aware of the Company’s significant risks, including recommendations regarding what committee of the Board would be most appropriate to take responsibility for oversight of management with respect to the most material risks faced by the company. 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. After a risk is identified as having the potential to be an enterprise risk, Sysco consults with outside support for specialist insight and involves the Aligned Assurance Risk Committee (AARC) for further evaluation. Risks are then transferred into the management phase to identify an Executive Risk Sponsor, Business Risk Owners and Subject Matter Experts, 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 board committee or full board to which oversight has been assigned.

Sysco's ERM procedures include frequent discussion and periodic prioritization of Board and senior leadership-level risk issues by the executive management team, tracking and monitoring of risk information, and identification of particular risks for which management intends to develop or enhance Sysco's management and mitigation plans. Sysco uses a risk rating criteria matrix to aid in assessing relative significance of risks. This assessment involves rating impact (financial EBITDA impact, reputation impact, business interruption, regulatory impact and Frequency) risk management effectiveness, and speed of onset. The Company reassesses and reprioritizes risks on an ongoing basis at the business and executive levels.

ii. Physical risk case study: Sysco's robust business continuity program addresses physical risks by consistently evaluating risk at over 190 operational sites, which all have a Sysco emergency preparedness plan tailored to their site. As severe weather is also considered a risk, emergency preparedness procedures and resources are in place to ensure swift action, including response action checklists (tornado, flooding, winter storms, hurricane). Toward this end, Sysco works with a commercial weather service to help identify risks, including specific details of the risks, how they impact specific companies' operations, and extended long range forecasting. In addition, a corporate crisis management plan identifies the tactical and strategic teams that respond to an operating company crisis.

In 2020, Sysco experienced business interruptions due to the COVID-19 pandemic and severe weather events. Business loss ensued due to customer closures and lockdowns caused by the pandemic. The Corporate Tactical Support Team (TST) and our Executive Leadership responded to this critical impact during 2020.

In March 2020, Sysco Nashville's building was impacted by a direct hit of a tornado. After the building was shut down, Sysco responded by transferring business to Sysco sites nearby. Sysco Nashville reopened on June 6, 2021.

The 2020 Atlantic Hurricane Season produced hurricane Isaias. Hurricane Isaias traveled up the entire east coast. As a result, 27 Sysco facilities along Isaias' path activated their response teams, hurricane plans and checklists well in advance of storm impact, performed ongoing customer communications, and adjusted operating schedules based on the storm forecast. These facilities also activated emergency plans and our Corporate TST responded.

Also, the 2020 Gulf Coast Hurricane Season produced Hurricane Delta. Hurricane Delta impacted Louisiana causing business closures and damage to Sysco Doerle, and our Corporate TST was activated in response. The Corporate Crisis Management teams were also activated during Isaias and Delta to provide support needed in the field, including certain customer notifications.



Throughout 2020, wildfires occurred in California and Oregon. These wildfires caused many customers to close and evacuate. Due in part to Sysco’s extensive facility and asset preparations and planning, there was no physical damage nor impact to any Sysco facility. Sysco was able to service customers that were open for business as well as provide support to relief efforts.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulatory risks are a key enterprise risk that is consistently evaluated and may be informed by climate-related issues. As Sysco operates in several regions and has expanded our global presence, we must stay aware of climate-related local, state or national governmental regulations in various markets. As such, compliance regulations are reviewed as part of the Operational Risk process.
Emerging regulation	Relevant, always included	Emerging regulations are a key enterprise risk that is consistently evaluated and may be informed by climate-related issues. As Sysco operates in several regions and has expanded our global presence, we must stay aware of climate-related local, state or national governmental regulations in various markets. Non-compliance with climate change regulations is captured in the Regulatory risk category.
Technology	Relevant, always included	For Sysco, technology may impact our operations and strategic risks evaluated. For example, technology is a contributing risk related to sustainability, as it may contribute to our inability to obtain, store and report on detailed product supply chain data, which is vital for our operations. Technological resilience is necessary for us to manage the impacts of extreme weather events.
Legal	Relevant, always included	Regulatory – and thereby legal - risks is a key enterprise risk that is consistently evaluated and may be informed by climate-related issues. As Sysco operates in several regions and has expanded our global presence, we must stay aware of climate-related local, state or national governmental regulations in various markets. Non-compliance with climate change laws and regulations is captured in the Regulatory risk category.
Market	Relevant, always included	Financial markets are evaluated as a leading or current indicator, providing trend information that may inform investor and stakeholder levels of interest in our sustainability-related work. Changing customer behavior is also evaluated as a market risk.



Reputation	Relevant, always included	For Sysco, reputation is an overarching key enterprise risk that informs several other risks. In terms of sustainability, failure to consider impacts of our operations in terms of environmental, social, political stakeholders may result in missed opportunities to gain support in these areas and increase corporate vulnerability to reputational damage.
Acute physical	Relevant, always included	Acute physical risks are captured in the operational risk category. Sysco facilities and our supply chain have a high potential of being affected by weather-related events such as hurricanes, tornadoes, floods, and droughts, which may impair production capabilities, disrupt our supply chain or impact demand for our product. We must consistently evaluate these potential risks to determine impact and resiliency strategies.
Chronic physical	Relevant, always included	Chronic physical risks are captured in the operational risk category. Sysco's supply chain has a high potential of being affected by longer-term weather-related events such as droughts, which may impair production capabilities, disrupt our supply chain or impact demand for our product. We must consistently evaluate these potential risks to determine impact and resiliency strategies.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Sysco may not be able to fully compensate for increases in fuel costs. Volatile fuel prices have a direct impact on our industry. We require significant quantities of fuel for our delivery vehicles and are exposed to the risk associated with fluctuations in the market price for fuel. The price and supply of fuel can fluctuate significantly based on international, political and economic circumstances, as well as other factors including weather conditions and environmental concerns. The cost of fuel affects the price paid by us for products, as well as the costs we incur to deliver products to our customers. Although we have been able to pass along a portion of increased fuel costs to our customers in the past, there is no guarantee that we will be able to do so in the future. If fuel costs increase in the future, we may experience difficulties in passing all or a portion of these costs along to our customers, which may have a negative impact on our results of operations. In addition, forward fuel purchase commitments, which are intended to contain fuel costs, could result in above market fuel costs. Volatile fuel prices have a direct impact on our business and our industry.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The cost of fuel affects the cost to transport products to our warehouses, as well as the costs incurred by us to deliver products to our customers. Sysco's fuel expense, which reflects fuel used to deliver products to our customers, in FY2020 was approximately 0.5% of sales, which equated to approximately \$264.5 million. As demonstrated by this example, new regulations that impact the cost of fuel could also have an impact on our operating costs. Using current, published quarterly market price projections for diesel and estimates of fuel consumption, a 10% unfavorable change in diesel prices from the market price would result in a potential increase of approximately \$3.4 million in our fuel costs on our non-contracted volumes.

Cost of response to risk

0

Description of response and explanation of cost calculation

i. Our activities to mitigate this risk include initiatives aimed at improving fuel efficiency, such as reducing fleet miles via improved routing techniques and improving fleet efficiency (via speed governors, fleet renewal, use of alternative fuel vehicles, etc.). In addition, we routinely enter into forward purchase commitments for a portion of our projected monthly diesel fuel requirements with a goal of mitigating the volatility in fuel prices. For example, we use diesel fuel swap contracts to fix the price of a portion of our projected monthly diesel fuel requirements. As of June 27, 2020, we had diesel fuel swaps with a total notional amount of approximately 54 million gallons through December 2021. These swaps are expected to lock in the price of approximately 60% of our projected fuel purchase needs for fiscal 2021. Our remaining fuel purchase needs will occur at market rates unless contracted for a fixed price or hedged at a later date.

ii. Cost of management: Managing fuel costs, including taxes, is part of our normal course of business. There is zero (\$0) additional cost for this activity.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Since Sysco operates as a distributor, short-term weather conditions such as natural disasters or other catastrophic events, have the potential to create disruptions at our operational sites and transport of products. To keep food products fresh, meet the high expectations of our customers, and keep our employees safe, these events require proactive preparedness mitigation and quick response to ensure continuity of operations.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,500

Potential financial impact figure – maximum (currency)

90,000,000

Explanation of financial impact figure

Short-term weather conditions such as natural disasters or other catastrophic events, have the potential to create disruptions at our operational sites and transport of products. Since Sysco operates as a distributor, market conditions are reflected in our cost of goods and are generally passed through to customers. The financial impacts of historical weather events impacting business continuity have ranged from \$1,500 (Hurricane Isaias in 2020) to over \$90 million (Sysco Nashville), demonstrating costs from an event could range from \$0 into the millions of dollars depending upon the nature, location, and duration of the event, including recovery. Example costs were within Sysco's insurance deductibles so these represent direct financial implications. The average of the \$1,500 - \$90 million range is provided. In 2020, the financial impact to Sysco's business related to the tornado that hit Sysco Nashville was estimated to be \$90 million, in business interruption loss, which is within this range.

Cost of response to risk

0

Description of response and explanation of cost calculation

i. Sysco experienced several severe weather-related events in 2020 that caused us to activate our business continuity and crisis response plans. Sysco's robust business continuity program addresses physical risks by consistently evaluating risk at almost 200 operational facilities, which all have a Sysco Emergency Preparedness Plan (SEPP) tailored to their site. As severe weather is considered a risk, emergency preparedness procedures and resources are in place to ensure swift action, including response action checklists (tornado, flooding, winter storms, hurricanes, tropical storms). Toward this end, Sysco works with a commercial weather service to help identify severe weather risks, including specific details of the risks, how they impact specific companies' operations, and extended long range forecasting. In addition, a corporate crisis management plan identifies the tactical and strategic teams that respond to an operating company crisis. As an example of this management method, Sysco's response to Hurricane Isaias led to the activation of crisis management response teams and hurricane plans at

the operating locations in the storms' path. Isaias made landfall along the entire east coast. As a result, 27 Sysco facilities along Isaias' path activated their response teams, hurricane plans and checklists well in advance of storm impact, performed ongoing customer communications, and adjusted operating schedules based on the storm forecast. These facilities also activated emergency plans and our Corporate TST responded.

ii. Managing this risk is part of our normal business practices; zero (\$0) additional costs are incurred.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Enhanced emissions-reporting obligations

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Potential new regulatory requirements - at the federal and state level - could increase our operating costs. The cost of compliance, or the consequences of non-compliance, could have a material adverse effect on our business and results of operations. This is particularly true in areas where regulations are more stringent or are rapidly evolving, such as European countries, Canada, and California – all locations where Sysco operates. In addition, governmental units may make changes in the regulatory frameworks within which we operate that may require either the corporation as a whole or individual businesses to incur substantial increases in costs in order to comply with such laws and regulations.



Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Uncertainty around proposed or future environmental and/or energy regulations has the potential to increase operational cost, for example, through emissions reporting requirements, increased taxes for fuel or other energy, or required cap-and-trade schemes.

Cost of response to risk

0

Description of response and explanation of cost calculation

i. Regulatory risk is an identified category within the Enterprise Risk Management system. As new or additional information emerges about energy or emissions regulations, or as a risk profile changes, the specific risk is re-evaluated and reprioritized. This risk has an executive champion and receives regular monitoring and reporting to the Board. Additionally, our Indirect tax group under the Global Head of Tax monitors carbon taxes and/or schemes that may impact Sysco. We utilize a monitoring service, work closely with several leading accounting firms, and

collaborate with the Government Relations team (mainly US) to stay informed. Once potential taxes are identified, execution falls to the team/jurisdiction where the tax applies. Subsequently, the Tax group is responsible for continued advice, monitoring, and audits as needed. For example, our Canadian operations are potentially subject to emissions tax schemes. Specifically, the federal government's Pan-Canadian Framework on Clean Growth and Climate Change has established a carbon tax benchmark. To plan for carbon taxes associated with the Framework, Sysco's regional teams are coordinating to understand the implications on expenses and COGS that tie to outbound fuel costs. With this information, the regional teams, with input from the Tax group, can determine how to address potential cost implications.

ii. Managing this risk is part of our normal business practices; zero (\$0) additional costs are incurred.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased direct costs

Company-specific description

Conditions beyond our control can interrupt our supplies and increase our product costs. We are also subject to delays caused by interruption in production and increases in product costs based on conditions outside of our control. As a distributor of primarily food products, conditions that may affect Sysco's operations and transportation capabilities include short-term weather conditions or more prolonged climate change, crop

conditions, water shortages, transportation interruptions, unavailability of fuel or increases in fuel costs, competitive demands and natural disasters or other catastrophic events.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Short-term weather conditions or more prolonged climate change, crop conditions, water shortages, transportation interruptions, and natural disasters or other catastrophic events, as well as increased frequency or duration of extreme weather conditions, have the potential to reduce or disrupt product availability within our supply chain and increase our product costs. However, Sysco operates as a distributor, and as a result, market conditions are reflected in our cost of goods and are generally passed through to customers. Because every situation is unique, it is not possible to estimate financial implications.

Cost of response to risk

0

Description of response and explanation of cost calculation

i. Sysco Corporation utilizes an Enterprise Risk Management (ERM) process to identify and evaluate risks to the company at an enterprise-wide level. These can include strategic, operational, people, financial, reputational, and regulatory/external risks. Sysco does not isolate climate change risk, including changes in precipitation patterns, into any one of these categories; rather the effects of climate change are captured in the Company's Risk Universe. For example, an increase in costs due to shortages of food or fuel or any business interruption event, both potentially caused by climate change, are captured in the Operational risk category. As a specific matter, changes in product costs occur frequently in our business and significant changes in product costs due to a unique or extreme event occur less frequently. In both cases, changes in product costs are managed in our day-to-day business in various ways, including increasing or decreasing our sales price for a product as necessary, allocating available supply, finding a new supplier, or working with our customers to find appropriate product substitutions.

ii. Managing this risk is part of our normal business practices; zero (\$0) additional costs are incurred.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Food service operators and their customers are demanding more local and sustainably-sourced food products, which influences our product offerings. Additionally, recognition as the industry leader in sustainability is a brand enhancement, with consumers intentionally choosing to work with businesses that demonstrate a commitment to responsible and sustainable operations. We believe we have an opportunity to further enhance customer loyalty and potentially gain new customers by increasing our offerings of local and sustainable products and continuing to enhance our operational efficiency.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

171,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial implications depend upon the volume of increased business specifically related to our customers' desire for sustainably-sourced products. For example, sales of locally sourced produce from FreshPoint produce locations, selling produce that exceeds the industry's best standards and is grown, packed, processed and shipped from the source, are estimated at approximately \$171 million during FY2020.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

We believe advancing our sustainability initiatives enhances our relationship with our customers 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 own business goals. For example, Sysco established ambitious targets in Fiscal Year 2018 that would mitigate our impacts on the environment and demonstrate our commitment to sustainability. We released these targets in our 2018 Corporate Social Responsibility Report, and began communicating progress to our customers and other stakeholders in our 2019 and 2020 CSR reports. Additionally, we continue to work with small and mid-sized 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.

ii. Costs to manage the benefits identified were recently increased mainly to invest in full time personnel to support a more robust approach to sustainability. Specific pay and benefits related to this investment is proprietary.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Over a period of several years Sysco has explored multiple alternative fuel technology options for our truck fleet, with the goal of reducing vehicle emissions and lowering our overall carbon footprint. These have included low-emission compressed natural gas (CNG) tractor units, as well as biodiesel used to fuel tractors at 33 of our operating companies. We replace approximately 10 percent of our fleet annually and have a policy of ensuring replacements are more fuel efficient.

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. With that said, in FY2020, Sysco piloted the Freightliner e-Cascadia at our Bay Area operating site, a class 8 tractor designed for local and regional distribution that is testing operations in real world applications. The pilot program provides data that allows for the continuous improvement of future vehicle design. Our aim is to begin procurement in latter half of FY2022.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated financial implications have not been evaluated, however the decrease in fuel use will lead to a decrease in operating costs for those vehicles.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

i. For years Sysco has explored a variety of alternative fuel technologies to mitigate the impacts of transportation and distribution of our products. For example, we replace approximately 10 percent of our fleet annually and have a policy of ensuring replacements are more fuel efficient. We have explored technologies including low-emission compressed natural gas (CNG) tractor units, as well as biodiesel used to fuel tractors at 33 of our operating companies. We've also deployed approximately 100 hybrid/electric single-axle trucks, which consume less diesel fuel than a standard engine. As our analysis of alternative fuel vehicles continued, we gravitated toward battery electric vehicles (BEVs), which derive all their power from rechargeable batteries and have no internal combustion engine onboard. We believe electrification is the most

promising option to achieve our goals, and Sysco has developed key partnerships with several manufacturers that are developing BEVs and charging equipment. Based on market pricing and other market conditions, we are currently evaluating 34 Sysco operating companies in 13 states to confirm that an electric vehicle is viable in these locations. This analysis includes factors such as charging infrastructure, location of equipment, and the cost and performance of the vehicle.

In FY2018, Sysco announced that we had submitted a reservation for 50 of Tesla's new fully electric Semi tractors. The vehicles are expected to have a range of up to 500 miles on a single charge while generating no tailpipe emissions. We are also engaging other manufactures to explore additional electric vehicle capabilities. 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.

ii. Managing this opportunity is part of our normal business practices; zero (\$0) additional costs are incurred.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced indirect (operating) costs



Company-specific description

The operation of forklift and pallet trucks, lighting, air conditioning and refrigeration units that store food in our warehouses and redistribution centers requires considerable energy. Refrigeration, lighting and battery charging operations provide our biggest energy savings potential. Refrigeration units typically account for half of our total energy consumption, with lighting and battery charging constituting the majority of the remaining load. To reduce our energy consumption, Sysco implements energy efficiency measures and renewable energy.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

83,400

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

At the end of CY2020, 119 facilities were included in the program. In Fiscal Year 2020, we identified nearly 131 emissions- reduction improvements at 3 facilities, representing nearly \$83,400 in annual energy savings. Since the inception of our EM program, we calculate that we have avoided \$355.8 million in costs over a 14-year period.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

i. Sysco continually evaluates energy efficiency and renewable energy opportunities to improve resilience of our operations and reduce operating costs. For example, in 2006, we launched an Energy Management Program (EMP) at the Sysco Broadline, SYGMA and redistribution facilities to improve energy efficiency primarily by identifying and implementing more efficient processes and equipment upgrades.

At the end of CY2019, 121 facilities were included in the program, achieving more than \$316.5 million in total avoided energy costs. In June 2018 we launched the Texas Solar Energy Project, entering into a 10-year agreement with NRG energy to construct three solar energy sites in the Houston and Dallas metro areas (These sites, comprised of 201,792 solar panels on 224 acres, are anticipated to eliminate 37,000 tons of CO2 emissions). This off-site, large-scale utility scale effort is being supplemented with new on-site solar installations at several Sysco facilities. Three projects were constructed and brought online by late summer 2019 at Sysco Sacramento and Sysco Ventura, California, and SYGMA Lancaster, Pennsylvania. In Sacramento, California, our photovoltaic system has a total capacity of 1,005 kW and is comprised of 2,718 individual 370-watt solar panels. We also added HFM, now Sysco Hawaii, to our portfolio of large-scale solar arrays in 2019 with the Oahu and Maui facilities contributing an additional 1.3 million kWh in solar generation during the year. This brought the annual total on-site generation from solar energy to 4.7 million kWh.

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. 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.

ii. Specific costs related to these investments are proprietary.

Comment



C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

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

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

In our recent undertaking to develop a comprehensive, long-term sustainability strategy and continued pursuit of renewable energy procurement, we have set a new corporate social responsibility strategy with specific goals to measure our performance and strategies to achieve our goals. This process included consideration of material risks and opportunities to our business, including climate change. While we plan to stay aware of developments around climate-related scenario analysis, it has not yet posed a strategic priority for our business based on this recent work.

Also, 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.



C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>i. Description and time horizon: Both transitional and physical climate risks/opportunities as described in 2.3a/2.4a have affected our products and services in several ways, in both the short- and long-term time horizons. Our supply chain activities are affected, particularly with regard to identifying and engaging vendors that can support our progress toward achieving sustainability goals while saving on operational costs. Meanwhile our direct operations are affected by changing consumer preferences. Advancing our sustainability initiatives enhances our customer relationships either by elevating 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.</p> <p>ii. Most substantial business decision: To realize this opportunity, one of our most substantial business decisions was to develop and strengthen the capabilities around FreshPoint, our specialty produce company that addresses customers' needs for fresh, unique, organic, and local produce items. To this end, we work with small and mid-sized specialty producers to provide customers with locally-produced items. Since 2014, FreshPoint has continued to strengthen its capabilities to make sourcing local produce easy and convenient. In the foodservice industry, the definition of "local" can vary widely. Therefore FreshPoint developed an online tool that enables customers to "define their own local" within a distance they designate and allows them to sort by crop or growing method. Users can search for in-state purchases. As an active local database with full reporting capabilities, it was an industry first. We also expanded the tool for Sysco Broadline companies in the U.S. and continue to add new suppliers to the program as and when possible. As a result, sales of locally sourced produce from FreshPoint produce locations were estimated at approximately \$171 million during FY2020.</p>

Supply chain and/or value chain	Yes	<p>i. Description and time horizon: Physical climate risks as described in 2.3a have affected our supply chain in both the short- and long-term time horizons, as we obtain our foodservice and related products from third-party suppliers. Our inability to obtain adequate supplies of foodservice and related products as a result of factors including short-term weather events and more prolonged climate change could impair production capabilities, disrupt our supply chain or impact demand for our product. We consistently evaluate potential impacts on our supply chain to ensure smooth operations and reliable delivery to our customers.</p> <p>ii. Most substantial business decision: One example of a substantial business decision is that of engaging with growers of Sysco Brand canned and frozen fruit, vegetables and potatoes through Sysco's Sustainable Agriculture/Integrated Pest Management (IPM) program. 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. The IPM program, launched in 2004, 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. We are building on this work through our goal to establish five more crops under the IPM program.</p>
Investment in R&D	No	R&D is not a core function of Sysco, as we rely on third-party vendors for product R&D and developments related to our fleet. Therefore this category is not directly relevant to our business in terms of climate-related impacts.
Operations	Yes	i. Description and time horizon: Physical climate risks as described in 2.3a have affected our facility operations in the short-term, due to the mitigation efforts needed to respond to extreme weather events. The impacts vary from year to year; during the 2020 hurricane Season, Sysco experienced natural disaster impacts from hurricanes and a tornado. During the 2020 Atlantic Hurricane Season, 27 Sysco facilities along Isaias' path activated their response teams, hurricane plans and checklists well in



		<p>advance of storm impact, performed ongoing customer communications, and adjusted operating schedules based on the storm forecast. These facilities also activated emergency plans and our Corporate TST responded. Also, Sysco Nashville was impacted by a direct hit of a tornado in March 2020. After the building was shut down, Sysco responded by transferring business to Sysco sites nearby. Sysco Nashville reopened on June 6, 2021. In addition, Sysco consistently evaluates business efficiency opportunities such as those described in 2.4a, which extend to the long-term.</p> <p>ii. Most substantial business decision: An example of a substantial business decision related to operations is that of administering our Energy Management program at our domestic facilities, with an objective of reducing the energy intensity for Broadline locations over a three-year period from July 2015 through June 2018. This program was renewed for another three years in FY2018. We calculate that since 2014 our EM program has increased energy efficiency 19% percent across participating locations. In FY2020, we identified nearly 131 emissions- reduction improvements at 3 facilities, representing nearly \$83,400 in annual energy savings. Since the inception of our EM program, we calculate that we have avoided \$355.8 million in costs over a 14-year period.</p>
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Access to capital	i. Case study: Physical climate risks and opportunities as described in 2.3a have affected our capital allocation and expenditures, such as our efforts to replace our fleet with new electric vehicles to reduce fuel consumption. We replace approximately 10 percent of our fleet annually and have a policy of ensuring replacements are more fuel efficient. We have explored technologies including low-emission compressed natural gas (CNG) tractor units, as well as biodiesel used to fuel tractors at 33 of our operating companies. We've also deployed approximately 100 hybrid/electric single-axle trucks, which consume less diesel fuel than a standard engine. As our analysis of alternative fuel vehicles continued, we gravitated toward battery electric vehicles (BEVs), which derive all their power from rechargeable batteries and have no



	<p>Assets</p> <p>Liabilities</p>	<p>internal combustion engine onboard. We believe electrification is the most promising option to achieve our goals, and Sysco has developed key partnerships with several manufacturers that are developing BEVs and charging equipment. Based on market pricing and other market conditions, we are currently evaluating 34 Sysco operating companies in 13 states to confirm that an electric vehicle is viable in these locations. This analysis includes factors such as charging infrastructure, location of equipment, and the cost and performance of the vehicle.</p> <p>In FY18, Sysco announced that we had submitted a reservation for 50 of Tesla’s new fully electric Semi tractors. The vehicles are expected to have a range of up to 500 miles on a single charge while generating no tailpipe emissions. We are also engaging other manufactures to explore additional electric vehicle capabilities.</p> <p>We launched the next phase of our routing initiative in FY19 to further optimize deliveries to our customers, reduce the time our drivers and trucks spend on the road, and increase efficiencies.</p> <p>In FY20, Sysco piloted the Freightliner e-Cascadia at our Bay Area operating site, a class 8 tractor designed for local and regional distribution that is testing operations in real world applications. The pilot program provides data that allows for the continuous improvement of future vehicle design. Collaborating with manufacturers to develop new vehicle models that can meet the requirements of food delivery is a vital step toward reducing our impact on the planet.</p> <p>Additional benefits also include reduced carbon emissions, lower maintenance costs, and higher driver enthusiasm.</p> <p>ii. Time horizon: The capital allocation/expenditure planning for our fleet improvements including vehicles and infrastructure to support extend to the long-term (>6 years).</p>
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

N/A

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2014

Target coverage

Other, please specify

Broadline and SYGMA Business Divisions only

Scope(s) (or Scope 3 category)

Scope 2 (location-based)

Intensity metric

Other, please specify

Energy intensity

Base year

2014

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.46763

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

65

Target year

2020

Targeted reduction from base year (%)

15

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.3974855

% change anticipated in absolute Scope 1+2 emissions

3.9

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.37284

% of target achieved [auto-calculated]

135.1353277876

Target status in reporting year

Expired

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

% reduction from base year refers to a 15.0% reduction in energy intensity in FY20 vs. the 2014 baseline (cumulative rolling target).

65% coverage relates to the North America Scope 2 location-based emissions.

Sysco was above our FY2020 goal by ~1.0 percentage points, achieving a 16.0% reduction in energy intensity vs. the 15.0% reduction target.

Note: This reported target does not include consumption or emissions reductions from specialty sites. Specialty sites were added to the scope for CY 2017 and Sysco does not have the same baseline year data to allow inclusion in these target calculations.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2018

Target coverage

Country/region

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

Base year

2017

Figure or percentage in base year

1

Target year

2025

Figure or percentage in target year

20

Figure or percentage in reporting year



11.6

% of target achieved [auto-calculated]

55.7894736842

Target status in reporting year

Underway

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Target addresses US operations only.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0



Implementation commenced*	0	0
Implemented*	3	8,337
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

8,337

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

83,400

Investment required (unit currency – as specified in C0.4)

56,574

Payback period

1-3 years



Estimated lifetime of the initiative

Ongoing

Comment

Recommissioning for 3 sites in CY2020 operations & maintenance energy efficiency improvement including 1) Refrigeration Optimization 2) HVAC Control, and 3) Lighting

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Financial optimization is a critical component of operating our business. Since many projects aim to cut costs by increasing efficiency and reducing energy use, this practice often leads to the initiation of emissions reduction activities given the connection between energy use and emissions. A low carbon option or project will be chosen to move forward, provided the cost-benefit analysis meets a targeted return on investment threshold.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1



Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO2e)

763,847

Comment

Baseline emissions do not include Brakes.

Scope 2 (location-based)

Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO2e)

348,011

Comment

Baseline emissions do not include Brakes.

Scope 2 (market-based)

Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO2e)

348,011

Comment

Baseline emissions do not include Brakes.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

918,026

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1



Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Please note that emissions totals do not exactly correspond to energy disclosures. Emission totals represent tracked emissions at our US, Canada and UK sites, as well as estimated emissions for our Specialty sites. Due to reporting constraints, electricity totals reported in Section 8 represent tracked electricity consumption at our US and Canada facilities. Electricity totals do not include our estimated Specialty sites.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

245,656

Scope 2, market-based (if applicable)

236,574

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Significant operations not evaluated include our international Broadline companies' facilities located in Ireland, France, Sweden, Belgium, Costa Rica, Mexico, Panama and the Bahamas; European Imports (a foodservice import specialty company); Guest Worldwide (a hotel amenities company); International Food Group (a foodservice company that exports products to international customers).

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are relevant but not yet calculated

Explain why this source is excluded

Due to technological constraints in collecting and reporting on data, as well as relative size of these businesses, we have chosen to report on operations related to our U.S. and Canadian Broadline segment, our SYGMA segment, two RDC locations, our Corporate office, our Shared Business Service facility, our Specialty companies, and the UK facilities of our Brakes operations, which represent approximately 95% of our US and Canada footprint. Collecting information for excluded operations may be evaluated in the future.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services



Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business. We have not yet measured these emissions due to our primary focus on Scope 1 and 2 emissions.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business, especially as related to newly acquired capital goods including owned transport, equipment and technologies for our distribution centers. We have not yet measured these emissions due our primary focus on Scope 1 and 2 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business, such as transmission & distribution losses. We have not yet measured these emissions due our primary focus on Scope 1 and 2 emissions but expect we will measure these emissions in the future.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business, as approximately half of our transportation and distribution is managed by suppliers. The other half is managed by us, but purchased from and executed by third parties. We have not yet measured these emissions due to our primary focus on Scope 1 and 2 emissions and because it is difficult to obtain information about fuel related to the transportation of all our goods to our warehouses.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business. We are beginning to track specific components of our physical waste, however, we have not yet measured these emissions due our primary focus on Scope 1 and 2 emissions.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3,587

Emissions calculation methodology

Air mileage, type of flight, and associated emissions are tracked by our travel agency. Hotel stays and associated emissions are tracked by our hotel vendor. Data covers the US and Canada; UK business travel is not included.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business. We have not yet measured these emissions due our primary focus on Scope 1 and 2 emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Sysco does not have upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

The indirect emissions in this category are relevant because certain food products sold by Sysco undergo further processing prior to final distribution, which is undertaken by the customer. We have not measured these emissions due our primary focus on Scope 1 and 2 emissions.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Please explain

The indirect emissions in this category are relevant because certain food products sold by Sysco are further processed prior to distribution. We have not measured these emissions due our primary focus on Scope 1 and 2 emissions.

Use of sold products

Evaluation status

Relevant, not yet calculated

Please explain

The indirect emissions from Sysco's product usage phase are likely large, including those associated with energy use related to customer transport, storage and preparation of food products. We have not measured these emissions due our primary focus on Scope 1 and 2 emissions.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Please explain

The indirect emissions associated with food waste and packaging of our sold products are relevant to our business. We have not yet measured these emissions due our primary focus on Scope 1 and 2 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Sysco does not have downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Sysco does not operate franchises.

Investments

Evaluation status

Relevant, not yet calculated

Please explain

We are aware that this source of Scope 3 emissions is relevant to our business, such as our joint venture operations in Costa Rica and Mexico. We do not measure these emissions due to the high cost of obtaining this data compared to the relative proportion of emissions represented.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

No

C-AC6.6b/C-FB6.6b/C-PF6.6b

(C-AC6.6b/C-FB6.6b/C-PF6.6b) Why can you not report your Scope 3 emissions by business activity area?

Row 1

Primary reason

Analysis in progress

Please explain

Sysco recently undertook development of a comprehensive, long-term sustainability strategy. We evaluated areas of opportunity, with a focus on our key competencies, and prioritized nine areas for further development toward our strategy. In addition, we established a new corporate social responsibility strategy with specific goals, metrics to measure our performance and strategies to achieve our goals.

In our FY20 CSR report, Sysco announced that we 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.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Cattle products

Do you collect or calculate GHG emissions for this commodity?

No

Please explain

Since Sysco primarily obtains our foodservice and related products from third-party suppliers through a complex supply chain, the data collection required to evaluate emissions 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.

Agricultural commodities

Other

Poultry

Do you collect or calculate GHG emissions for this commodity?

No

Please explain

Since Sysco primarily obtains our foodservice and related products from third-party suppliers through a complex supply chain, the data collection required to evaluate emissions 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.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00002286

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

1,154,601

Metric denominator

unit total revenue

Metric denominator: Unit total

50,516,954,142

Scope 2 figure used

Market-based

% change from previous year

6.69

Direction of change

Decreased

Reason for change

For 2020, our tracked emissions decreased by 6.69%, in part due to COVID-19 impacts. The revenue denominator covers just the US, Canada, and UK to align with the scope of our inventory. Revenue decreased by 12% while emissions decreased, resulting in an overall decrease to this intensity metric.

Intensity figure

23.62

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1,154,601

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

48,885

Scope 2 figure used

Market-based

% change from previous year

1

Direction of change

Decreased

Reason for change

For 2020, our tracked emissions decreased by 18% due to business impacts from the COVID-19 pandemic. The FTE denominator covers just the US, Canada, and UK to align with the scope of our inventory. FTEs decreased by 17% and emissions decreased, resulting in an overall decrease (1.3%) to this intensity metric.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes



C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	845,299	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	1,166	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	6,142	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	65,420	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	803,481
Canada	59,048
United Kingdom of Great Britain and Northern Ireland	55,497

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.



Business division	Scope 1 emissions (metric ton CO2e)
Broadline	629,004
Corporate	331
RDC	392
SYGMA	156,319
Specialty	76,483
Brakes	55,497

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

8,976

Methodology

Default emissions factor



Please explain

Emissions reported include Scope 1 emissions (excluding on-road diesel) at Sysco specialty meat and produce companies.

Activity

Distribution

Emissions (metric tons CO2e)

909,050

Methodology

Default emissions factor

Please explain

Emissions reported include Scope 1 emissions at Broadline, SYGMA, RDC, Corporate, and Brakes facilities, as well as on-road diesel at Sysco specialty meat and produce companies.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	220,218	214,689	557,506	55,009
Canada	11,571	11,755	68,743	0
United Kingdom of Great Britain and Northern Ireland	13,867	10,130	43,452	16,026



C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Broadline	158,465	163,404
Corporate	6,359	0
RDC	5,686	6,206
SYGMA	18,261	17,911
Specialty	43,018	38,923
Brakes	13,867	10,130

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.



	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2,227	Decreased	0.17	Sysco estimates that an increase in renewable energy consumption - from both onsite solar and purchases of RECs - have led to a decrease in total scope 1 and 2 emissions of 2,227 MTCO2e during the year. The percentage change due to an increase in renewable energy was therefore identified by the following formula, dividing the savings by 2019 total emissions: $(2227/(1300937))*100 = 0.17\%$ (a 0.17% decrease).
Other emissions reduction activities	4,169	Decreased	0.32	Sysco estimates that reduction initiatives have led to a decrease in total scope 1 and 2 emissions of 4,169 MTCO2e during the year, calculated using an assumed estimated savings of 50% of annual savings from initiatives implemented in CY2020 (8,337 MTCO2e saved from recommissioning projects as reported in 4.3b). The percentage change due to emissions reduction activities was therefore identified by the following formula, dividing the savings by 2019 total emissions: $(-4169/(1300937))*100 = -0.32\%$ (a 0.32% decrease).
Divestment				
Acquisitions				
Mergers				
Change in output	232,930	Decreased	17	Remaining emissions reductions are attributed to the decline in sales from the COVID-19 pandemic, which is a total of 232,930 MTCO2e. The percentage change due to change in output was therefore identified by the following formula, dividing the decrease by 2019 total emissions: $(232,930/(1,393,926))*100 = 17\%$ (a 17% increase).
Change in methodology				



Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes



Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	3,146,977	3,146,977
Consumption of purchased or acquired electricity		55,009	634,092	689,101
Consumption of self-generated non-fuel renewable energy		9,489		9,489
Total energy consumption		64,498	3,781,069	3,845,567

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No

Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3,003,612

MWh fuel consumed for self-generation of electricity

6,868

MWh fuel consumed for self-generation of heat

2,996,744

Emission factor

0.256

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

125,254

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

125,254

Emission factor

0.182

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Liquefied Natural Gas (LNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

12,855

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

12,855

Emission factor

0.113

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

12,125

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

12,125

Emission factor

0.242

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Hydrogen

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

7,776

MWh fuel consumed for self-generation of electricity

7,776

MWh fuel consumed for self-generation of heat

0

Emission factor

0

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Propane Liquid

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4,120

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

4,120

Emission factor

0.204

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Lubricants

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3,002

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

3,002

Emission factor

0.408



Unit

metric tons CO2e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 1

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

846

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

846

Emission factor

0.263

Unit

metric tons CO2e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

457

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

457

Emission factor

0.186

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Acetylene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

8

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

8

Emission factor

0.25

Unit

metric tons CO₂e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

Fuels (excluding feedstocks)

Kerosene



Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

3

Emission factor

0.333

Unit

metric tons CO2e per MWh

Emissions factor source

The Climate Registry Default Emissions Factors, April 2017

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	10,603	9,489	10,603	9,489



Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

55,009

Comment

This is the MWh consumed by Texas facilities that are a part of the Energy Transaction Contract with Reliant. This does not include on-site solar generation. On-site generation is reported in section 8.2d.



C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CY20 SYR LRQA Verification Final.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

94

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CY20 SYR LRQA Verification Final.pdf

Page/ section reference

2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

94

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CY20 SYR LRQA Verification Final.pdf

Page/ section reference

2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

96

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CY20 SYY LRQA Verification Final.pdf

Page/section reference

2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Sysco's VP, Tax leads all tax monitoring and compliance. Our Indirect tax group under the VP, Tax monitors carbon taxes and/or schemes that may impact Sysco. We utilize a monitoring service that sends updates on potential systems, work closely with several leading accounting firms to

stay up to date, and collaborate with the Government Relations team brings things to our attention (mainly related to the United States). Once issues are identified, the real work of executing and making sure they apply locally falls to the team/jurisdiction where the tax applies. Local teams are a better source to ensure compliance. Subsequently, the Tax group is responsible for continued advice, monitoring, and audits as needed.

Sysco reported for CY19 that Sysco was regulated by the UK CRC schemes. The UK CRC schemes is now over, but due to the global scope of Sysco, we do anticipate on being regulated in the next three years.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

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

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

0

% total procurement spend (direct and indirect)

0

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Sysco engages our carrier, processor, and farmer partners as these supplier stakeholders represent the greatest opportunity for our company to have a positive impact on the most critical components of our business.

Impact of engagement, including measures of success

i. Measures of success: Sysco considers engagement of new suppliers in our IPM program and improvement in metrics reported to us on a voluntary basis as key indicators of program success.

ii. Impact of engagement: Sysco's Integrated Pest Management (IPM) program promotes the responsible use of agricultural inputs - fertilizers, pesticides, energy and water - by growers of Sysco Brand canned and frozen fruits, vegetables and potatoes. Managing these inputs has a direct cumulative effect on greenhouse gas reduction and climate change. Participating processors and farmers identify and protect environmentally sensitive areas, build soil health and preserve water quality by using cover crops, crop rotation and natural pest control methods.

In FY20 (crop year 2019), 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. Our suppliers often find it more cost-effective to apply the sustainable and IPM practices Sysco requires on acreage throughout their operation, even on acres for which they grow crops for other distributors/packers, elevating standards 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. Metrics for the most recent growing season have shown dramatic improvement from prior reported numbers as we engage new suppliers and as metrics reported to us on a voluntary basis increase, demonstrating program success based on the measures chosen. We also hold a triennial conference where our suppliers share best practices and innovative methods in applying sustainable and IPM practices to their operations. Finally, we engage with strategic suppliers in our Joint Business Planning program, providing a structured process of collaborating with these suppliers by aligning objectives, identifying efficiencies and encouraging innovation. % of suppliers & spend are proprietary.

Comment

Sysco Logistics reviews opportunities with our carrier partners to attain fuel efficiencies by moving over-the-road trucks to railroad or intermodal whenever possible. In FY20 we moved 1,282 rail boxcars within our US and Canada distribution network and shipped approximately 13,000 intermodal loads. Utilizing rail and intermodal transportation has avoided the use of 3.9 million gallons of fuel and more than 84 million pounds of carbon emissions. We also strive to increase the use of SmartWay-certified providers.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

In FY2020, Sysco—alongside Cargill—announced a major new partnership with the National Fish and Wildlife Foundation (NFWF) that will help ranchers in Texas, Oklahoma, New Mexico, Kansas and Colorado tackle the impacts of climate change and improve grasslands and wildlife habitat by creating one of the largest sustainable beef cattle grazing efforts in the nation.

Through a public-private partnership, \$5 million in funding from Sysco and Cargill will accelerate the implementation of sustainable grazing practices over the next five years across 1 million acres in the Southern Great Plains, an area responsible for approximately 30% of the beef produced in the United States. With the commitments from Sysco and Cargill today, the Southern Plains Grassland Program has the potential to sequester up to 360,000 metric tons of carbon per year, or the equivalent of removing 78,000 passenger vehicles from the road in one year.

NFWF will manage a competitive grant program that will enable nonprofit conservation groups, ranching collaboratives/associations, and agencies at the state and local level to engage with ranchers at a scale not seen before in the region, a successful model utilized by NFWF in landscapes across the country.

Grants awarded by NFWF through the Southern Plains Grassland Program will strengthen the resilience of ranching communities by scaling up the implementation of rancher-led sustainable grazing practices. Examples include rotational grazing, improvements to infrastructure, control of invasive vegetation, or a combination of interventions appropriate for the landowner, wildlife, soil type and climate. Such operational improvements enhance the ability of soil to sequester additional carbon from the atmosphere.

The sustainable grazing practices implemented by ranchers with support from this program will have far-reaching impact by:

- Improving soil health and protecting from erosion and compaction. Additionally, healthy grasslands and habitats hold more water, reducing flooding impacts and making the land more resilient to droughts.
- Promoting biodiversity. The Southern Great Plains provide critical habitat for native wildlife. The region is home to important migration corridors for monarch butterflies and migratory birds, and to species such as the swift fox, pronghorn, western box turtle, burrowing owls, prairie chickens, bobwhite and scaled quail.
- Increasing carbon storage. Healthy grasslands sequester and store a large amount of carbon in the soil. Management practices that focus on increasing grasslands extent and vigor enable these ecosystems to capture and hold additional carbon from the environment.
- Safeguarding the livelihoods of ranchers and rural communities in the region. By providing resiliency against decreased yields, the initiative will help support the long-term viability of their businesses. More than 95% of cattle ranches in the United States are family-owned, and they represent a major economic driver in large areas of the country.

This collaboration supports Sysco's goal to partner with its major beef suppliers on sustainability projects that will result in positive impacts in the beef supply chain, from the ranch all the way to the consumer. As a major global purchaser and distributor of a wide variety of beef products, Sysco's sustainable beef sourcing commitments aim to ensure that the beef products procured are produced in a manner that supports the beef industry while providing positive environmental and social impacts.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Integrated pest management

Description of management practice

Sysco's Integrated Pest Management (IPM) program promotes the responsible use of agricultural inputs - fertilizers, pesticides, energy and water - by growers of Sysco Brand canned and frozen fruits, vegetables and potatoes. Managing these inputs has a direct cumulative effect on greenhouse gas reduction and climate change. 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.

In FY20 (crop year 2019 season), 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. 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 since inception of the program, as we engage new suppliers and as metrics reported to us on a voluntary basis increase - a key indicator of program success.

Your role in the implementation

Knowledge sharing

Explanation of how you encourage implementation

As participants in our IPM program, suppliers are asked to:

- track their pesticide and fertilizer use, with the goal of limiting the quantity applied or using lower toxicity level products when possible.
- report how much vegetative waste they reuse via returning it to fields, composting, feeding cattle or other methods
- report material recycling rates for glass, metal, paper, plastics, and oils
- measure all water used in irrigating and processing fruit and vegetables. (optional)
- report fuel conservation from in-field and processing operations. (optional)
- report reductions in energy usage and methods for achieving efficiency. (optional)
- Related success stories. (optional)

We also hold a triennial conference where our suppliers share best practices and innovative methods in applying sustainable and IPM practices to their operations.

Climate change related benefit

Emissions reductions (mitigation)

Reduced demand for fertilizers (adaptation)

Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP2

Management practice

Enhanced forest regeneration practices

Description of management practice



We are working with suppliers to increase the use of responsibly sourced palm oil, because of its enhanced risk profile, including the threat of deforestation and negative social impacts. In support of our objective to promote the sustainable supply of palm oil, we set the goal of using only RSPO-certified (Mass Balance) palm and palm kernel oil in Sysco Brand products effective December 31, 2018. We undertook a number of actions to advance against that objective.

The first was identifying all Sysco Brand products that contain palm oil. This was a detailed and lengthy process, since palm oil functions as a product ingredient rather than a commodity or standalone product. Sysco also surveyed suppliers to identify which type of palm oil they were currently using. We focused our initial efforts on the largest suppliers that represent a substantial majority of the case volume of relevant products.

For calendar year 2019, we prioritized work with our largest suppliers that have the highest case volume in relation to palm and palm kernel oil. As a result of our supplier engagement, we can now report that 90 percent of our current case volume is compliant with our Palm Oil Policy. Although we were unable to reach our 100 percent compliance objective by our target of calendar year-end 2018, we have made significant progress.

For calendar year 2020, we expanded our outreach to all suppliers that manufacture Sysco brand products that may contain palm oil. This is the second year Sysco requested this level of detail from palm oil suppliers, and 95% requested suppliers responded.

Your role in the implementation

Procurement

Explanation of how you encourage implementation

In an effort to reach our 100 percent supplier compliance objective, we have taken additional actions, including incorporating our palm oil requirements into all new Sysco Brand supplier agreements and product specifications.

Climate change related benefit

Increasing resilience to climate change (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

International Foodservice Distributors Association (IFDA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

IFDA does not promote a specific position regarding climate change.

How have you influenced, or are you attempting to influence their position?

We have not recently attempted to influence the IFDA Board's position on climate change.

Trade association

National Council of Chain Restaurants (NCCR)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

NCCR does not promote a specific position regarding climate change, but does lobby for repeal of the Renewable Fuel Standard.

How have you influenced, or are you attempting to influence their position?

We have not recently attempted to influence the NCCR Board's position on climate change.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

At Sysco, the Senior VP, Corporate Affairs and Chief Communications Officer is responsible for Corporate Social Responsibility, Government Relations, Investor Relations and Communications. Ensuring that the company's direct and indirect activities that influence policy are consistent with overall climate change strategy is fostered through the company's existing organizational structure as well as routine and ongoing meetings among the leadership of the Corporate Affairs group, including CSR, Government Relations, Investor Relations, and Communications.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 SYY_2020_ANNUAL REPORT.pdf

Page/Section reference

Annual Report Pages 2, 7-10,13

Content elements

Strategy

Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 SYY_2020_CSR REPORT.pdf

Page/Section reference

PDF Pages 6-11, 36-41

Content elements

Governance

Strategy

Other, please specify

Emissions/energy reduction

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Soil

Water

Other, please specify

Waste Management

Description of impacts

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. In FY20 (crop year 2019) the program covered the full range of Sysco Brand canned and frozen fruit and vegetable items we purchase, representing 125 processing locations and 11,399 growers worldwide, with nearly 1.3 million acres under cultivation. Suppliers reported conserve and process facility water through the employment of good agricultural practices and upgrades. 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.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

In our Sustainable Agriculture Sourcing with Purpose brochure, a Sysco Brand Grower for canned jalapenos said they have implemented cover cropping to help with early spring temperatures and wind damage and have found great benefits to the soil because of it. Additionally, a Sysco Brand Supplier of avocados shared that they are closing the loop on avocado waste by taking avocado pits and skins to rural farmers for compost and mulch.



C15. Signoff

C-FI

(C-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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Vice President of Corporate Affairs and Chief Communication Officer	Other C-Suite Officer