

One planet. One table.

Sysco[°]

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Sysco is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. With more than 72,000 colleagues, the company operates 334 distribution facilities worldwide and serves approximately 725,000 customer locations. For fiscal year (FY) 2023 that ended July 1, 2023, the company generated sales of more than \$76 billion.

For more information, visit <u>sysco.com</u> or connect with us on <u>Facebook</u>, <u>LinkedIn</u> and <u>X</u>, formerly known as Twitter. As an extension of our DEI commitment, we're proud to share our second annual DEI Report full of stories and metrics on our progress in FY2023.

View our latest report.

FY2023

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~725K

customer locations

distribution facilities

334

worldwide

\$76.3**B** FY2023 global sales

(+11.2% vs. FY2022)

~72K+

colleagues across the globe

Four Business Segments

- 1. U.S. Foodservice Operations
- 2. International Foodservice Operations





3. SYGMA

4. Other—Hotel Lodging Supply

Global Footprint

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

- United States
- Canada
- United Kingdom
- France
- Sweden Ireland



- The Bahamas
- Costa Rica
- Panama
- Belgium

¹ "Other" includes cafeterias that are not stand-alone restaurants, bakeries, caterers, churches, civic and fraternal organizations, vending distributors, other distributors and international exports, as well as retail food sales and logistics services.

Our Ingredients for Success



Our Purpose—why we exist: Connecting the world to share food and care for one another.



Our Mission—what we do: Delivering success for our customers through industry-leading people, products and solutions.



Our Identity—our role in the industry: Together we define the future of foodservice and supply chain.



Our Values—who we are at our best:

- Rooted in Integrity
- Committed to Inclusion
- Driving Together
- Define Excellence
- Grow Responsibly



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Introducing One Planet. One Table.

For over 50 years, we've developed deep relationships in our communities and a robust global business that is connecting the world to share food and care for one another. We take our role as an industry leader seriously and have made significant commitments.



This approach to sustainability is important not only to our colleagues, customers and communities; it's also important for the longevity of our business and the planet. Earlier this year, we introduced **One Planet. One Table.**—our new sustainability platform—to unite and amplify our global efforts to positively impact **People, Products and the Planet**. Each of these pillars has specific and measurable goals, including an ambitious leadership goal where we believe we can maximize our impact.

One Planet. One Table. Aligns to Sysco's **Business Strategy and Purpose**

Sustainability is an integral part of Sysco's Recipe for Growth strategy to ensure we are growing responsibly and purposefully across the five pillars of our strategy. The **Future Horizons pillar**, specifically, encompasses One Planet. One Table. We know that to continue living our purpose of connecting the world to share food and care for one another in the future, we must protect our planet's resources to secure the future of our food supply.

The impacts of climate change on our food value chain are increasing. Sysco is leveraging its scale and position in the center of the value chain to drive the sustainable transformation of food systems in the markets we serve, but we can't do it alone. Collaboration across the value chain is critical.

As the industry leader, we have a responsibility to help our stakeholders with this transition and to bring the industry along with us so we can solve climate and sustainability challenges together. We know this is a big undertaking—one that requires time, resources, innovation and investment. Sysco is leading by example through our actions and the investments we are making in our own business and in our value chain.

Sustainability is becoming increasingly important to our customers. Now more than ever, consumers are interested in where their food comes from and how it is being produced. Whether it is to meet their own sustainability commitments or consumer demand, Sysco has a growing market of customers looking for responsibly sourced products that are produced with the planet and people in mind. We're working with our suppliers to set emissions reduction targets; investing in programs to help farmers, ranchers and fisheries adopt more sustainable practices; and making it easier for our customers to identify and add sustainable options to their menus. We have an opportunity to drive value and profitable growth with customers who share our beliefs while inspiring others to join us. Together, we can make a positive impact and drive demand for more products that benefit people and our planet.

We have only **One Planet**. Sysco is taking a leading role in protecting it. We have **One Table**. Everyone is invited to pull up a seat and partner with us on this journey.

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Our approach includes:

Transforming the Foodservice Ecosystem

Within the foodservice ecosystem, Sysco is uniquely positioned to drive widespread value and sustainable change.

2 Reducing direct emissions (Scopes 1 and 2) by optimizing our logistics and electrifying our global fleets.

Embracing product innovation that enables accelerated decarbonization.

3

5

Investing in initiatives to reduce both food and packaging waste.

Collaborating with top universities and other partners to explore innovations and solve sustainability challenges.

6 Expanding sustainability data capabilities and leveraging information to drive impactful change.

Helping our customers stay on the cutting-edge with innovative and sustainable products and solutions.





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2025 Sustainability Goals¹

In 2018, we established several goals to guide us toward key sustainability milestones by 2025. Since then, we've made significant strides toward these goals—already achieving and exceeding several targets. In some areas, such as health and wellness, we are realigning our goals to better fit our purpose and our colleagues' evolving needs. In other areas, we have started to expand and elevate our efforts by creating ambitious leadership goals. Examples include our People goal to generate \$500 million worth of global good and our ambitious Planet goal to reduce our emissions—a goal that goes beyond 2025. We are also working to solidify and define measurements for a Products goal to build out an industry-leading sustainability offering for our customers. We're proud to share what we've achieved so far and are committed to furthering our impact in the years to come.

•	PEOPLE	Global Sustainability Focus Areas	Philanthropy and Community Giving	Diversity, Equity and Inclusion	
				Increase total gender and ethnic diversity of U.Sbased colleagues to 62%. Sup PROGRESS: 100% PROGRESS: 100% Exceeded by increasing total U.S. gender and ethnic diversity to 63.7%.	AL: 2025, increase U.S. ² spend with certified diverse pliers by 25%. DGRESS: 100% Correction Construction Construction Exceeded by increasing U.S. Foodservice spend 25.3% from 0 million in FY2018 to \$940 million certified spend in 023, and surpassing \$1billion in total diverse Tier 1 spend. ³
<u>'</u>		Global Sustainability Focus Areas	Animal Welfare	Responsible Sourcing	Human Rights
)	JCTS		GOAL: Ensure that all Sysco Brand protein suppliers adhere to requirements laid out in our Animal Welfare Policy for Suppliers.	GOAL: Establish responsible sourcing guidelines for five key commodities.	GOAL: Ensure that all first-tier, high-risk suppliers agree to the Supplier Code of Conduct Principles.
	PRODUC		PROGRESS: 100%	PROGRESS: 100%	PROGRESS: 10%
	đ		Completed by receiving attestation and audit results from all Sysco Brand protein suppliers. We have also implemented a program to ensure ongoing compliance by both new and existing suppliers.	Achieved by naming cocoa as the fifth commodity in addition to beef, paper, soy and coffee.	Completed 184 Sysco Brand facility audits.
		Global Sustainability Focus Areas	Sustainable Agriculture	Energy and Carbon	Waste Reduction
	ANET		GOAL: Expand Sysco's Sustainable Agriculture program to include five fresh crops.	LEADERSHIP GOAL: Reduce Scope 1 and 2 emissions by 27.5% from CY2019 base year by 2030.	GOAL: Divert 90% of waste, including food, from landfills.
	PL		PROGRESS: 100%	PROGRESS: Deployed 23 electric tractors across our operations ⁴	PROGRESS: 67%
			Exceeded by including 14 fresh crops.	We are currently transitioning to a new, global emissions tracking plat We plan to disclose this metric going forward, once the platform is in p	
				GOAL: Work with suppliers representing 67% of Scope 3 emissions ⁵ to set science-based targets (SBTs) by 2026.	
				PROGRESS: 27%	
				Sysco suppliers representing 27% of our CY2019 Scope 3 emissions have committed to or set their own emissions reduction goals.	

SUSTAINABILITY REPORT ¹ U.S. only unless specified.

² Amount refers to U.S. Dollar amount of U.S. Broadline, Supplies on the Fly, Central Warehouse and Freshpoint Operation direct product purchases and indirect spend from certified diverse businesses identified as minority (MBE), woman (WBE), veteran (VBE), disabled (DOBE) and LGBTQ+ (LGBTBE)-owned suppliers in the fiscal year.

³ Tier 1 spend represents the total amount of procurement dollars that Sysco spends directly with suppliers.

⁴ While we are taking action globally to address our Scope 1 and 2 emissions, these categories likely increased due to an upswing in business activity following the COVID-19 pandemic. We are currently updating the way we calculate our emissions and plan to share our progress in future reports. ⁵ Focusing on purchased goods and services and upstream transportation suppliers.

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What We Brought to the Table in FY2023

In FY2023, we stepped up our sustainability efforts to make a meaningful difference in each of our sustainability pillars. From making small shifts in our everyday activities to achieving and exceeding our long-term goals, these are the highlights of our efforts throughout the fiscal year:

PEOPLE

Hosted our first Sustainability Townhall and achieved prepandemic levels on our Sysco Speaks engagement survey.
Expanded Sysco's Operations Academy nationwide and launched a program to help colleagues earn their commercial driver's licenses.

Created a Diversity Recruitment team to help build a pipeline of highly skilled, diverse talent.

 Engaged nearly 400 suppliers during our Supplier Diversity Education Session and exceeded our 2025 diverse supplier spend goal.

• Engaged 1,000+ colleagues to volunteer 6,000+ hours for Sysco Canada's first-ever Purpose Month.

PRODUCTS

 Launched initiatives to set a sustainable packaging target and reduce plastic-based packaging waste.

 Added a key commodity commitment for cocoa, achieving our 2025 responsible sourcing goal.

 Became an authorized Rainforest Alliance Certified supply chain actor.

Awarded the second round of grants through the
Southern Plains Grasslands Program.

Completed foundational work to make it easier for customers to identify sustainable products in our digital shopping platform.

PLANET

• Unveiled Sysco's first Electric Vehicle (EV) Hub in Riverside, California.

• Added 21 electrified, zero-tailpipe-emission tractors to our fleet, in line with our target to reduce our Scope 1 and 2 emissions by 27.5%.

 Deployed five hybrid electric trailers at our Riverside facility and piloted our first all-electric straight trucks at FreshPoint in Orlando, Florida.

 Launched a partnership to develop tailored solutions to support our aspiration to source 100% renewable electricity for Sysco's global operations.

• Expanded our Sustainable Agriculture program by covering 14 fresh crops under the Sustainable Food Group Sustainability Standard™.

• Partnered with leading universities to develop the next generation of sustainability leaders.



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One Planet. One Table. One Sysco.

A message from **Kevin Hourican**, President and Chief Executive Officer, and **Neil Russell**, Senior Vice President and Chief Administrative Officer.

Sustainability remains an integral part of Sysco's business. It's a core value we believe in as a company that also drives business value. The actions we are taking today are not only important for the longevity of our business, but they also provide Sysco with a competitive advantage to win new business and drive profitable growth.

One Planet. One Table.

You will notice the theme for this year's report is One Planet. One Table. which unites our efforts for People, Products and the Planet.

We only have One Planet. We must protect it for generations to thrive. A sustainable food supply chain is an essential part of this. We want to nourish communities *and* nurture our planet. We also have One Table at Sysco where everyone is welcome. We believe that diverse teams are better teams. We can better serve our diverse customer population when our colleagues and leaders reflect the communities they serve. One Planet. One Table. That's what motivates and drives us at Sysco.

We're excited about how One Planet. One Table. will come to life for our customers through our assortment of sustainable products, backed by best-in-class sustainability certifications and standards. We've added capabilities that make it easier for our customers to identify these products so they can serve delicious meals today *and* commit to a better tomorrow.

Leading by example while elevating the industry

We are extremely proud of our colleagues around the world who are working hard to deliver our sustainability commitments.

We made significant progress toward our climate goal in FY2023, including:

- Breaking ground on a first-of-its-kind EV Hub in Riverside, California;
- Deploying more than 20 EVs globally and five electric refrigerated trailers; and
- Hosting our first supplier sustainability summit to discuss emissions reduction targets.

As we work to reach our \$500 million Global Good Goal, Sysco contributed over \$281 million through FY2023. This past year, we donated 17 million meals globally, and our colleagues more than doubled their volunteer hours from FY2022 with 24,000 hours recorded.

As you read through this report, we hope you feel as proud as we are of Sysco's actions to address sustainability challenges in a way that will benefit people and our planet for generations to come. There is always more to do, but we are laying the foundation for a more sustainable future. To ensure we continue to meet our commitments, for the second year in a row, both environmental, social and governance (ESG) and diversity, equity and inclusion (DEI) metrics are included in our compensation program. We are thankful for your support and look forward to continuing to share our progress with you.

Ken P. House - Much

Kevin Hourican President and CEO

Neil Russell SVP and Chief Administrative Officer





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Q. How did you come to work in the sustainability space?

from Henry Fovargue,

Vice President of

Sustainability

In the early days of my career, I was surprised that relatively few people around me were focusing on sustainability, despite the dramatic transformation ahead to transition to a sustainable world. I saw sustainability as an exciting and commercially relevant space full of potential for innovation and transformation. I decided to take a risk and build the sustainability topic for our industry at Boston Consulting Group, and I'm happy I did!

Q. What makes Sysco's sustainability approach unique?

Two key factors differentiate Sysco: First, the engagement and support we receive from our Executive Leadership Team and Board of Directors is one of a kind. These elements are essential, and they effectively filter down throughout the company. The second factor is our commitment to progress and bias to action, driven by our culture and the near-term targets we have set. I worked with over 25 different companies before joining Sysco, and I believe the potential for us to positively impact the world is unmatched.

Q. What key trends are shaping sustainability

in the foodservice industry?

There are so many—circular models, such as reusable takeout packaging; future farming techniques, like indoor farming; the implementation of regenerative farming; and increasing demand for local products all come to mind. Among these trends, the accelerating pace of technology and artificial intelligence excites me the most. Climate data is notoriously hard to measure and capture, but the increasing maturity of technology platforms—along with the data that feeds them—makes me confident that, soon, we'll be able to guickly measure our efforts and identify where to act to drive the most positive impact.

Q. Where do you see the biggest opportunity

for Sysco to make an impact?

As the world's largest food distributor at the center of a vast ecosystem of food companies, we have the potential to be the connector that helps to secure the future of our food supply. As we start to experience the impacts of climate change on our food supply across multiple categories, we have an opportunity to enable our current suppliers to become more sustainable while also supporting new, more sustainable and secure sources of supply. We already have a great start in our Sustainable Agriculture, Scope 3 and Cutting Edge Solutions programs, and I'm excited to help the team accelerate the pace of positive change.

Q. What other aspects of sustainability are you

most passionate about bringing to life?

I'm bullish about the potential of sustainability to drive significant business benefit. And our new sustainability strategy, One Planet. One Table., has just launched. I'm excited to grow the size of our sustainable assortment with a combination of innovative offerings and more sustainable products from our current suppliers.



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We believe in caring for people

by investing in our colleagues' growth and

well-being, doing good in our communities

and ensuring that everyone has a

seat at Sysco's table.



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Community Giving and Global Good

We empower our colleagues to help Sysco make a difference in our communities by doing good and giving back.

Sysco's purpose guides us in connecting the world to share food and care for one another, which extends to the global communities in which we live and work. We leverage our passion and resources to help nourish our neighbors and support programs that make a positive impact on people's lives. In FY2023, we continued to advance these priorities across our sites. Our teams got involved by sharing meals in Sri Lanka, teaming up with a North Texas teen to support malnourished kids and engaging more than 220 charities in Canada alone. Sysco also donated \$900,000 to Feeding America®, contributing to our 2025 goal to generate \$500 million worth of global good. By 2025, generate \$500M worth of good in our global communities, including 200M meals.

Progress: Generated \$281M, including 17M meals.

Goal

Cr

Our Philanthropic and Community Giving Priorities



Feed

We work to reduce hunger in our communities by providing healthy and nutritious meals to families who are food insecure. We do so by working with local community partners and donating food, which also helps us reduce waste.



Serve

Our colleagues give their time and talent to serve our communities and customers. They give back to many causes that inspire them, including those focused on expanding food access for vulnerable groups such as seniors and kids.



We support many global, national and local organizations—both by donating funds and by sharing knowledge as board members.



Acts of Global Good in FY2023

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Feed

In Sri Lanka, our Sysco LABS colleagues completed the ninth phase of their flagship "Share a Meal. Share a Moment." initiative. The group distributed nearly 200 essential ration hampers to underprivileged families in Lunawa, a suburb of Moratuwa, which lies in Sri Lanka's Western Province. Through the initiative, the colleagues aim to support their community and contribute to Sysco's purpose. Since its inception in December 2020, Sysco LABS has donated over 25,000 meals and 4,000 ration packs—impacting more than 40,000 lives.

Serve

In North Texas, one of Sysco's sales colleagues got his whole team involved in a volunteer event spearheaded by his 14-year-old son. The teen Eagle Scout had been a longtime volunteer with Feed My Starving Children (FMSC), a nonprofit organization that provides meals for malnourished children worldwide. Inspired by this dedication, the North Texas sales team rolled up their sleeves to help FMSC pack nearly 14,700 MannaPack[®] meals. MannaPack[®] is a meal formula produced by FMSC and developed by food scientists and nutritionists to reduce issues of malnutrition. The meals provided enough nutrition to feed approximately 40 kids for an entire year. 24K

17M+

meals donated by

Sysco in FY2023

total hours volunteered by Sysco colleagues in FY2023



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Give

Leveraging our signature Nourishing Neighbors program, Sysco made another \$900,000 donation to Feeding America in FY2023. Through the program, we donate a portion of the proceeds from each Sysco-branded case to charitable organizations in the communities where the cases were sold. Since its inception in 2018, the Nourishing Neighbors program has contributed millions to charitable organizations.

\$9.6M total funds donated by Sysco in FY2023



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Read more about our Purpose Month activities



When colleagues dedicate their time to making a difference, we want them to know that we value and support their efforts. Through our Sysco Gives Back volunteer recognition program, we celebrate Sysco volunteers who help bring our purpose to life. Colleagues log their hours using our Volunteer Hour Tracker to earn recognition that includes: Quarterly Volunteer Spotlight: A random drawing, whereby five volunteers receive

CODIE

KIDS

KIDS MEALS FED 180 KIDS TODAY

\$100 each for a charity of their choice. • Volunteer of the Year: Recognizes the colleague with the highest number of volunteer hours logged with \$1,000 to donate to a charity of their choice. Two runners-up also receive \$500 each to donate to a charity of their choice.

Spotlighting Those Who Give Back

• Sysco Company of the Year: Recognizes one site globally that best represents our company's purpose. The site winner receives \$10,000 to donate to a hunger-focused charity in their community.

In FY2023, we were excited to honor Sysco Winnipeg as our Sysco Volunteer Company of the Year and donate \$10,000 to the local charity Community Helpers Unite on the site's behalf. Colleagues from the site worked together to put our purpose into action by volunteering over 600 hours during Sysco Canada's inaugural Purpose Month.

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Putting Our Purpose to Work—All Month Long

🕑 Sysco 💧

DIIDDE

M&NTH

One month, more than 1,000 volunteers and thousands of hours spent giving back. That's what Sysco Canada brought to the table with a first-of-its-kind Purpose Month initiative in FY2023.

Members of Sysco Canada's Sustainability team searched for a way to make a meaningful contribution toward the company's global good goal. They launched the bold idea to promote a full month dedicated to giving back and living Sysco's purpose.

Creating a Purpose Month ensured they could engage as many colleagues as possible, including those with more challenging schedules, to volunteer. They gained support at the highest levels, including from Sysco Canada's president. The month included a half day of service with an Ontario food rescue organization supported by nearly the entire Canadian Executive Leadership Team.

Purpose Month organizers engaged Sysco Canada's regional committees to help organize volunteer opportunities with local hunger-based organizations. The organizers coordinated internal communications and encouraged some healthy competition. The Sustainability team set a goal for the number of hours each region should achieve based on the number of colleagues involved. The region that exceeded its target by the highest percentage earned \$10,000 contribution to the hunger-based charity of its choice.

Sysco Canada set an overall goal to contribute 6,000 volunteer hours. They exceeded their goal and increased annual volunteer hours by more than 13 times. During the month, volunteers supported more than 220 charities, with a focus on hunger relief organizations. Going forward, Purpose Month will be a global initiative to continue to expand on the impact made by Sysco Canada.



As part of Sysco's Purpose Month, the Ontario South team was able to provide a great day of support to the Guelph Food Bank. The team camaraderie was taken to the next level!"

Jay McClintock Director of Key Accounts at Sysco Ontario

Purpose Month's Impact At-A-Glance

6K+ hours volunteered

1K volunteers

220+ charities engaged

Global expansion

planned for FY2024



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Parts -

We are creating a workplace

where our colleagues are

to help Sysco accomplish

its purpose.

motivated and empowered

Cultivating a strong sense of engagement is an essential component of human capital management. At Sysco, we believe it's imperative for our colleagues to feel valued, connected and heard.

During FY2023, we used multiple channels and touchpoints to solicit direct colleague feedback. Our methods included targeted pulse surveys and our annual Sysco Speaks survey, for which we were proud to see participation return to pre-pandemic levels. We also enhanced our action-planning methodology for these surveys through improved communication, education and reporting to ensure we're following through on key elements of our colleagues' feedback.

Engagement is more than a conversation between colleagues and management—it's important to foster peer-to-peer interactions as well. With that in mind, we implemented a global peer-to-peer recognition platform that empowers colleagues to reinforce Sysco's values and celebrate their colleagues' contributions. We also continued our Pinnacle Award program, in which leaders nominate colleagues for their contributions to our customers, strategy and culture, while enhancing the program to increase global nominations.

Finally, Sysco continues to embrace workforce flexibility, offering a blend of on-site, hybrid and remote work modalities. This flexibility also opened us up to broader participation in enterprisewide events, such as our inaugural Sustainability Townhall, which was a highlight of FY2023.

Our Global Colleagues Spoke Up, and We Listened

As we move our DEI Roadmap forward, we're taking time to seek out our colleagues' feedback about the strengths of Sysco's workplace culture and how we can continue to improve. One thing we've heard is that the term "associates" doesn't fully resonate with our global employees. That's why, throughout this report, you'll notice an important change. We now use the term "colleagues" when referring to those in our workforce—a nod to the fact that we are all partners in furthering Sysco's purpose and our DEI work.



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Understanding Our Colleagues' Perspectives with Sysco Speaks

Each year, we deploy our Sysco Speaks survey to capture feedback and insights from Sysco colleagues worldwide. Our leaders use these responses to identify Sysco's existing workplace strengths and our opportunities to enhance the colleague experience. In FY2023, we administered the survey to additional Sysco businesses, yielding a high participation rate of 87%. This placed us above the industry benchmark and up 3% from FY2022. Our overall engagement index remained at 77%, and we saw similar key strengths to the previous year's. In addition to the annual survey, we implemented approximately eight pulse surveys focused on retention, procurement changes, our annual coaching and performance process, mentorship and other business needs.

Celebrating Our First Sustainability Townhall

As part of our broader engagement efforts, we created new opportunities to engage colleagues in our sustainability approach. Hosted by Sysco's SVP and Chief Administrative Officer Neil Russell and members of our Sustainability team, we were excited to welcome over 5,000 virtual and in-person colleagues to Sysco's first Sustainability Townhall.

The event provided a forum to launch our new **One Planet. One Table.** strategy. We also held a fireside chat on the social and environmental impacts of our products and shared an update on our progress toward Sysco's sustainability goals. We plan to continue these sustainabilityfocused townhalls to engage colleagues on how they can get involved in helping Sysco build a more sustainable future.

What We Heard in Our FY2023 Sysco Speaks Survey

Colleague responses by the numbers:

89%

understand how their roles relate to Sysco's business goals

85%

are proud of the products we sell

82%

understand Sysco's purpose statement

82%

say their immediate supervisors ensure that they understand the goals and objectives of their teams

81%

enjoy working for Sysco

80%

feel people on their team work well together

79%

are proud to work at Sysco

79%

feel their questions or concerns are addressed immediately by their supervisors

Key strengths:

• Colleagues report that they have pride in working for Sysco.

• They are also aligned with the company's purpose and vision.

Areas for continued improvement:

• Ensuring our colleagues feel heard, acknowledged and valued for sharing their ideas and suggestions.

• Improving colleagues' work-life balance and Sysco's change management practices.



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PRODUCTS PLANET GOVERNANCE APPENDIX start—and we believe in the capacity of every colleague to advance their careers. We invest in opportunities to support our colleagues' professional evolution at every stage.

Joining Sysco is just the

Sysco



LEARN. SHARE. GROW.

When people take the time to develop new skills and knowledge, the benefits spread all around. For our colleagues and interns, our learning and development programs empower them to take the next step toward their long-term goals. For Sysco, these programs support a pipeline of highly trained talent and enable us to upskill our workforce as our industry evolves.

Learning, Training and Development

We support colleague development by providing digital learning resources and a range of experiences for those from the intern to the executive level. We expanded our 10-week internship program, onboarding our largest and most diverse summer cohort to date. We invested in opportunities for our delivery partners and warehouse selectors, expanding Sysco's Operations Academy nationwide. Our efforts are helping Sysco colleagues unlock their highest potential. For example, take note of our drivers' outstanding records of safety and service; in FY2023, 25 Sysco drivers were inducted into the International Foodservice Distribution Association's Truck Driver Hall of Fame.

Engaging University Students in Our Recipe for Sustainability Program

As students look to the future, many are focused on ensuring they can enjoy a healthy planet for years to come. We share this focus, and in FY2023, we launched a new Recipe for Sustainability program to collaborate with university students in accelerating sustainable change.

Through the program, students at Arizona State University and Pennsylvania State University worked with Sysco leaders to explore solutions to real-world sustainability and business challenges. Students were tasked with developing innovative, cost-effective solutions to food and packaging waste, including how to minimize the use of plastic in takeout containers. We plan to expand the program to include additional universities in Spring 2024. 4

Sysco is proud to partner with leading universities to help develop the next generation of sustainability leaders. The bright ideas generated through these partnerships will help address sustainability challenges faced by our industry, and ultimately reduce our impact on the planet."

Neil Russell SVP and Chief Administrative Officer at Sysco

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Powering Career Growth at Every Phase

These are a few of the programs we invest in for students and Sysco colleagues to propel them forward in their careers.

Giving Interns a Jump Start

Our 10-week paid internship program helps college interns throughout the U.S. gain real-world experience while exploring potential careers. In FY2023, we onboarded 86 college interns, welcoming our most diverse and robust summer cohort yet. This included 24 Supply Chain interns, 25 Sales interns and 37 interns at our Global Support Center. Learn more about inclusive internship opportunities in our FY2023 DEI report.

Transforming Our Sales Consultant Onboarding Program

Sales consultants are a key part of Sysco's global operations. In FY2023, we reimagined our Sales Consultant Onboarding Program to ensure we're setting up these new colleagues for success. Through the updated program, we assign customers to all new sales consultants during their initial training. During this process, we help participants cultivate their skills and create a success plan for a territory that they focus on during their capstone presentation. In FY2023, we onboarded 1,400 colleagues into sales-facing roles—a cohort that we estimate will grow by at least 300 participants in FY2024.

Cruising Ahead with Our Operations Academy

One of our top learning and development achievements in FY2023 was expanding our Operations Academy nationwide. The academy includes expanded training opportunities for our delivery partners, warehouse selectors and supervisors throughout Boston, Baltimore, Riverside and Denver, and at our newest locations in Central Florida and North Texas. We also launched an internal program to support Sysco colleagues in receiving their commercial driver's license. And, after piloting our Selector Basic Training program in FY2022, we launched it across our U.S. Operations Academy sites. Looking ahead, we plan to expand the program to both SYGMA and Sysco Canada.

Developing Transformative Leaders

Our Leadership Development programs, which we launched in FY2022, support leaders across business units and at various stages of their careers. They include:

- A Frontline Leadership Development program designed for field-based leaders who supervise hourly Operations colleagues to introduce and reinforce our leadership fundamentals.
- A High Potential Leadership Development program geared toward senior and executive functional leaders to accelerate their readiness to take on broader, more complex future roles.
- An Executive Leadership Development program to help senior leaders learn to navigate complexity, drive change and deliver transformational business results, including in forums such as our annual Senior Leadership Meeting, during which colleagues gather to share best practices from around the globe.



Operations Academy Highlights

8K+

colleagues have completed one of the courses, and the programs have shown significant improvement in retention.

U.S. colleagues completed our new Selector Basic Training in FY2023, which we plan to expand to SYGMA and Sysco Canada.





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We care for our colleagues by providing resources and support to help them live healthy, vibrant lives. At Sysco, we've always strived to deliver the best colleague experience possible, which includes providing health and wellness-oriented programs that help our people thrive. In part, that means occasionally re-evaluating our approach as our colleagues' needs evolve. As we've emerged from the peak of the pandemic, we have identified new priority areas, such as mental and behavioral health. We have also seen how emerging technology can make our programming more responsive and tailored to our colleagues' unique needs. In FY2023, we began to redefine a total wellbeing strategy that is more agile, inclusive and aligned with our existing health, mind, security and community pillars. This is a multiyear journey, and we began by building a foundation for longterm, targeted improvements. Our new strategy focuses on expanding inclusive programming, enhancing communication and embracing a data-informed approach. As we've begun to redefine our strategy, we are also re-evaluating our health and wellness goals. We look forward to identifying new commitments in this area as our updated strategy falls into place.



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Empowering Colleagues to Live Their Best Lives

Bringing great benefits to the table is core to our total well-being strategy—but it's not enough to stop there. That's why enhancing year-round communication is a key component of our updated health and wellness approach. During FY2023, we leveraged multiple channels to improve our colleagues' awareness of Sysco's health and wellness offerings. Our aim was to empower colleagues to better utilize opportunities for total well-being and preventive care. One of our top initiatives was a six-month series of podcasts and other communications via Sysco's intranet site, The Dish News. The series covered a variety of topics, such as work-life balance, stress and anxiety and other aspects of mental health.

Expanding Our Inclusion-Based Benefits

As we evolve our strategy, we want to ensure Sysco's benefits align with our value of inclusion. Accordingly, in FY2023, we created a new Paid Parental Leave policy for colleagues of all genders—including both primary and secondary caregivers—working within the U.S. The benefit adds to our existing Adoption and Fostering policy and our offering of short-term disability leave for birth mothers. Additionally, we amended the Adoption and Fostering policy to include paid leave for those who use surrogacy, and we began offering travel benefits for U.S. colleagues who may need to travel to a neighboring state for the medical care they need.

Another of our values is that we drive together. In part, that means we look out for one another, especially when times are tough. Like many other organizations, as our company navigated the pandemic, we saw an increased need to support our colleagues' mental health. In FY2023, we stepped up with a variety of new offerings, including access to Headspace, an online platform with a mission to improve the health and happiness of the world. The platform offers a variety of resources related to topics such as mindfulness, stress, sleep and meditation. We also rolled out two new options for behavioral telehealth.





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Diversity, Equity and Inclusion

🞯 Goal

We're embedding DEI principles into our workforce, workplace and marketplace to create a global culture that is decidedly diverse, equitable and inclusive.

There are so many ways that investing in DEI strengthens Sysco's business: It improves our decision making, equips us with broader perspectives and helps us create an environment where people want to come to work—and stay. Above all, it aligns with Sysco's values and purpose. It's about who we are as a company and how we want to improve.

In FY2023, we continued to enact our DEI Strategic Framework, which our DEI team and Global DEI Council developed in FY2022. The framework guides our DEI initiatives across three areas:



and retain diverse workforce talent while ensuring that people can move equitably through Sysco's systems.



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



Our marketplace: By focusing on DEI within our workforce and workplace, we can better meet our stakeholders' needs.

Within this framework, we continued to implement initiatives aligned to the five strategic priorities that guide our three-year "Better Together" DEI Roadmap, which include DEI fundamentals, talent acquisition, talent retention, DEI data analytics and community partnerships.







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

Progress: Exceeded by increasing total U.S. gender and ethnic diversity to 63.7%.



As an extension of our DEI commitment, we're proud to share our second annual **DEI Report full of stories and metrics** that share our progress in FY2023.

View our latest report.

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¹ This chart indicates our U.S. race and ethnicity representation as of the end of FY2023. Sysco is legally prohibited from collecting race and ethnicity data in many countries outside of the U.S. ² This chart indicates our global gender representation as of the end of FY2023.



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Diversity plays an important role in every aspect of our business, all the way to our suppliers. We invest with diverse suppliers to forge relationships that drive innovation, creativity and growth. Our partnerships with diverse suppliers are mutually beneficial—creating opportunities for all of us to thrive. As we evolve our supplier diversity strategy, we're deepening our partnerships and investments with certified-diverse suppliers. This supports us in strengthening Sysco's supply chain, expanding our business by reaching a broader base of customers and creating economic opportunities in the communities we serve. A critical part of this work is leveraging opportunities to increase our spending and engagement with both direct and indirect diverse suppliers. Accordingly, we have established 32 Supplier Diversity Champions to assist, mentor and support regional supplier inclusion activities and processes in the field. By the end of FY2023, we proudly surpassed our goal to increase Sysco's U.S. spending with certified diverse suppliers by 25%. Our target for the goal was 2025, meaning we completed it two years early and can now focus on working toward even bigger milestones to come.

By 2025, increase U.S.¹ spend with certified diverse suppliers by 25%.

Progress: Exceeded by increasing U.S. Foodservice spend 25.3% from \$750M in FY2018 to **\$940M** certified spend in FY2023, and surpassing **\$1B** in total diverse Tier 1 spend.²

 $\bullet \bullet \bullet \bullet \bullet \bullet$

 Amount refers to U.S. Dollar amount of U.S. Broadline, Supplies on the Fly, Central Warehouse and Freshpoint Operation direct product purchases and indirect spend from certified diverse businesses identified as minority (MBE), woman (WBE), veteran (VBE) disabled (DOBE) and LGBTQ+ (LGBTBE)-owned suppliers in the fiscal year.
 Tier 1 spend represents the total amount of procurement dollars that Sysco spends directly with suppliers.

Our commitment to supplier diversity is woven into our larger supplier partnership approach. Learn more about how we're diversifying and engaging our supplier network in our FY2023 DEI Report.



\$1.16B total diverse supplier spend as of FY2023

\$940.2M certified diverse suppliers
\$219.1M self-selected diverse suppliers



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We're expanding Sysco's assortment

of sustainable products to meet our

customer's evolving needs and

driving more sustainable practices

in our supply chain.



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One Planet. One Table.

The largest assortment of sustainability-focused products in our industry.

At Sysco, we connect people with all the goodness our planet has to offer. This includes providing access to more fresh, responsibly sourced and environmentally conscious products while reducing our impact on the environment. We are dedicated to creating a future where everyone can enjoy delicious, nutritious meals without compromising the health of our planet.

Sysco is proud to be launching the largest assortment of sustainable products in foodservice backed by bestin-class sustainability certifications and standards. Our **One Planet. One Table.** product assortment will be available via our e-commerce platform, Sysco SHOP.

Sysco's One Planet. One Table. initial offering features over 3,000 products across 15 categories that have at least one credible third-party sustainability certification or are part of Sysco's leading sustainability programs for produce and seafood. Throughout FY2023, we worked with our supplier partners to identify items with sustainability attributes. In March 2023, Sysco held its first Sustainability Supplier Summit where suppliers heard firsthand from our customers about the importance of sustainable products and the data needed to support purchasing decisions. Many Sysco customers are looking for more sustainable products to meet their own sustainability commitments. We highlighted the growth potential and competitive advantage this work will give Sysco and our suppliers to win in the marketplace.





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Building Our One Planet. One Table. Product Assortment

We aim to:

Help Sysco customers easily identify products aligned to the sustainability practices they care about by:

- Providing greater transparency so customers can make better-informed decisions.
- **2** Upskilling our sales team on the assortment to help customers find products.
- **3** Partnering with suppliers to add more sustainable items to our assortment over time.

Product criteria:

One Planet. One Table. products must achieve a high bar for both quality and sustainability. Items qualify by meeting one or more of the following criteria:

- 1 Certified by one of more than 20 highly credible and internationally recognized third-party certifications.
- Produce from suppliers that are part of our commitment to <u>sustainable agriculture</u>.
- 3 Seafood from suppliers that are part of our commitment to <u>responsible sourcing</u>.

Alternative proteins.

Our One Planet. One Table. Offering by the Numbers

3K+ sustainable products in our assortment

15 categori<u>es</u>

20+

sustainability certifications including:
Sustainable Forestry Initiative (SFI)
Best Aquaculture Practice (BAP)

- Dest Aquaculture Fractice (DAF)
- Biodegradable Products Institute Certified (BPI)
- USDA Certified Organic
- Rainforest Alliance Certified

Stirring Up a Sustainable Solution with Agave Straws

Tequila-based drinks are a staple at many restaurants and bars; however, like many other products, there's an environmental cost behind the celebratory spirit. Each year, millions of tons of agave waste from the liquor industry are discarded into rural landfills. Understanding this growing issue, our supplier, the Sustainable Agave Company, took action.

Sysco partnered with the Sustainable Agave Company to launch its Sustainable Agave Straw through our Cutting Edge Solutions (CES) platform in 2021. The straw is made from upcycled agave waste to reduce demand for farmed and natural resources and help to combat issues like climate change and deforestation.

As part of our latest CES offerings, the new **Sysco Earth Plus Agave Straws** will be launched via our SHOP e-commerce platform in October 2023. The straws are Biodegradable Products Institute (BPI) Certified Compostable, providing a sturdy, sustainable alternative to straws made of paper and single-use plastics.



Sysco Earth Plus Agave Straws are BPI Certified Compostable—and they're just one example of our One Planet. One Table. offerings.

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PLANET GOVERNANCE APPENDIX To deliver the innovative solutions our customers expect, we source ingredients and products from all over the world. That gives us a responsibility—and an opportunity—to model and promote sourcing practices that are sustainable over the long term.

Responsible Sourcing

By being strategic in our sourcing, we can help protect the natural ecosystems that enable people and wildlife to thrive. We leverage our close supplier relationships and partnerships with organizations including World Wildlife Fund (WWF) to support and lead responsible sourcing initiatives at the local, national and global scale.

One of our sustainability goals is to establish responsible sourcing guidelines for five key commodities by 2025, and we achieved this goal by naming cocoa as our fifth commodity in FY2023. Now that we've reached this milestone, we're focused on fulfilling our key commodity and seafood commitments, as we make strides through a new partnership with The Rainforest Alliance and expanded efforts to support sustainable beef. As part of **One Planet. One Table.** offerings, we are sourcing products that align with our commitments to sustainability, ethical practices and fostering a positive social and environmental impact so our customers can feel good about the products they serve.

Advancing Responsible Sourcing of Key Commodities

We focus our responsible sourcing efforts on the areas where we can maximize our positive impact. With that in mind, we are pursuing commitments to promote responsible sourcing practices for beef, cocoa, coffee, paper and soy.

🎯 Goal

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

PROGRESS: Achieved by naming cocoa as the fifth commodity, in addition to beef, paper, soy and coffee.





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Key Commodity Commitments and Progress

Beef

COMMITMENT:

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

FY2023 PROGRESS:

• Remained active in our role as a member of the USRSB and CRSB. Two Sysco members serve on USRSB's board of directors.

 Continued the Southern Plains Grassland Program, which we launched with Cargill and the National Fish and Wildlife Foundation (NFWF) in FY2023, by awarding a second round of grants with a total conservation impact of nearly \$4.9 million. <u>Read more about our sustainable</u> <u>beef initiatives</u>.

• Developed a second pilot program in partnership with Certified Angus Beef (CAB), in which we will provide \$600,000 to support CAB's Beef Quality Assurance program in FY2024. The program sets a high industry standard for science-based, responsible cattle care.

Coffee^{1,2}

COMMITMENT:

By 2025, source 75% of Sysco Brand whole and ground bean coffee from certified sources or verified responsible sourcing programs.

FY2023 PROGRESS:

- Became an authorized Rainforest Alliance Certified supply chain actor.
- Obtained Rainforest Alliance Certification for a total of 27 Citavo Imperial (Sysco Brand) products in August 2022.
- Sourced 26.1% of our total U.S. Broadline Sysco Brand ground and whole bean coffee pounds sold in FY2023 from certified sources.
- Converted 11 Citavo Classic (Sysco Brand) coffee items to our key supplier's verified (responsibly sourced) program in April 2023. This brings us to a total of 42 items from certified and verified programs.



Сосоа

COMMITMENT:

By 2025, 100% of Sysco Brand baking cocoa and morsels will come from certified sources such as Rainforest Alliance or equivalent standards.

FY2023 PROGRESS:

- · Identified cocoa as our fifth commodity.
- Defined our 2025 cocoa commitment.
- Began investing in Rainforest Alliance Certified cocoa purchased and processed by our strategic supplier for Sysco Brand chocolate baking cocoa and morsels, selling ~950,000 pounds of such items during the fiscal year. This equates to ~12% of our Sysco Brand baking cocoa and morsel category.
- Achieved Rainforest Alliance Certification for all Sysco Brand baking cocoa and morsels.





Paper^{1,2}

COMMITMENT: Source all Sysco Brand paper

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

FY2023 PROGRESS:

 Sourced more than 99% of our U.S. Broadline Sysco Brand paper towel, paper napkin, bath and facial tissue case volume sold during FY2023 from suppliers certified by ECOLOGO, FSC or SFI.

Soy

COMMITMENT:

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

FY2023 PROGRESS:

• Continued to engage suppliers around Sysco's deforestation policies and found that our top four soy suppliers—comprising 90% of the soy we procure—continue to source the commodity from within the U.S., and three of them published deforestation-related commitments (covering ~50% of our soy-related spend). Moving forward, we plan to obtain assurance of this data and how these commitments apply to the soy we procure.

¹ U.S. Broadline sites: Operating sites that distribute a full line of food products and a wide variety of non-food products to both traditional and chain restaurant customers, hospitals, schools, hotels, industrial caterers and other venues where foodservice products are served.

² Sysco Brand items: Products packaged under our owned brands that have been manufactured for Sysco according to specifications developed by our Quality Assurance team. Our Quality Assurance team qualifies the manufacturing and processing facilities where these products are processed and packaged and establishes monitoring programs for products and suppliers to ensure our quality standards are maintained.



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Investing in Regenerative Agriculture to Grow Greener Pastures

Our commitment to sustainable beef brings together a trio of benefits—supporting healthy biodiversity, improved rancher livelihoods and a reduced-carbon climate. Those benefits are at the center of the Southern Plains Grassland Program, which supports the implementation of sustainable grazing practices across 1 million acres in the Southern Great Plains. Here's how the program has progressed so far:

> · Launched the program with NFWF and our longtime supplier, Cargill, with Sysco and Cargill providing a total of \$5 million to fund the program over five years.

• Awarded the first round of grants to three rancher-led sustainable grazing projects.

• Along with \$2.6 million in grant funding, the program leveraged \$3.3 million in matching contributions for a total conservation impact of \$5.9 million.

 Awarded a second round of six grants totaling \$2.2 million which, combined with more than \$2.2 million in matching contributions from the grantees, unlocked a total conservation impact of \$4.4 million.

The three new grants will bolster initiatives in Kansas, Nebraska, Oklahoma, Texas, New Mexico and Colorado to improve grassland health, support biodiversity, improve climate resilience and increase carbon sequestration. Planned activities include:

- Improving grazing management on 103,600 acres of private, working ranches.
- Restoring 26,400 acres of upland and grassland habitat.
- Removing or improving 10 miles of fencing to wildlife-friendly specifications.
- Increasing regional capacity through funding of four full-time-equivalent positions.

This is one example of how we're empowering farmers and ranchers to move toward more regenerative agriculture practices that will help restore grasslands for future generations to come.

Southern Plains 2023 Sysco-Cargill Investments. t CO.,e: tons of carbon dioxide equivalent.

2021

2022

2023

FY2023 SUSTAINABILITY REPORT Our Progress-to-Date¹

130K

acres positively impacted through improved grazing management, restoration and the removal of invasive woody species.

Projects funded so far will sequester an estimated **36,630 t CO**,e² in 2030.





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Supporting Sustainable Seafood

The health of the Earth's oceans, waterways and aquatic life is essential to the well-being of our entire planet. When sea life thrives, our communities and land-based ecosystems benefit, too. For more than a decade, Sysco has partnered with WWF to model and promote sustainable seafood best practices. Together, we work to protect many aquatic species and their habitats and to ensure the longevity of an industry that supports millions of jobs.

In FY2023, we were proud to see three more of our supplying fisheries begin the process of achieving Marine Stewardship Council (MSC) certification, the leading global standard for the sustainable and responsible management of wild-capture fisheries. During calendar year 2022, we sourced 100% of Sysco's Portico Brand wild-caught cod, clams, flounder, haddock, pollock, salmon, walleye, whiting and flounder from fisheries that have achieved MSC certification. We also furthered our progress toward our 2025 sustainable seafood commitments, which we launched in FY2021. Learn more about how we're making progress on the right.

Sysco is a proud supporter of the Peru Mahi Alliance (PMA) fisheries improvement project (FIP), which brings together 13 Peruvian processing and exporting companies to advance the fishery's sustainability. We have supported the FIP since 2013, as it aims to improve the fishery's performance so it can meet the MSC standard and support future generations of fishers, communities and marine life to thrive. Visit the PMA website to learn more about this ongoing project.



Addressing the Overfishing of Yellowfin Tuna

In 2015, the Indian Ocean Tuna Commission declared that yellowfin tuna in the region were being overfished. Nearly a decade later, WWF reports that the threat to the population has become increasingly severe.

According to WWF's Global Oceans Practice Leader, Pepe Clarke, "WWF remains convinced that an immediate 30% reduction on 2020 fishing levels is required to provide a 67% chance of rebuilding yellowfin tuna stock by 2030." Understanding the urgency of this situation, members of Sysco France stepped up in FY2023 to do their part.

The team's tuna buyer successfully transferred more than half of its sourcing commitment to a new, more sustainable fishing zone. The change wasn't easy, yet it was an endeavor that Sysco France was proud to undertake. Upon learning of the team's efforts, Clarke personally reached out with a letter of "sincere appreciation."



As a leader in the global seafood market, your actions carry weight. Your commitment can inspire industrywide shifts toward truly sustainable seafood sourcing by significantly reducing sourcing from overfished stocks of yellowfin tuna.

Pepe Clarke Global Oceans Practice Leader at WWF



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Sustainable Seafood Commitments and Progress

Advancing Traceability

COMMITMENTS:

• Engage with suppliers of Sysco Portico Brand farmed shrimp products to ensure supply chains are traceable to the farm's geographic location.

- Address issues of deforestation or conversion of natural ecosystems (e.g., mangrove ecosystems and other natural wetlands).
- Work with WWF to adopt key traceability principles and build on the work of the Global Dialogue on Seafood Traceability.

FY2023 PROGRESS:

- Continued to track suppliers' geographic coordinates to advance the supply chain traceability of Sysco Portico Brand farmed shrimp products and assess sources for environmental impacts.
- Continued to engage suppliers to advance key FIPs where traceability is a key component of improving the management and sustainability of those fish stocks.

Protecting Endangered Species

COMMITMENT:

• Prohibit the sale of endangered seafood species globally.

FY2023 PROGRESS:

Conducted an initial assessment of our supply chains to determine endangered species risks.

Sysco France Seafood

COMMITMENTS:

• Source 100% of top 15 (by volume) wild-caught seafood species groups from fisheries that are certified (MSC, "sustainable fishing" or Global Sustainable Seafood Initiative certified), in good stock condition (scientifically assessed) or in a comprehensive FIP.

• Source 100% of top five (by volume) aquaculture seafood species groups from farms that are certified [Aquaculture Stewardship Council (ASC), Global Good Agricultural Practices (GAP) or BAP 3-Star minimum] or in a comprehensive aquaculture improvement project (AIP).

FY2023 PROGRESS:

• Sourced 91% of the top 15 wild-caught species groups from eco-certified fisheries, fisheries in good stock condition or from comprehensive FIPs.

• Sourced 73% of the top five aquaculture species groups from eco-certified farms or from AIPs.

Improving Responsible Sourcing

COMMITMENTS:

• Source 100% of our top 15 (by volume) wild-caught Sysco Portico Brand seafood species groups from fisheries that are MSC certified, in MSC full assessment or in a comprehensive FIP and sourcing at least 85% of this top 15 volume from fisheries that are MSC certified.

• Source 100% of Sysco Portico Brand canned or pouched tuna products from fisheries that are MSC certified, in MSC full assessment, in a comprehensive FIP or from companies that are members of the International Seafood Sustainability Association (ISSA), and source at least 25% of this volume from fisheries that are MSC certified.

• Source 100% of our top five (by volume) aquaculture Sysco Portico Brand seafood species groups from farms that are certified by the ASC, in ASC full assessment, in a credible AIP or, at a minimum, BAP 2-Star certified. Source at least 20% of this top five volume from farms that are ASC certified.

FY2023 PROGRESS:

• Sourced 93% of our volume for U.S. and Canada top 15 wild-caught Portico Brand seafood species groups from fisheries that are MSC certified, in MSC full assessment or in a comprehensive FIP—with 82% of this volume sourced from MSC-certified fisheries.

- Sourced 100% of Sysco's canned tuna from ISSA-participating suppliers.
- Ensured that 98% of our volume for U.S. and Canada top five farmed Portico Brand species groups met our overall seafood commitment, with 14% of this volume coming from ASC-certified farms.
- Sourced 94% of our U.S. Specialty volume for Sysco Brand wild-caught scallops and farmed salmon, our two largest species groups by volume, from sustainable sources as defined in our commitments.





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Indirect Sourcing

As we expand our Responsible Sourcing program, our Indirect Sourcing team is playing an important role. The team formed a sustainability working group in FY2023 and has begun to factor sustainability into its decision-making process for purchasing indirect goods. For example, the team added prompts to assess indirect suppliers' sustainability practices to its requests for information and proposals. The team also purchases a significant number of renewable energy credits (RECs), which support our 2030 Scope 1 and 2 emissions reduction goal.

Ensuring Product Safety and Compliance

Customers worldwide trust Sysco to provide them with high-quality products that are consistent, compliant and safe. Our colleagues know that quality is more than a promise—it's a commitment we work hard to uphold each day. Sysco's Food Safety and Quality Assurance (FSQA) team designs, develops, implements and measures compliance with our food safety and quality management system—always with Sysco's values in mind. The FSQA program covers:

All Sysco Brand products
Products we manufacture in our owned facilities
Sysco's distribution activities for all food products we handle

Contributing to a Circular Economy with Recycled Pallets

In global supply chains, some of the most important items are those that many of us tend to overlook. Take wooden and plastic pallets, which many companies rely on to efficiently load and ship products. They're essential, yet over time old and damaged pallets can pile up.

Our Indirect Sourcing team participates in pallet recycling programs with both our wood and plastic pallet suppliers. These programs enable us to recycle and purchase used pallets so we can prevent them from going to waste. Our participation helped divert millions of pounds of waste from landfills and save the equivalent of thousands of trees in CY2022. It also helped us reduce carbon emissions to support a healthier climate.







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Proactively Vetting Suppliers and Identifying Food Safety Risks

To be considered as a producer of Sysco Brand products, a location must first pass our FSQA supplier approval process. In this comprehensive process, we use documentation reviews and physical audits to verify that a supplier's facility and products related to our FSQA programs meet Sysco's standards. Following approval, we partner with suppliers to establish ongoing monitoring and verification procedures designed to ensure Sysco Brand products are manufactured and packed in accordance with agreed-upon specifications in a food-safe environment.

We also conduct risk assessments for our products, processes, sites and suppliers to proactively identify food safety hazards in Sysco's supply chain. Based on these assessments, we develop preventive control programs and verification activities, which we apply at our distribution centers, specialty company manufacturing facilities and with our Sysco Brand product suppliers.

Leveraging Annual Audits

Our Sysco-owned distribution centers, specialty processing facilities and branded suppliers are required to undergo an annual, independent food safety certification audit. These food safety certification programs—which have been benchmarked by the Global Food Safety Initiative—verify that industry-recognized best practices for food safety, quality and legality are being applied at these sites. Sysco also uses a robust internal audit process for its branded suppliers and owned companies, with more frequent audits for higher-risk suppliers.

We routinely update our audit standards to ensure that our suppliers are meeting proper risk management and product quality requirements. Additionally, commodities such as raw ground beef; poultry; and ready-to-eat seafood, produce and deli meats must adhere to even more rigorous Sysco FSQA requirements designed to mitigate pathogen risks.

Upholding Good Agricultural Practices

For more than two decades, we have required suppliers of Sysco Brand fresh, ready-to-eat produce to comply with GAP. These practices are based on a voluntary program administered by the Food and Drug Administration that aims to continually improve food quality, safety and traceability.

Sysco's FY2023 GAP Program by-the-Numbers

662 suppliers monitored

244,977 GAP audits conducted

39,704 Good Manufacturing Practice audits conducted for produce linked to our suppliers



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Animal Welfare

Our <u>Animal Welfare Policy for Suppliers</u> encourages positive welfare outcomes for the farm animals in our supply chain and outlines our expectations around areas such as employee training and animal care. The policy covers all Sysco Brand protein suppliers for our U.S. Broadline and Specialty Meat and Seafood Group in the categories of veal, beef, lamb, pork and poultry, as well as our dairy, shell egg and processed egg suppliers in Canada and the U.S.

In FY2022, we rolled out additional program requirements for our Sysco Brand suppliers who do not harvest animals but purchase from supply sources that are engaged in direct animal handling. Through the program, we confirm that these suppliers are purchasing raw materials from supply sources that meet the requirements of our Animal Welfare Policy—either through annual attestations or through reviews conducted by Sysco during routine audits. Throughout FY2023, we continued to manage these activities and monitor compliance with our Animal Welfare Policy. By 2025, ensure that all Sysco Brand protein suppliers adhere to requirements laid out in our Animal Welfare Policy for Suppliers.

🞯 Goal

PROGRESS: Completed by receiving attestation and audit results from all Sysco Brand protein suppliers. We have also implemented a program to ensure ongoing compliance by both new and existing suppliers.

Sysco's Animal Welfare Guiding Principles

We are committed to ensuring that high standards and practices for animal welfare are consistent throughout our supply chain.

We believe that the humane treatment of animals within our supply chain is the right thing to do. It builds customer confidence and supports further growth and development of the foodservice industry.

We serve a wide variety of customers with different needs. We are committed to providing animal protein products that meet these needs while maintaining our standards for animal care.

We support species-specific, science-based animal welfare standards and encourage ongoing continual improvements with our suppliers of animal proteins.

We work with suppliers who demonstrate a commitment to aligning with our requirements and do not tolerate violations due to supplier negligence.

We consider food safety, environmental, societal and economic impacts—as well as internal and external stakeholder input—as we implement our animal welfare policy.



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Supplying Cage-Free Eggs

One of our focus areas for animal welfare is sourcing cage-free eggs. We have a goal in place to exclusively source cage-free eggs by 2026, dependent upon supply availability, affordability and customer demand. While we continue to make progress in this area, we recognize that challenges with customer demand (related to affordability) and supply chain constraints mean we are unlikely to fully realize our 2026 goal. In FY2023, we continued to maintain a supply of cage-free eggs despite supply chain challenges caused by a global outbreak of avian influenza. In total, cage-free eggs represented approximately 33% of all shell and processed/liquid egg orders fulfilled in the U.S., a year-over-year (YOY) increase of 5%. They also represented about 9% of all egg orders fulfilled in Canada, a YOY increase of about 1%.

Ensuring Compliance with Animal Welfare Legislation

Over the past several years Sysco has been diligently working toward ensuring our compliance with various state animal welfare laws. These include California Proposition 12, Massachusetts Question 3 and cage-free egg laws in various states, such as Arizona, Colorado and Nevada. We continue to collaborate with our suppliers to ensure a sufficient supply of adequate and compliant product assortments to meet our customers' needs. In addition, we've instituted internal processes to help ensure our compliance to the applicable laws by their various compliance dates. This work is ongoing; for example, while all supplier-owned farms in the U.S. have adopted group-housing systems, we continue to work with our pork suppliers to ensure compliance with all state- and federally-mandated regulations.







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From our operations to our global supply chain, we are committed to upholding human rights. That's what Sysco's values and purpose connecting the world to share food and care for one another—guide us to do.

We believe every individual has a right to fair treatment in a safe working environment with equal opportunities to advance and succeed. We work diligently to uphold human rights throughout Sysco's supply chain and to advocate for human rights protections industrywide. We expect our suppliers to uphold the rights of every individual they work with, as outlined in the United Nations Declaration of Human Rights and in <u>Sysco's</u> <u>Supplier Code of Conduct</u>, which describes the legal, moral and ethical standards we expect from our global suppliers. Additionally, suppliers must respect their workers' human rights within the context of the supplier's business operations, as encompassed in the International Bill of Human Rights and the International Labour Organization's Core Conventions.

Any act of human trafficking, slavery, forced labor or child labor within Sysco's supply chain is unacceptable and, if identified, will be addressed in a manner to ensure compliance with Sysco's established policies and procedures. In FY2023, we continued to update our Supplier Code of Conduct to ensure it reflects the global nature of our supply chain and business. The updated Supplier Code of Conduct will be launched in FY2024.

Conducting Social Responsibility Audits

Through annual audits and corrective actions, we continue to reduce Sysco's human rights risks and improve working conditions in our audited facilities. Based on our audit findings, we work with Sysco Brand suppliers and processors to develop and implement improvement plans as part of our program's focus on continuous improvement. Our Sysco Brand-approved suppliers in high-risk Latin American, Asian and African countries must undergo third-party audits to identify potential risks relating to wages, working hours, discrimination, worker safety, living conditions and child and forced labor. We conduct on-site audits where possible and use a virtual audit approach when travel to our supplier locations is deemed unsafe.

In FY2023, we conducted 184 audits in 21 countries, including 32 initial audits of new and approved supplier facilities. Among suppliers that have participated in the program for multiple years, 46% demonstrated improvement when compared to their previous audit. Additionally, six facilities achieved a perfect score, while 19% received a lower rating than the previous year. Through our audits, two locations were suspended from working with Sysco based on their audit results.

🞯 Goal

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

PROGRESS: Completed **184** Sysco Brand facility audits.

FY2023 Audit Results

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

46% improved their scores at 85 locations


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PLANET GOVERNANCE APPENDIX Our focus on foodservice innovation goes beyond the products people consume. It includes the way we package those products for shipment and customer use. Investing in sustainable, efficient packaging builds value and reduces waste, benefiting Sysco, our customers and the environment.

Packaging

We only have one planet, and right now that planet is overwhelmed by plastic and packaging waste. Humans produce approximately 400 million tonnes of plastic waste each year, approximately 36% of which is used in packaging such as food and beverage containers.¹ For the sake of our waterways, wildlife and climate, we must find alternatives that will reduce our environmental impact over the long term.

Effective packaging, though, has many benefits and serves a clear purpose in reducing food waste, ensuring food safety and minimizing damage. Sysco has an important role in decreasing the harmful impacts of packaging while maximizing the benefits. As a foodservice distributor, our products are packed in sizes typically much larger than in retail and we have minimal cosmetic packaging compared to retail. Our product packaging is built for stability as it must survive a more circuitous route—we receive products in our warehouses and then transport those products to customers which is one more trip than in most retail environments. However, there is still room for improvement in our packaging materials and design.

Sysco currently provides creative design and food safety standards for our packaging, but the majority of packaging content is determined by our suppliers. This is an area where we have historically had low visibility—and an area where we have an opportunity to drive positive change. As part of our organization-wide focus on sustainability, we centered our attention on improving the sustainability of our packaging in FY2023, embarking on a long-term project to assess Sysco's current packaging and set an overarching sustainable packaging goal.

Our guiding principle was to prioritize actions that would make the biggest sustainability impact while supporting Sysco's business. As a first step, we set out on a data-focused exercise to establish a baseline for the volume and types of packaging our suppliers and colleagues currently use. Sysco's primary, secondary and tertiary packaging were all within the scope of this work.

Our Packaging Types At-A-Glance









Secondary packaging: Serves as an exterior layer for primary packaging and is used to carry and store a specific quantity of each product.

Tertiary packaging: Used

for storing and transporting large quantities of products and often consists of pallets and wrapping.

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This led us to identify more than 20 packaging archetypes across many of Sysco's major product categories, including produce, meats, frozen foods, shortenings and oils, dairy products and seafood. Within these areas, we identified both short- and long-term opportunities for sustainable innovation, as well as opportunities to drive operational improvements.

We discovered that our packaging materials baseline contained many different plastic types due to a variation of the products, storage temperature conditions, weight, etc. Not surprisingly, corrugate is the most widely used material by total weight followed by HDPE plastic. The chart shows the estimated percentages of materials in the products based on the sample set that we reviewed.

PACKAGING MATERIAL TYPE¹



Many suppliers have optimized current packaging formats through lightweighting, but opportunities in the portfolio exist for further supplier partnerships to look into innovative materials, formats, refill/ reuse pilots and increased recycled content. Additionally, if problems occur in the supply chain, such as damage due to insufficient packaging weight, we work with suppliers to optimize structures to reduce this problem. We do know, though, that there are many opportunities in other products to evaluate both packaging materials and sizing. So, we are taking action. We are working to develop packaging guidelines for our suppliers to phase out problematic materials in their packaging and are beginning conversations with suppliers regarding packaging innovation, weight, right-sizing packaging—all as part of a larger effort for supplier engagement related to our sustainability initiatives, including responsible sourcing and Scope 3 emissions reductions. We are also engaging with our Supply Chain teams to conduct analysis on products that have the highest damage in our warehouses due to packaging failures and will be working with our suppliers to determine whether the packaging of these products can be altered to minimize damages while protecting food safety and guality.

As we look beyond FY2023, we are committed to building on these efforts and creating a comprehensive roadmap to tackle packaging waste throughout Sysco's value chain. The plan is to continue supplier engagement, including creating a comprehensive process and platform to collect packaging data from suppliers. We plan to prioritize initiatives to increase circularity and reduce packaging waste and are assessing potential packaging targets for the company with a focus on virgin plastic reduction and recyclability with a plan to publish this ambition within the next 12 months.

In this way, we will support our business in a way that aligns with our sustainability commitments. We already have great examples within our own company's footprint of packaging waste reductions and ongoing innovation.

Our Global Effort to Tackle Plastic Packaging Waste

In addition to our long-term project to set a sustainable packaging target, we're undertaking organization-wide plastic-reduction initiatives. Highlights include:



Working to eliminate black plastic at Brakes in the U.K.



Piloting the removal of plastic clamshell containers for certain produce varieties via FreshPoint



Piloting reusable crates at our sites in Ireland, France and Sweden

Gilchrist & Soames Provides Industry Solution to Reduce Plastic Pollution

Gilchrist & Soames (G&S), a division of Guest Worldwide, a Sysco company, reported a reduction of more than 168 million single-use bottles in fiscal year 2023.

For more than half a century, hotels have been providing their guests with a wide range of single-use amenity bottles for hair and body. These ubiquitous bottles have been used to package everything from shampoo, conditioner, shower gel, body lotion, bubble bath and beyond, further enabling the throwaway culture.

Companies such as G&S have been working to develop initiatives to enhance their widespread support of environmental sustainability over the last number of years, pursuing eco-friendly practices in all aspects of the company's product development, from ingredients and packaging to responsible sourcing and manufacturing.

As part of G&S's Reduce – Reuse – Recycle initiative, plastic reduction has been a key focus over the last several years, recognizing the harmful impact single-use amenity bottles have on the environment and committing to an overall reduction in plastic.

By transitioning customers into large-bottle formats, which include dispenser solutions, gallon options, hand wash pouches and bag-in-a-box, G&S reported a reduction of more than 168 million single-use bottles in fiscal year 2023. This incredible milestone translates into nearly 2.1 million pounds of plastic. For context, by comparing the G&S plastic reduction to that needed to create 16.9 plastic water bottles, the result would net 33.6 million water bottles. By connecting each water bottle end-to-end, they would span 4,246 miles (6,833 km).

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We are working to embed environmental

sustainability into our business—

with an emphasis on areas where we can

make the biggest impact—

such as our global agricultural supply

chain, operations and fleet.



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We have only one planet and Sysco is committed to protecting it so future generations can continue to thrive. This is critical as the impacts of climate change are increasing and threatening food security everywhere. Time is of the essence, so we're using a global, coordinated strategy to reduce our GHG emissions worldwide.

Our strategy is aligned with the Paris Agreement and leading climate science. Sysco has received approval from the Science Based Targets initiative (SBTi) for our Scope 1, 2 and 3 emissions reduction goals. This includes our 2030 target of reducing Scope 1 and 2 emissions by 27.5%—an ambitious goal that requires a multipronged effort from our teams and partners worldwide. Together, we're collaborating on innovative solutions, such as working to expand our use of renewable energy and electrifying our global fleets.

While these efforts will help us tackle our operational emissions, the largest part of our carbon footprint isn't within our direct control. Like many other companies, our biggest obstacle is curbing our Scope 3 value chain emissions, which requires deep engagement across our supplier network. We've challenged ourselves to work with suppliers representing 67% of our Scope 3 emissions to support them in setting SBTs by 2026. Doing so will help both Sysco and the many companies we serve to ensure that we're contributing to a healthier climate and a more sustainable world.



🎯 Goal

Reduce our Scope 1 and 2 emissions by 27.5% from a CY2019 base year by 2030.

PROGRESS: Deployed 23 electric tractors across our operations. We are currently transitioning to a new global emissions tracking platform. We plan to disclose this metric going forward, once the platform is in place.¹



Work with suppliers representing 67% of our Scope 3 emissions² to set SBTs by 2026.

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



¹ While we are taking action globally to address our Scope 1 and 2 emissions, these categories likely increased due to an upswing in business activity following the COVID-19 pandemic. We are currently updating the way we calculate our emissions and plan to share our progress in future reports.
 ² Focusing on purchased goods and services and upstream transportation suppliers.



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Our Carbon Footprint At-A-Glance

Scope 3 Emissions

The Facts

Scope 3 emissions make up nearly 98% of our carbon footprint and are generated by our supply chain activities.

~85% stem from purchased goods and services, such as ingredients and raw materials, packaging and food production.

While our Scope 3 emissions are not directly in Sysco's control, they represent **our greatest opportunity** for large-scale reductions.



Scope 1 and 2 Emissions

The Facts

Scope 1 and 2 GHG emissions account for just over **2% of our carbon footprint** and are primarily emitted through fleet transportation and purchased electricity.

We are **best positioned** to drive reductions in our Scope 1 and 2 GHG emissions, as they're generated by areas that are under Sysco's control.



How we're taking action:

- Segmenting our supplier base to identify those that are contributing the most emissions.
- Engaging suppliers to set emissions reduction targets.
- **Conducting interviews and surveys** to further inform our engagement strategy and accelerate Scope 3 progress.

How we're taking action:

- Investing in renewable energy to power our operations.
- Electrifying our fleet to reduce transportation-based emissions.
- Optimizing shipping and delivery to reduce our miles on the road.
- **Increasing energy efficiency** in our buildings and transitioning to lower global warming potential refrigerants.



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Optimizing Our Operations to Drive Scope 1 and 2 Reductions

We're intensifying our efforts to reduce Sysco's Scope 1 and 2 emissions, as these occur from activities within our control. Based on a 2019 base year, our goal is to reduce these emissions by 27.5%. We've set a target year of 2030, and we're making progress every day.

Investing in Fleet Electrification

Transportation is a major part of Sysco's daily operations, and through fleet electrification we can sharply reduce the amount of GHGs and other pollutants our vehicles emit. This can also result in cost savings—especially at a time of global fuel market volatility. To kick things into high gear, we're investing in EVs and the infrastructure to support them. We're also working with external partners to innovate and pilot new EV business solutions and engaging with policymakers to support the expansion of EV infrastructure worldwide.

Our CY2019 Baseline GHG Footprint

Total footprint: **76M** MT of carbon dioxide equivalent (CO₂e)

SCOPE 1 (DIRECT) AND SCOPE 2 (PURCHASED ENERGY) EMISSIONS 2.10% — 1,620K MT CO,e



SCOPE 3 INDIRECT VALUE CHAIN ACTIVITIES 97.9% — 75,000K MT CO₃e



- Purchased goods & services: 85%
- Upstream transportation & distribution: 8%

Electrifying our

fleet to protect

our planet

Sysco

Zero-Emission Vehi

- Fuel- & energy-related activities: 3%
- Processing of sold products: 3%
- All other categories: 1%



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Unveiling Our Electric Vehicle Hub

To honor Earth Day in April 2023, Sysco unveiled a first-of-its-kind EV Hub.

The event took place at our Riverside, California, site where the hub is currently operational and on track for completion in FY2024. The facility includes 40 dual-port DC fast-charging stations capable of powering 40 EV trucks and 40 hybrid electric refrigerated trailers. It will also feature 4 megawatt hours of battery storage and an additional 1.5 megawatts of solar power generation to sustainably accommodate the growing fleet's energy demands. We see the project as a model for similar hubs, and we plan to add to additional facilities in the U.S. and abroad. <u>Check out our</u> video of the event to learn more.

Our hub vision is just one way we're supporting our 2030 goal to reduce emissions of our U.S. tractor fleet.

The fleet is our largest direct contributor to GHGs. In FY2022, we committed to purchasing up to 800 battery-electric Freightliner eCascadia tractors from Daimler Truck North America. We plan to deploy the zero-emissions tractors through 2026; the first arrived at our Riverside, California, facility in November 2022. In FY2023, we received a total of 21 eCascadia tractors, 16 at Riverside and five at our site in Fremont, California. We also received grant funding to deploy vehicles in Texas and Maryland. In FY2024, we plan to deploy another 100 EVs across our network.

The electric tractor is just one part of the EV puzzle—to push the foodservice industry even further, we're innovating on-the-go refrigeration solutions. Sysco trucks pull trailers with three temperature zones to keep our products fresh and at safe temperatures. The trailers also use diesel to power refrigeration units and in fact often use more diesel than the tractor itself. However, we have a vision for a more climate-friendly refrigeration solution: a hybrid electric truck that reduces emissions bumper to bumper. After partnering with ConMet and Carrier to pilot a hybrid electric trailer at our Riverside facility, we deployed five trailers to the site in FY2023. We also began a partnership with Navistar to pilot the first all-electric straight truck at FreshPoint's site in Orlando, Florida. As we roll out these Class 6 and 7 EVs in the U.S., we're also deploying EVs abroad. For example, in FY2023, we acquired two all-electric straight trucks and two electric passenger vans at our Brakes and Sysco Specialty Group depots in Great Britain.

During the 2023 Footprint Awards, Brakes took home the Environmentally Efficient Logistics Award. The honor highlights our efforts to transform our fleet and operations and our ambition to deliver sustainably sourced produce from depots powered by renewable energy and delivered by a zero-emissions fleet.



• Completing our Riverside EV Hub and planning additional hubs at other sites.

FY2023 SUSTAINABILITY REPORT Piloted our first all-electric
 Class 6 straight truck in Orlando.



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Optimizing Our Inbound Logistics, Shipping and Inventory Management

In our quest to lower fleet emissions, electrification and efficiency go hand in hand. By leveraging smart, streamlined supply chain solutions, we're able to reduce our climate impact and find even faster ways to deliver the products our customers need.

In FY2023, we took steps to enhance collaboration and efficiency in our

inbound supply chain. This empowered us to drive consistency and best practices while retaining our field-based capabilities for handling local and highly perishable products. We created a Supply Chain Strategy and Transformation group to support initiatives such as improving sustainability and maturing our omnichannel inventory management. We also deployed optimization software to reposition underproductive inventory and improve our inbound load sizes—thereby reducing highway miles and emissions. During the fiscal year, we saw significant improvements in supplier fill rates and on-time deliveries. We also experienced fewer shortages in terms of materials and vendor capacity and labor, though these occurrences remained above pre-pandemic levels.

Sysco's U.K. operations have achieved the following ISO standards:

ISO14001 Environment management

FY2023 SUSTAINABILITY REPORT When it came to shipping, we continued our focus on intermodal and rail transportation, which are more fuel efficient—thereby reducing GHG emissions. Compared to shipping by truck, shipping by rail can reduce GHG emissions by up to 75%.¹ Intermodal transportation also supports carbon reductions by using a combination of methods, such as trains, container ships and trucks.² Compared to FY2022, we increased our use of reduced-carbon transportation for our inbound shipping volume in both Canada and the U.S.

FY2023 Rail and Intermodal Highlights

~5%

YOY increase in U.S. inbound volume moved via rail

~17%

YOY increase in Canadian inbound volume moved via intermodal

 Association of American Railroads, Freight Rail & Climate Change: Reducing Emissions, Building Resiliency.
 Environmental Protection Agency, Intermodal Shipping





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Harnessing the Power of Renewables

Our Scope 2 GHG emissions come from the electricity we purchase. To address this category, we've set a target to power our global operations with 100% renewable electricity by 2030. Through our Energy Management Program, we develop energy efficiency measures for our facilities. In FY2023, we continued to make progress—taking a global and collaborative approach.

To maximize our impact, we focused on thinking globally about our energy demands and coordinating efforts to address each country's needs. We continued a

multiphase project to implement wind and solar energy across our U.K. sites in FY2022. We also furthered our plans for two solar projects at Sysco Canada, which are on track to be operational in FY2024. The first is a solar farm in Edmonton that is set to produce enough electricity to accommodate 75% of the site's annual use. A second facility in Calgary will boast state-of-the-art features, including LED lighting, dedicated space for composting, stormwater reclamation for watering greenspace and high-efficiency refrigeration and HVAC with a heat capture system to reduce heat and energy use.

In North America, we launched a new partnership to help us source 100% renewable energy for Sysco's global operations. The company will support Sysco in

developing, implementing and financing a customized suite of solutions, including large-scale renewable energy projects, on-site renewable generation, retail renewables, reliability infrastructure and active energy management services. In the meantime, we purchased RECs for our operations in the U.S., which helped us minimize our carbon footprint for CY2023. We see RECs as an interim solution to support our carbon-reduction targets as we invest in large-scale renewable energy solutions that will enable larger reductions over the long term.

Promoting a Reduced-Carbon Supply Chain to Address Scope 3 GHG Emissions

Our <u>Scope 3 GHG emissions</u>—which occur from our supply chain and products—represent the majority of our carbon footprint, and we can't reduce them alone. The key is to engage with our suppliers and support them in accelerating their own climate strategies, which will ultimately yield benefits for all. Our approach is to segment our suppliers so we can prioritize engagement with those making the largest emissions contributions. We also conduct interviews and surveys to further inform our engagement strategy and stay up to date on how our suppliers' efforts have evolved. In FY2023, we began to develop a Sustainable Sourcing team, which we launched in FY2024. The team is based in Merchandising and works with our suppliers to help them advance strategic priorities, such as setting carbon reduction goals.





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Hosting Our First Supplier Sustainability Summit

In FY2023, we engaged more than 600 U.S. suppliers during Sysco's first Supplier Sustainability Summit. Participants tuned in live to the virtual event to learn about Sysco's sustainability strategy and climate goals. We also discussed how we're building our capabilities to better highlight sustainable products for our customers and how we can work together to reduce GHG emissions and fuel sustainable growth.

Suppliers heard from our President and CEO, Kevin Hourican, and gained insights from two panel discussions with Sysco customers and suppliers. Topics ranged from attributing products with sustainability certifications to the importance of data to inform sustainable purchasing decisions. Looking ahead, we plan to further engage our suppliers to bring them along on our sustainability journey, help us expand our sustainable product offerings and continue to reduce GHG emissions by setting science-based goals.

As of FY2023, Sysco suppliers representing **27%** of our CY2019 Scope 3 GHG emissions have set or committed to setting targets aligned with the <u>SBTi</u>.

Using Artificial Intelligence to Calculate Products' GHG Emissions

In Sweden, Sysco subsidiary Menigo continues to raise the bar on driving strategic climate progress. In FY2023, the company embarked on a large-scale climate data venture with a third-party provider of a digital platform that estimates a product's range emissions through machine learning.

Using the platform, Menigo can now label the carbon footprint of its more than 23,000 products. While traditional methods can take months to estimate the carbon footprint of a single product, the system uses machine learning and algorithm-controlled calculations to handle thousands of products with speed.

For the company's customers, this creates a key climate strategy advantage, enabling them to easily compare all products and make the most climate-friendly decisions possible. Menigo also plans to integrate the platform directly with its business system and e-commerce so it can offer customers suggestions for more climate-friendly products compared to those placed in their carts. The platform also enables Menigo to accelerate carbon reduction with its suppliers and integrate carbon emissions data into its purchasing strategies.

As Menigo's customers reduce their carbon footprints, those benefits will ripple upstream, helping Menigo reduce its Scope 3 GHG emissions. This is essential to Menigo's ambitious goal to become climate-neutral by 2030.

Five Ways Menigo Is Raising the Bar on Climate Action

Partnering with a third-party provider to calculate its product range emissions.

Powering its facilities with 100% renewable energy and using >80% renewable fuel in total distribution, including third parties.

- **3** Investing in fueling services to support its five largest logistical partners in exclusively transporting Menigo products using hydrotreated vegetable oilbased renewable diesel fuel.
- Building a 43,000-square-meter sustainable warehouse outside of Gothenburg that will further reduce energy usage and transportation-based emissions when it is completed. The warehouse construction is BREEAM certified and will achieve an excellent rating, with its wood construction saving ~3,200 metric tons of CO₂e vs. a similar building constructed with steel.

Using guidance from ZeroMission to guide the company in offsetting its carbon emissions, with 10,000 metric tons offset in FY2023 alone. Menigo only invests in Plan Vivo, Fairtrade or Gold Standard certified offset projects.



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Our Sustainable Agriculture program brings together more than 21,000 growers covering over 1.3 million acres devoted to Sysco Brand agricultural products worldwide. Together, we're working to ensure our customers can set the table with nutritious fruits and vegetables—not just today, but for decades to come.

Sustainable Agriculture

Sysco is a leader in this regard, as we remain the only foodservice distribution company with a dedicated Sustainable Agriculture program. We're committed to using our scale and knowledge to help promote environmentally responsible best practices and develop sustainability-focused industry standards. Our approach to sustainable agriculture is guided by five key pillars:

- Responsible use of agricultural inputs
- Protecting air, water and soil
- Promoting waste reduction
- Using renewable energy
- Preserving nature

The fresh produce Sustainability Standard is modeled after Sysco's long-standing Sustainable Agriculture/Integrated Pest Management (IPM) program for canned and frozen fruits, vegetables and potatoes. After doubling our 2025 goal to include five fresh crops in FY2022, we further exceeded the goal by including a total of 14 fresh crops in FY2023. Throughout the fiscal year, we continued to engage growers in the program through both education and audits and during our grower summit in August 2022.

🎯 Goal

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

PROGRESS: Exceeded our goal by including **14** fresh crops.



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Raising the Bar on Sustainable Agriculture Standards

IPM Program:

Our Sustainable Agriculture program includes two key elements: Our longstanding IPM program and the Sustainable Food Group

- Introduced in 2004 to encourage the responsible use of pesticide and nutrient inputs, conserve energy and water, and reduce waste.
- Applies to Sysco Brand canned and frozen foods.
- As of FY2023 the program included more than 21,000 growers across 129 processing locations and more than 1 million acres. Growers who applied IPM principles reported avoiding ~6.2M pounds of pesticides during the 2022 growing season.



• Introduced in FY2021 as a pilot program and launched in FY2022, this third-party standard recognizes the sustainability performance of farming and processing operations and encourage continuous improvement.

• Applies to Sysco Brand fresh crops.

• As of FY2023 the program included ~2,290 growers covering more than 459,000 acres and has expanded to 14 crops, up from 10 in FY2022. Two years into the program, we've received self assessments from 88% of our year-one suppliers and 100% of our year-two suppliers. Additionally, 100% of our year-one suppliers have submitted and received approval for their three-year rollout plans.



2022 IPM Program **Highlights**

204M+ gallons of water conserved

6.2M+ pounds of pesticides avoided

3.8B+

pounds of vegetative waste (crop material) reused

1M+field acres covered under IPM

2022 Sustainability **Standard Highlights**

14

fresh crops covered by the Sustainable Food Group Sustainability Standard[™]

226M

pounds of produce distributed by FreshPoint from **350+** local artisans and farmers



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Bringing a Local Flavor to Sourcing at FreshPoint

Why buy local? Because it's an investment in a vibrant community, a healthy climate and a more sustainable future for all. Our teams at Sysco and FreshPoint buy local to strengthen regional economies, preserve area landscapes and provide fresh and delicious products—all while supporting hundreds of local farms.

Through the FreshPoint Local program, we work with more than 350 local farmers and artisans throughout the U.S. and Canada. In FY2023, FreshPoint expanded the program across a majority of sites by updating its local reporting, expanding its outreach to work with more local farmers and highlighting local items for customers by sharing weekly local product lists. During the fiscal year, we sold 250 million pounds of locally grown and made products.

In Northern California, we began working with local farmers who use regenerative agriculture practices, such as cover cropping, crop rotation and irrigation management. We also celebrated Earth Day by piloting a Produce Without Plastic program at FreshPoint sites in San Francisco and Central California, in which we worked with our suppliers to find more sustainable packaging alternatives for products typically packaged in plastic clamshells or mesh bags.

Another benefit of the program is that it supports our focus on partnering with diverse suppliers. FreshPoint proudly worked with 79 diverse suppliers and invested \$38.4 million in diverse supplier spending in FY2023.

FreshPoint's Local Impact by the Numbers

350+

local farmers and artisans

226M

pounds of locally grown and made products, a YOY increase of 2.5M pounds

79

diverse supplier partners representing \$38.4M in diverse supplier spend

FY2023 SUSTAINABILITY REPORT Embracing Indoor Farming Another solution to local sourcing is indoor farming, which can enable reductions in distribution-based emissions, water usage, runoff and space. This modern farming technique leverages emerging technology to deliver more predictable, consistent yields year-round. To offer these benefits to our customers, both FreshPoint and Sysco partner with indoor farms at the local site level.



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Operational waste represents a missed opportunity to use our time, energy and resources in more fruitful ways. We invest in smart, streamlined solutions to reduce our environmental impact while building value and doing good.

We place an emphasis on reducing food and packaging waste as we develop and deliver our products. We also strive to practice strong water stewardship throughout our value chain, though significant water consumption isn't part of our direct operations.

In FY2023, as we navigated an evolving economic landscape, we focused on simultaneously diverting waste and managing expenses. We made efforts to resell or donate short-dated products; quickly remove contaminated products; and recycle, compost or upcycle any waste that was left. We also continued to work with our new recycling partner and have now onboarded them across 190 sites. Our partner's portal enables us to analyze site-specific data to pinpoint our challenges, successes and areas for improvement. This led to a variety of initiatives, such as recycling used shrink wrap, cardboard and pallets; reducing and densifying Styrofoam; and better managing organic waste.

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

Progress: Diverted 67% of waste.

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Optimizing Water in Our Operations

Most of our operational water consumption is used for product refrigeration, washing vehicles and landscaping our sites. In these areas, we continue to identify and implement water-saving opportunities, such as using cooling processes to recycle the water we use for condensers at five U.S. locations.



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Reducing Food Waste and Building Value

Our efforts to reduce food waste tie together our **One Planet. One Table.** commitments to protect and preserve our planet and give back to the communities we serve. According to recent estimates, about one-third of all food produced is lost or wasted each year, and food waste makes up about half of global food system emissions.¹ To help address these issues, we prioritize efforts to quickly resell or donate short-dated products. In FY2023, this helped us to nourish our communities by donating more than <u>17 million meals</u>. When these steps are not possible, we strive to convert excess food into animal feed, biofuel or other resources, or we make an effort to prepare excess food to be composted.

Achieving Zero Waste to Landfill at Sysco Ireland

Our colleagues at Sysco Ireland are leading the way on initiatives to prevent food from winding up in landfills. Through their comprehensive Food Waste program, they've implemented a waste hierarchy system that aligns with our purpose. They've also created a cross-functional team dedicated to managing and minimizing food waste. These are the key steps of the team's waste reduction approach:

Priority #1: Reduce food waste at the source.

Our first priority is reducing waste at the source, and we have a "War on Waste" workstream with a target to reduce waste by 12% year on year. To help manage this and achieve our goal, we have a crossfunctional team in place with responsibility for monitoring and reducing waste across the business from supply chain and warehouse to transport, contact center and inventory control. In 2021, they created a Stock Controller role to identify short-dated goods that will reach their shelf life within seven weeks. The Stock Controller collaborates with sales colleagues to promote these products so they can be sold while they're still fresh.

Priority #2: Donate to communities in need.

The Stock Controller ensures that excess products are quickly transported to regional charity partners so they can be redistributed to communities in need. To date, Sysco Ireland has supported more than 500 charities by distributing over a million meals—in the process, they've avoided contributing approximately 1,400 tonnes of carbon emissions related to food waste.

Priority #3: Support animal well-being.

When food cannot be sold or donated, the team provides it as animal feed and this year started a new partnership with Dublin Zoo.

Priority #4: Convert scraps into renewable energy.

Even at this final phase, food scraps don't have to go to waste. Instead, Sysco Ireland sends any surplus food to a third-party partner that transforms the scraps into renewable energy using anaerobic digestion.





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Our strong corporate governance is

based on a simple set of principles:

Act ethically. Act responsibly.

Do the right thing.



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Accountability begins at the top, where we strive to integrate sustainability into our business and risk management approach. Our Board of Directors oversees these efforts—helping to ensure our actions align with Sysco's values and purpose. Sysco's Board of Directors is highly experienced in driving transformative change, while providing oversight and guidance to ensure we are addressing our stakeholders' and shareholders' needs. Our Director Tenure policy provides that no individual who, as of the date of the election to which any nomination relates will have served as a nonemployee director for 15 years, will be eligible to be nominated for election or re-election to the Board.

Additionally, we have an independent, nonexecutive chair structure. Our Board Committees include:

- Audit Committee
- Compensation & Leadership Development Committee
- Corporate Governance & Nominating Committee (the Governance Committee)
- Sustainability Committee (formerly the Corporate Social Responsibility Committee)
- Technology Committee
- Executive Committee

In FY2023, Alison Kenney Paul, who also serves as managing director, Global Alliances at Google Inc., became chair of the Compensation and Leadership Development Committee.

Ensuring Strong Board Performance, Year After Year

Every year, the Board conducts a self-evaluation to determine whether the Board and its committees are functioning effectively. The Chair of the Board and the Chair of the Governance Committee lead a discussion of the Board's performance during the executive sessions.

In addition, each Board committee conducts a self-evaluation of its performance, focused on the committee's key responsibilities. As part of the evaluation process, each director completes a committee self-evaluation questionnaire developed by the Governance Committee. The committees all review feedback from their self-evaluations, as does the full Board. Key learnings from the Board and committee self-evaluations play an important role in informing the Board's approach to refreshment and succession planning.

360-Degree Performance Reviews

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



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Promoting Diverse Board Recruitment

As a matter of practice, our Board looks for diversity in nominees, including reviewing enhanced perspective and experience through diversity in race, gender, ethnicity, cultural background, age, geographic origin, education and professional and life experiences. In FY2023, three of our Board nominees were women one of whom was African American—while one of our Board nominees was from outside the U.S.

Prioritizing Sustainability

Sysco's Board-level Sustainability Committee meets three times a year, with each meeting focused on one of the company's three pillars of people, products and planet. The Sustainability Committee reviews and acts in an advisory capacity to the Board and management with respect to policies and strategies that affect Sysco's role as a socially responsible organization. They review, evaluate and provide input on the development and implementation of Sysco's sustainability strategy and on the implementation of and progress toward Sysco's sustainability goals. The Sustainability Committee also reviews areas such as philanthropic giving, agricultural programs and warehouse and transportation initiatives, which are designed to reduce the company's environmental impact while addressing the challenges posed by climate change. The full Board of Directors receives an annual sustainability update.



FY2023 Board of Directors Diversity

27% female

18% racially or ethnically diverse



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Enterprise Risk Management

Successful enterprise risk management—with the agility to effectively mitigate emerging risks is a cornerstone of Sysco's corporate governance approach. Sysco's Board oversees the enterprise risk management process to ensure it is consistent with the company's short- and long-term goals. The Board also chooses specific enterprise risks to monitor, such as those related to competitive threats, senior leadership succession planning, cybersecurity and business continuity.

Our Executive Leadership Team identifies, manages and mitigates enterprise risks and reports directly to the Board and Audit Committee. The team does so with respect to the process by which Sysco assesses and manages the company's exposure to enterprise risks, which we have enhanced in recent years. The enhanced process entails an annual review of our enterprise risks with the Board, as well as discussions about our management process and risk-mitigation resources. Based on the outcome of these discussions, we develop risk mitigation plans to lower Sysco's risk exposure. Sysco's senior management tracks all risk-related information and monitors the implementation of our risk mitigation plans. These efforts take place within a governance and reporting cadence, and the Board's committees help to oversee the enterprise risk management process within their respective areas of oversight and authority.

Engaging Sysco's Stakeholders and Fueling Our Company's Success

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



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Creating a Culture of Integrity with Our Global Code of Conduct

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

Food safety

Fraud

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

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The Governance Committee periodically reviews the Code and requires every Sysco colleague to strictly adhere to all laws and regulations applicable to our business. We also require colleagues to report any violations or suspected violations of the Code. Learn more in our FY2023 Proxy Statement. In FY2023, we updated the Code to ensure it aligns with the needs of our colleagues and business. The updated Code is slated for publication in FY2024.

Code of Business Conduct (COBC) Training

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

- Preventing harassment
- Avoiding conflicts of interest
- Reporting misconduct





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Technology is at the heart of Sysco's global operations. We continually implement forward-looking business technology initiatives and work diligently to cultivate an environment that is responsible, compliant and secure. Sysco's digital team guides our approach to data privacy and cybersecurity management and risk mitigation. Our chief information and digital officer and chief information security officer oversee this approach, with ultimate oversight from our Board. Two of our Board directors are highly experienced in cybersecurity matters with experience in information technology systems and related opportunities and risks. We leverage their expertise to protect our enterprise and embrace the technologies needed to facilitate responsible growth.

Part of responsibly managing a technology environment is quickly identifying and responding to security breaches and threats. In March 2023, Sysco became aware of a cybersecurity event in which a threat actor gained access to our systems without authorization and claimed to have acquired certain data relating to current and former colleagues. Upon discovery of the event, Sysco notified federal law enforcement and immediately opened an investigation in partnership with a leading cybersecurity firm and other experts. We found that our operational systems and related business functions were not adversely impacted by the event, and Sysco's service to customers continued uninterrupted. Additionally, we confirmed that there is no ongoing threat to Sysco's network or systems. Since the event, we've implemented additional controls and safeguards to help prevent similar issues in the future. Sysco also provided complimentary identity protection services to current and former colleagues through this process.





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Sound public policy is essential to Sysco's mission, and as a global foodservice industry leader, we have key insights to share. We take a collaborative approach to engage policymakers and advocate for the priorities of our stakeholders worldwide.

Government Relations

We engage policymakers at the local, state, federal and international levels to help ensure that—at all levels of government—the interests of our customers, colleagues and shareholders are properly represented. Sysco's senior management regularly reviews our public policy priorities and activities, as does our Board of Directors.

Visit our website for more information on Sysco's government relations and public policy engagement.

Advancing Policies for a Sustainable Future

Sysco promotes and protects our company's interests by directly lobbying government officials on a wide array of issues. Common issues include agriculture, animal welfare, energy and the environment, food safety, healthcare, immigration, nutrition, labor, occupational safety and licensing, product labeling, taxes, trade, transportation and workers' compensation. We comply with all U.S. federal and state lobbying laws, which require reporting on lobbying activity. For FY2023, Sysco reported U.S. federal lobbying expenditures of \$200,000 in reports filed with the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate. In jurisdictions outside of the U.S., Sysco complies with all applicable lobbying legislation.

Advocating for Responsible ZEV Policy and Food Security in FY2023

Given the tremendous opportunity that Zero Emissions Vehicles (ZEV) can provide in delivering food safely, efficiently and with a lower carbon footprint, ZEV policy was among our top priorities in FY2023. We engaged local, state and national

policymakers in countries including the U.S. and Canada to create an environment that is conducive to ZEV adoption in a responsible manner. We also worked with various stakeholders-from legislators to utilities to manufacturers to trucking associations—to develop funding and support for ZEV assets and infrastructure.

Global hunger is another issue that Sysco aims to help address. During FY2023, our Government Relations team represented Sysco in Washington, D.C., during the White House Conference on Hunger, Nutrition and Health. In addition to promoting food security through policy engagement and advocacy, we have committed to deliver \$500 million of global good, including 200 million meals, by 2025.

Trade Association Engagement

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

Political Contributions

We engage in the political process by providing financial support for select candidates and issue advocacy campaigns that support Sysco's business objectives. The Sysco Corporation Public Policy Committee determines the level of our contributions and involvement. The committee is a multifunctional group that consists of members from Sysco's Executive Leadership, Government Relations, Legal, Investor Relations and Communications teams along with other relevant functional leaders.

The Sysco Corporation Good Government Committee, Inc. (Sysco PAC) was established to allow eligible colleagues to become engaged in the political process. Sysco PAC is governed by a separate board of directors comprised of leaders from our Global Support Center, U.S. Foodservice and Specialty businesses. Sysco PAC makes contributions to federal, state and local candidates in accordance with election laws and regulations. Membership in Sysco PAC is strictly voluntary and can be discontinued at any time.

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



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

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Business Overview—page 3, 2023 Annual ReportReporting Segments—page 3, 2023 Annual ReportCustomers and Products—page 4, 2023 Annual ReportHuman Capital Resources—page 5, 2023 Annual ReportBoard Composition and Accountability—page 13, 2023 Proxy

Board Committees—page 14, 2023 Proxy

Risk Oversight—page 18, 2023 Proxy

Code of Conduct—page 37, 2023 Proxy

Reporting a Concern or Violation—page 37, 2023 Proxy

Compensation Discussion and Analysis—page 44, 2023 Proxy

Other Resources

Colleague Code of Conduct
Supplier Code of Conduct

Board-Level Sustainability Committee

CDP Climate Change 2023

CDP Water 2023

Palm Oil ACOP CY2022

Forests Report May 2021

Sysco Seafood Sustainability Report

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About This Report

Information in this report primarily reflects the sustainability performance of Sysco Corporation in the United States (U.S.) and Canada during FY2023. This report has been published in accordance with the Global Reporting Index (GRI), and our 2023 GRI Index is available for download on our website. Additionally, this report includes our third <u>Sustainability Accounting Standards Board (SASB) Index</u> and annual updates on our global impact and sustainability goals and progress. For more information about Sysco's carbon footprint and water use, please see our 2023 CDP Report and <u>Water</u> responses, and please see our <u>Annual Report</u> and filings with the Securities and Exchange Commission (SEC) for more information on Sysco's operations and business performance.

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



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Materiality and Stakeholder Engagement

Sysco's sustainability strategy is based on our 2021 materiality assessment, which identified the ESG topics that our stakeholders deemed to be most important and/or influential on their decisions.¹ The company completed a materiality refresh in FY2022 to help ensure the matrix was fit for purpose and to better reflect the global enterprise.

Our Primary Stakeholders Colleagues

Sysco's 72,000 global colleagues help us put our purpose into action and fuel our responsible growth. We know that our colleagues and future talent care deeply about how we engage with communities, and our sustainability strategy has become a valuable tool in our recruiting and retention efforts. We engage with colleagues via Sysco Speaks (our companywide annual engagement survey), "The Dish News" (our intranet site), Sysco To-Go (an internal app of news and resources for Sysco colleagues), social media and other channels. In FY2023, we continued to expand our engagement, communication and development efforts to support all our global colleagues.

Customers

At Sysco, we put customers first. Their needs and expectations are foundational components of our sustainability priorities. We engage with customers through several channels—including sales consultant interactions, customer service surveys, online communications and strategic reviews—while maintaining an ongoing dialogue and partnership to help customers deliver quality and safe food options to their patrons.

Investors

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

Regulators

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

¹ Purposes of determining our ESG strategy may not be considered material for SEC reporting purposes, nor does inclusion of information in this report indicate that the topic or information is material to Sysco's business or operating results.

Nongovernmental Organizations (NGOs)

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

Suppliers

To deliver for our customers and advance our sustainability agency, it is critical that we collaborate closely with Sysco suppliers. We engage with suppliers through surveys and regular business reviews, as well as through a joint business planning process with several strategic suppliers. We also partner with suppliers to advance our sustainability priorities, including through our Sustainable Agriculture program, in which we work with participating growers to implement sustainable agriculture practices. In FY2023, we further engaged and educated suppliers through our <u>Diversity</u> <u>Education Session</u> and our inaugural <u>Supplier</u> <u>Sustainability Summit</u>.

Peers

Engaging with industry participants helps us advance best practices and influence regulatory and legislative improvements. For instance, through the British Frozen Food Federation, our U.K. team and European peers are working with WRAP (Waste & Resources Action Programme) to reduce waste, develop sustainable products and use resources in more efficient ways.

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Learn more about how we <u>support and</u> <u>engage colleagues</u>

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Being transparent about our sustainability performance is a critical component in taking accountability and achieving our goals. In FY2022, we expanded our third-party assurance beyond environmental verification, which we continued in FY2023. Going forward, we will continue to pursue additional assessment and/or verification of key data.

LRQA Assurance Statement

We engaged LRQA to provide a limited level of assurance for the following data pertaining to our U.S. and Canadian footprint for calendar year 2022:

- Direct (Scope 1) and energy indirect (Scope 2) GHG emissions
- Scope 3 GHG emissions (verified by LRQA only includes business travel—hotel stays, car rentals and air travel)
- Water withdrawn, discharged and consumed LRQA's Independent Assurance Statement is available <u>here</u>.

EY Assurance Statement

We engaged EY to perform limited assurance over various FY2023 ESG metrics, including:

Charitable giving—Meal donations

Charitable giving—Monetary donations

Certified sourcing—Percentage of coffee pounds sold

 Certified sourcing—Percentage of paper towel, paper napkin, bath and facial tissue case volume sold
 Supplier diversity—spend with certified diverse businesses

More information is available here.







For questions or comments concerning this report, please contact the Sysco Sustainability team at <u>sustainability@sysco.com</u>.

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