

## Welcome to your CDP Water Security Questionnaire 2021

### W0. Introduction

#### W0.1

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

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

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

We serve more than 625,000 customer locations around the world through a network of local operating companies complemented by specialty businesses. This structure gives us an effective blend of local knowledge, wide product selection and broad service capabilities. Our operations primarily exist in the United States and Canada, but also include operations in Ireland, the UK, France, Sweden, Belgium, Costa Rica, Mexico, Panama and the Bahamas. Sysco’s portfolio includes specialty companies that enhance our ability to provide customers with premium-quality, niche, and exclusive products. FreshPoint, our specialty produce company, addresses customers’ needs for fresh, unique, organic, and local produce items. Our specialty meat companies are among the industry’s largest and most recognized providers of high-quality protein products. European Imports offers



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

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

Note: Certain statements made herein that look forward in time or express management’s expectations or beliefs with respect to the occurrence of future events are forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and estimates; actual results may differ materially due in part to the risk factors discussed at Item 1.A. in the Annual Report on Form 10-K and elsewhere.

## W-FB0.1a

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

Distribution

## W0.2

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

	Start date	End date
Reporting year	January 1, 2020	December 31, 2020



### W0.3

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

- Canada
- United States of America

### W0.4

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

- USD

### W0.5

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

- Companies, entities or groups over which operational control is exercised

### W0.6

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

- Yes

### W0.6a

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Significant operations not evaluated include our international Broadline companies located in Ireland, the UK, France, Sweden, Belgium, Costa Rica, Mexico, Panama and the Bahamas; the majority of our specialty meat and	Due to costs required to collect and report on data, as well as relative size of these businesses, we have chosen not to report on significant operations related to our international Broadline companies located in Ireland, the UK,



<p>produce facilities; European Imports (a foodservice import specialty company); Guest Worldwide (a hotel amenities company); International Food Group (a foodservice company that exports products to international customers); Brakes (a UK-based foodservice and distribution company); and all other calendar year 2020 acquisitions.</p>	<p>France, Sweden, Belgium, Costa Rica, Mexico, Panama and the Bahamas; the majority of our specialty meat and produce facilities; European Imports (a foodservice import specialty company); Guest Worldwide (a hotel amenities company); International Food Group (a foodservice company that exports products to international customers); Brakes (a UK-based foodservice and distribution company); and all other calendar year 2020 acquisitions.</p> <p>The data set includes data from 12 specialty facilities that participate in a water data collection program. All other specialty companies' site data is estimated. Collecting data for these operations may be evaluated in the future.</p>
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## W1. Current state

### W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
<p>Sufficient amounts of good quality freshwater available for use</p>	<p>Important</p>	<p>Important</p>	<p>Sysco's direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. Access to sufficient volumes and good quality water is required; however, our direct operations do not require significant water use. We anticipate our future water dependency to remain steady on an intensity basis, while absolute water usage will grow linearly relative to the number of facilities Sysco operates.</p> <p>Sysco's suppliers (non-direct) require sufficient volumes of good quality freshwater, primarily rainwater and/or irrigation water, as it is required to produce nearly all of our products. This</p>



			<p>water availability is considered important as it has an indirect impact on our business. Short term weather conditions or more prolonged climate change have the potential to reduce or disrupt product availability within our supply chain and/or increase our cost of goods. Our inability to obtain adequate freshwater supplies in the future could lead to inability to fulfill customer obligations or lead to an increase in sales prices. We expect our suppliers' future water dependency to remain steady or increase due to anticipated impacts of climate change including rising temperatures and disrupted precipitation patterns.</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Important</p>	<p>Important</p>	<p>Although our operations are not water intensive, our ability to use recycled water reduces our freshwater withdrawals and is considered important. Our direct operations have already identified water-saving opportunities, including recycling water from vehicle washing stations and refrigeration units and using rainwater for landscaping at some of our offices. We have installed technology to capture and recycle condensation from cooling processes at three locations. We are exploring locations where there may be similar opportunities for water conservation and cost savings.</p> <p>A number of Sysco suppliers (non-direct) utilize reused/recycled water in their agricultural operations and processing facilities. Each year we conduct a survey of our suppliers' practices, which includes optional questions around water management. Suppliers that opt-in can report gallons of processing facility water conserved through reuse/recycling practices implemented under Sysco's Integrated Pest Management (IPM) program. Sysco's growers report conservation of over 1 billion gallons of water during the 2019 growing season. Conservation of water in our suppliers' operations is important to enhancing their long-term sustainability and may contribute to lower production costs, which can translate into a net business benefit for Sysco.</p> <p>We anticipate continuing to increase our dependency on recycled water – and to encourage our suppliers to do the same – in order to offset freshwater withdrawals and promote conservation.</p>

## W-FB1.1a

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

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Cattle products	10-20	Sourced	These two products represent the highest revenue ingredients for Sysco and likely the highest proportion of Sysco's water demand given they are protein-based and therefore require considerable water inputs in the 'raw material' life cycle stage.
Other, please specify Poultry	Less than 10%	Sourced	These two products represent the highest revenue ingredients for Sysco and likely the highest proportion of Sysco's water demand given they are protein-based and therefore require considerable water inputs in the 'raw material' life cycle stage.

## W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Total water withdrawals are captured at 100% of our 174 operating sites (not including exclusions reported under W0.6a). Water withdrawal data are captured at the meter-level from utility bills or facility tracking/metering for 118 facilities. For the remaining facilities, a withdrawal intensity metric of withdrawal per square foot is applied to create an estimate. This estimate is calculated from the 118 facilities and is unique to each business division (i.e. Broadline, Specialty Meat Group, Specialty Produce).
Water withdrawals – volumes by source	100%	Water withdrawals by source are measured at 100% of our 174 operating sites (not including exclusions reported under W0.6a). For the 118 sites where water withdrawal information is

		actively collected, withdrawal source is determined through utility bills or communication with the site. For the remaining sites where water withdrawal data is estimated, we assume the source is municipal water supply. Of our 174 operating sites, 2 rely exclusively on renewable groundwater and 4 use a combination of municipal water supply and groundwater. We record this level of data to better understand our resource usage at a facility and company level.
Water withdrawals quality	100%	We have analyzed 100% of our sites with the WWF-DEG Water Risk Filter. The Water Risk Filter has a metric called the Surface Water Contamination Index which we use as a guide to determine quality for all sites that depend on municipal water. This index analyzes a broad suite of pollutants with well-documented direct or indirect negative effects on water resources. Aspects such as nitrogen/ phosphorous/ pesticide/ organic/ sediment/ mercury loading, soil salinization, potential acidification and thermal alteration inform the overall pollution indicator. Additionally, all water withdrawn from municipal sources is monitored by the municipality to ensure compliance with federal and local quality standards.
Water discharges – total volumes	100%	Total discharge is captured or estimated at 100% of our 174 operating sites (not including exclusions in W0.6a). Data is captured at a meter level from utility bills or facility tracking for 118 facilities. For these facilities, we also use a localized method to estimate discharge where no site data exists (i.e. no sewer info from utilities, no sewer meters/site tracking). This method considers meter specific information (e.g. condenser tower meters) to determine if an estimate is appropriate, but generally assumes water out equals *0.9 water in at the meter level. For the remaining facilities that lack data collection, an intensity metric of discharge/sq. foot (calculated from the 118 facilities with data, unique to business division) is used to create an estimate. Select locations are improving their recording of total discharge. Please note: per GRI guidance, “discharge of domestic sewage is not regarded as water discharge”; however, Sysco’s water discharge includes domestic sewage.
Water discharges – volumes by destination	100%	Water discharges by destination are captured at 100% of our 174 operating sites. Of our 174 operating sites, 5 sites discharge exclusively to groundwater, and 3 sites discharge to both municipal/industrial treatment plants and groundwater. For the 118 facilities where discharge data is actively gathered, discharge destination is determined by utility bill tracking or



		communication with the site. For the remaining facilities, it is assumed discharge is to municipal/industrial treatment plants.
Water discharges – volumes by treatment method	76-99	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pretreatment/technology types before being returned to the environment. Since the majority of operating sites (95%) discharge to municipal/industrial treatment plants (representing 95% of total water discharges), and since most municipal wastewater treatment facilities use primary, secondary, and sometimes tertiary levels of treatment, we have assumed secondary treatment for 95% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. Moving forward, we will evaluate opportunities to capture treatment methods for the 8 sites that discharge to groundwater.
Water discharge quality – by standard effluent parameters	Not monitored	Based on the 174 sites with actual or estimated water discharge data, 5% of total discharges are sent to groundwater while 95% of water discharges are sent to municipal/industrial treatment plants. "Water discharge quality - by standard effluent parameters" is applicable to organizations that discharge effluents or process water, so this water aspect is not applicable to the majority of our water discharges as they are sent to municipal/industrial treatment plants, and pre-treatment prior to discharge to the municipality was not required. We do not currently track water discharge quality by standard effluent parameter (e.g., BOD or TSS) for the 8 sites that discharge to groundwater as part of our environmental data management system. Moving forward, we will evaluate opportunities to capture this level of data for the 8 sites that discharge to groundwater.
Water discharge quality – temperature	Not monitored	Based on the 174 sites with actual or estimated water discharge data, 5% of total discharges are sent to groundwater while 95% of water discharges are sent to municipal/industrial treatment plants. "Water discharge quality - temperature" is not applicable to the majority of our water discharges as they are sent to municipal/industrial treatment plants, and pre-treatment prior to discharge to the municipality was not required. We do not currently track water discharge temperature for the 8 sites that discharge to groundwater as part of our



		environmental data management system. Moving forward, we will evaluate opportunities to capture this level of data.
Water consumption – total volume	100%	We estimate consumption by calculating the difference between total (actual and estimated) water withdrawals and total (actual and estimated) water discharges (not including exclusions reported under W0.6a).
Water recycled/reused	1-25	In 2018 we piloted the use of an evaporator/condenser at our operating site in Houston to capture condensate from evaporators to reuse as makeup water. In 2019 we expanded this pilot to two additional sites. We track water reuse at these three sites and planned to expand condensate capturing to additional sites. Now, as of 2020, we have expanded condensate capturing to five U.S. locations.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All of our U.S. and Canada Sysco-owned facilities provide and regularly review access to fully functioning WASH services for all workers in support of our Prerequisite & Food Safety Program - Good Manufacturing Practices (GMP) section.

## W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	2,574	Lower	Total withdrawals decreased 14% from 2,957 ML in 2019 to 2,574 ML in 2020. Sysco defines "about the same" as a change less than 10% from previous years, "higher" or "lower" as change greater than 10% but less than 75%, and "much higher" as a change greater than 75%. Besides business interruptions due to COVID-19, we had minimal operational changes and a similar number of operating sites between 2019 and 2020, and because our withdrawal data and estimation methods continue to gain accuracy, this result is expected. For CY2020, there were no changes to the process for water withdrawn.



			<p>We made minor revisions to the 118 sites included in the 2020 CDP submission due to small changes stemming from utility bills or other information received post-submittal, causing a 14% withdrawal decrease for these sites. 52% of our 2020 withdrawal figure and 30% of our 2019 withdrawal figure is estimated data. Our 2020 estimated withdrawal figure is higher than our 2019 estimated data because of the change to utilize a 0.9 factor for discharge if the withdrawal amount was not stated at the meter level (in 2019, we estimated a 1:1 water in to water out estimation). We project that total withdrawals will remain about the same or increase slightly in future years as the business continues to expand.</p> <p>To quantify uncertainty associated with the estimated data, a 20% margin of error was applied to estimated withdrawals based on the estimation technique utilized and professional judgment. Per the "GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories &amp; Calculating Statistical Parameter Uncertainty" Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares).</p>
Total discharges	1,658	Lower	<p>Total discharges stayed about the same, decreasing 23% from 2154 ML in 2019 to 1658 ML in 2020. Sysco defines "about the same" as a change less than 10% from previous years, "higher" or "lower" as change greater than 10% but less than 75%, and "much higher" as a change greater than 75%. Besides business interruptions due to COVID-19, we had minimal operational changes and a similar number of operating sites between 2019 and 2020. Regarding our discharge data and estimation method, for CY2020, if we did not receive a bill stating the discharge amount, we estimated to be 90% of the withdrawal figure. Since we had minimal operational changes and a similar number of operating sites between 2019 and 2020, this result is expected. 81% of our 2020 discharge figure is estimated data. 19% of our 2019 discharge figure is estimated data. Our 2020 estimated withdrawal figure is higher than our 2019 estimated data because of the change to utilize a 0.9 factor for discharge if the withdrawal amount was not stated at the meter level (in 2019, we estimated a 1:1 water in to water out ratio).</p> <p>Please note that according to the GRI, "discharge of collected rainwater and domestic sewage is</p>



			not regarded as water discharge”; however, domestic sewage is included in Sysco’s water discharges. We project that total discharges will remain about the same or increase slightly in future years as the business continues to expand. To quantify uncertainty associated with estimated data, a 20% margin of error was applied to the estimated discharges based on the estimation technique utilized and professional judgment. Using “GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories & Calculating Statistical Parameter Uncertainty”, Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares technique).
Total consumption	917	Higher	<p>We estimate consumption by calculating the difference between total (actual and estimated) water withdrawals and total (actual and estimated) water discharges (not including exclusions reported under W0.6a), as per the guidance in GRI Standard 303: Water and Effluents. Total water consumption increased 14% from 804 ML in 2019 to 917 ML in 2020. Sysco defines “about the same” as a change less than 10% from previous years, “higher” or “lower” as change greater than 10% but less than 75%, and “much higher” as a change greater than 75%. There are data constraints due to the business impacts of COVID-19, and we do not have the details from Sites on what caused the change. The total consumption figure represents an aggregation of local calculations. A breakdown of water consumption is not available at this time.</p> <p>Please see "Total withdrawals" and "Total discharges" rows above for an explanation of the calculation methodology and levels of uncertainty for these figures. Our work to improve our process for recording water discharges will enhance our ability to calculate our total consumption at our operating locations in the future. We project that total consumption will remain about the same in future years as business operations normalize post-COVID-19 pandemic.</p>

### W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.



	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	11-25	About the same	WRI Aqueduct	<p>Total water withdrawn from stressed areas stayed stable, increasing 6% from 24% in 2019 to 30% in 2020. Sysco defines “Decreased” as a reduction greater than 10% from previous years and “Increased” as a gain greater than 10% from previous years.</p> <p>Using the WRI's Aqueduct tool, we were able to assess 155 Sysco operating sites, given their location, for water stress. We defined stressed as having a "baseline water stress" (as defined by the WRI) as "High" or "Extremely High" (=&gt;3 in Aqueduct's baseline water stress score tool). Given the granularity of the Aqueduct data to river basin, and given we used the Aqueduct method in our 2019 CDP submission, we determined this to be an appropriate tool to use.</p> <p>To crosscheck our calculations, we also ran a water risk assessment based on the WWF's Water Risk Filter (WRF) tool's baseline water stress indicator. In this tool we defined stressed as having "baseline water stress " (as defined by WWF) characterized as "High" or "Extremely High" (a risk =&gt;4). The WRF tool produced a nearly identical result of 30% withdrawals from water-stressed areas.</p>

### W-FB1.2e

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

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

## W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant			We do not have fresh surface water withdrawals.



Brackish surface water/Seawater	Not relevant			We do not have brackish surface water/seawater withdrawals.
Groundwater – renewable	Relevant	61	Lower	Renewable groundwater was used at 4 operating sites for which we collect meter-level data in 2020. Four sites relied exclusively on groundwater. We have assumed an additional 4 sites do not rely on groundwater resources. Our renewable groundwater withdrawals decreased 59% from 150 ML in 2019 to 61 ML in 2020. Sysco defines "about the same" as a change less than 10% from previous years, "higher" or "lower" as change greater than 10% but less than 75%, and "much higher" as a change greater than 75%. Groundwater withdrawal decreased this past year because of the business impacts due to the COVID-19 pandemic. Office facilities were closed, and operating sites remained open depending on COVID-19 protocols and measures in place. 56.3% of our 2020 figure is based on estimated data. Our 2019 figure is based exclusively on actual data.
Groundwater – non-renewable	Not relevant			We do not have non-renewable groundwater withdrawals.
Produced/Entrained water	Not relevant			We do not use produced/process water.
Third party sources	Relevant	2,513	About the same	Of the 118 operating locations for which withdrawal data is captured at the meter level, municipal water was used at 116 sites in 2020. We have assumed an additional 2 locations withdraw from municipal resources. Our third-party water withdrawals remained about the same, decreasing by 10% from 2807 ML in 2019 to 2513 ML in 2020. Sysco considers any fluctuation equal or less than 10% from previous years as "about the same." 52% of our 2020 figure is based on estimated data. 32% of our 2019 withdrawal from third party sources is based on estimated data.



## W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant			We do not discharge to fresh surface water.
Brackish surface water/seawater	Not relevant			We do not discharge to brackish surface water/seawater.
Groundwater	Relevant	68	About the same	<p>Of the 118 operating locations for which discharge is captured at the meter level, discharge to groundwater occurred at 8 of our operating locations in 2020. 5 sites discharged exclusively to groundwater. We have assumed 2 locations do not discharge to groundwater. Groundwater discharge remained about the same, as 67 ML was reported in 2019. Sysco defines "about the same" as a change less than 10% from previous years.</p> <p>Please note that according to the GRI, "discharge of collected rainwater and domestic sewage is not regarded as water discharge"; however, domestic sewage is included in Sysco's water discharges. 5% of our 2020 discharge to groundwater figure is estimated data. 3% of our 2019 discharge to groundwater figure is estimated data.</p>
Third-party destinations	Relevant	1,590	About the same	Of 118 operating locations for which discharge is captured at the meter level, discharge to third-party destinations occurred at 110. 113 locations discharged exclusively to third-party destinations. We have assumed an additional 2 locations discharge to third-party destinations. Our third-party discharge remained about the same, increasing 8.5% from 1465 ML in 2019 to 1590 ML in 2020. Sysco defines "about the same" as a change less than 10% from previous years. Besides



				<p>business interruptions due to COVID-19, Sysco sites continued to follow COVID-19 protocols and continued to deliver to customers; therefore, we had minimal operational changes and a similar number of operating sites between 2019 and 2020.</p> <p>Select locations are working to improve their recording of discharge by destination. Please note that per GRI, “discharge of domestic sewage is not regarded as water discharge”; however, Sysco’s water discharge includes domestic sewage.</p>
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## W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Please explain
Tertiary treatment	Not relevant	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pretreatment/technology types before being returned to the environment. Since the majority of operating sites (95%) discharge to municipal/industrial treatment plants (representing 95% of total water discharges), and since most municipal wastewater treatment facilities use primary, secondary, and sometimes tertiary levels of treatment, we have assumed secondary treatment for 95% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. Moving forward, we will evaluate opportunities to capture treatment methods for the 8 sites that discharge to groundwater.
Secondary treatment	Relevant but volume unknown	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pretreatment/technology types before being returned to the environment. Since the majority of operating sites (95%) discharge to municipal/industrial treatment plants (representing 95% of total water discharges), and since most municipal wastewater treatment facilities use primary, secondary, and sometimes tertiary levels of treatment, we have

		assumed secondary treatment for 95% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. Moving forward, we will evaluate opportunities to capture treatment methods for the 8 sites that discharge to groundwater.
Primary treatment only	Relevant but volume unknown	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pretreatment/technology types before being returned to the environment. Since the majority of operating sites (95%) discharge to municipal/industrial treatment plants (representing 95% of total water discharges), and since most municipal wastewater treatment facilities use primary, secondary, and sometimes tertiary levels of treatment, we have assumed secondary treatment for 95% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. Moving forward, we will evaluate opportunities to capture treatment methods for the 8 sites that discharge to groundwater.
Discharge to the natural environment without treatment	Relevant but volume unknown	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pretreatment/technology types before being returned to the environment. Since the majority of operating sites (95%) discharge to municipal/industrial treatment plants (representing 95% of total water discharges), and since most municipal wastewater treatment facilities use primary, secondary, and sometimes tertiary levels of treatment, we have assumed secondary treatment for 95% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. Moving forward, we will evaluate opportunities to capture treatment methods for the 8 sites that discharge to groundwater.
Discharge to a third party without treatment	Not relevant	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pretreatment/technology types before being returned to the environment. Since the majority of operating sites (95%) discharge to municipal/industrial treatment plants (representing 95% of total water discharges), and since most municipal wastewater treatment facilities use primary, secondary, and sometimes tertiary levels of treatment, we have assumed secondary treatment for 95% of our water discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method. Moving forward, we will evaluate opportunities to capture treatment methods for the 8 sites that discharge to groundwater.

Other	Not relevant	
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### W-FB1.3

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

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

### W1.4

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

Yes, our suppliers



## W1.4a

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

### Row 1

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**% of suppliers by number**

1-25

**% of total procurement spend**

1-25

**Rationale for this coverage**

Sysco's IPM program, launched in 2004, promotes responsible use of agricultural inputs, such as fertilizers, pesticides, energy and water, by growers of Sysco Brand canned and frozen fruit and vegetables and potatoes. Participating processors and farmers work to identify and protect environmentally sensitive areas, build soil health and preserve water quality by using cover crops, crop rotation and natural pest control methods. Participation in our IPM program is required for all suppliers of Sysco Brand products, which involves 125 processing locations and more than 11,000 growers. To collect data to track the success of our IPM program, we partner with Azul, which provides an online platform to conduct annual surveys and performs supplier audits. Since participating suppliers typically apply sustainable and IPM practices across their total acreage, we are able to collect performance metrics for their entire operation, including input and waste reduction, and water and energy conservation.

**Impact of the engagement and measures of success**

Sysco suppliers are required to follow the IPM program and are requested to report data around water, energy, electricity, and recycling. Since reporting may be overly burdensome to these suppliers' smaller growers, they are not required to report all environmental indicators requested, including water indicators.

Sysco uses data from our IPM program to ensure suppliers for Sysco Brand products are growing crops sustainably. IPM suppliers, audited on a rotating basis by geographic region, must meet performance criteria to remain in the program and continue supplying Sysco.



Success is measured by resource conservation and acreage enrolled in the program. In the 2019 growing season, our suppliers reported avoiding over 8.4 million pounds of pesticides by utilizing IPM principles, with nearly 1.3 million acres under cultivation. During the 2019 growing season, IPM suppliers report they conserved over 1 billion gallons of water through employment of good agricultural practices and upgrades, reducing withdrawal impact and runoff impacts on surface and ground water quality.

**Comment**

The results of the IPM program have led to growers extending sustainable practices throughout their acres, stretching beyond those devoted to Sysco Brand products, and continuing to elevate practices across the industry. Over 1.3 million acres is devoted to Sysco Brand agricultural products worldwide.

**W1.4b**

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

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**Type of engagement**

No other supplier engagements

**Details of engagement**

**% of suppliers by number**

**% of total procurement spend**

**Rationale for the coverage of your engagement**

**Impact of the engagement and measures of success**

## Comment

## W2. Business impacts

### W2.1

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

Yes

### W2.1a

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

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#### **Country/Area & River basin**

United States of America

Other, please specify

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

#### **Type of impact driver & Primary impact driver**

Physical

Severe weather events

#### **Primary impact**

Disruption to sales



**Description of impact**

The 2020 Atlantic Hurricane Season produced hurricane Isaias. Hurricane Isaias traveled up the entire east coast. As a result, 27 Sysco facilities activated emergency plans and our Corporate TST responded.

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

**Primary response**

Amend the Business Continuity Plan

**Total financial impact**

51,500

**Description of response**

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

Also, the 2020 Gulf Coast Hurricane Season produced Hurricane Delta. Hurricane Delta impacted Louisiana causing business closures and damage to Sysco Doerle, and our Corporate TST was activated in response. The Corporate Crisis Management teams were also activated during Isaias and Delta to provide support needed in the field, including certain customer notifications. Sysco estimates the financial impact of hurricane Dorian at \$51,500 based on losses due to business interruption.

**W2.2**

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

No

## W3. Procedures

### W-FB3.1

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

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

### W-FB3.1a

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

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**Potential water pollutant**

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

**Activity/value chain stage**

Distribution – direct operations

**Description of water pollutant and potential impacts**

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

**Management procedures**

Follow regulation standards

**Please explain**

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

**W3.3**

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

Yes, water-related risks are assessed

**W3.3a**

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

**Direct operations**

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**Coverage**

Full

**Risk assessment procedure**

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

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Enterprise Risk Management

Databases

**Tools and methods used**

WRI Aqueduct

WWF Water Risk Filter

Other, please specify

Internal methods; External consultants

**Comment**

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

**Supply chain**

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**Coverage**

None

**Comment**

**Other stages of the value chain**

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**Coverage**

None

**Comment**

**W3.3b**

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

	<b>Relevance &amp; inclusion</b>	<b>Please explain</b>
Water availability at a basin/catchment level	Relevant, always included	<p>Water availability is critical to Sysco and its suppliers. Uncertainty around short-term weather conditions or more prolonged climate change, crop conditions, water shortages, natural disasters, and extreme weather conditions have the potential to reduce or disrupt product availability within our supply chain and increase our cost of goods. Our suppliers’ inability to obtain adequate supplies of water of sufficient quality as a result of the aforementioned factors could lead to inability to fulfil our obligations to customers.</p> <p>Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including current water availability and quality parameters, cross- referenced against our operating locations, water withdrawals, and sales. We also reference the Water Risk Filter.</p>
Water quality at a basin/catchment level	Relevant, not included	<p>Access to sufficient volumes and good quality water is relevant to Sysco in that it is required to operate our refrigeration systems, wash vehicles, and landscape; however, our direct operations do not require significant amounts of good quality water. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including analysis of water quality indicators, cross-referenced against our operating locations, water withdrawals, and sales. We also reference the WWF Water Risk Filter, including the</p>



		<p>Water Risk Filter's Surface water contamination index.</p> <p>Although we have analyzed water quality data and have done scenario analysis with respect to water quantity data, we have not done scenario analysis covering both water quantity and water quality data to date, nor have we evaluated plans to do so in the future.</p>
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	<p>Current stakeholder conflicts concerning water resources at a local level are relevant to Sysco in that they have the potential to impact Sysco's business continuity, license to operate, and brand value.</p> <p>Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including stakeholder conflicts concerning water resources at a local level, cross-referenced against our operating locations, water withdrawals, and sales. We also reference the WWF Water Risk Filter.</p>
Implications of water on your key commodities/raw materials	Relevant, sometimes included	<p>Current implications of water impact on key commodities and raw materials are considered as conditions warrant.</p> <p>For example, we monitor drought conditions in California carefully to understand how the supply of certain products may be impacted so that if needed, we are able to source product from a different area or supplier.</p>
Water-related regulatory frameworks	Relevant, always included	<p>Sysco complies with water regulatory frameworks and tariffs locally. Significant changes to regulatory frameworks or tariffs are evaluated at the local level as conditions change, and are escalated as conditions warrant.</p> <p>Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including analysis of</p>



		water management infrastructure in regions where we operate, cross-referenced against our operating locations, water withdrawals, and sales. We also reference the WWF Water Risk Filter, assessing, for example, freshwater policy status.
Status of ecosystems and habitats	Relevant, always included	<p>It is essential to good water stewardship to incorporate impacts on local water-dependent ecosystems into our risk assessments.</p> <p>Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, cross-referenced against our operating locations, water withdrawals, and sales. However, we primarily rely on the WWF Water Risk Filter to assess threats to ecosystems and habitats in which we operate, analyzing indicators such as projected impacts on freshwater biodiversity and fragmentation status of rivers.</p>
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	<p>We include WASH services at all of our U.S. and Canada operating locations to ensure the health and safety of all our employees.</p> <p>All of our Sysco-owned facilities provide and regularly review access to fully-functioning WASH services for all workers, in support of our Prerequisite &amp; Food Safety Program - Good Manufacturing Practices (GMP) section.</p>
Other contextual issues, please specify	Not considered	

### W3.3c

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

	Relevance & inclusion	Please explain
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Customers	Relevant, always included	Increased water stress could result in supply chain disruptions, which could also impact our ability to fulfil our obligations to customers. To mitigate this risk, we engage with growers of Sysco Brand canned and frozen fruit, vegetables and potatoes through Sysco’s Integrated Pest Management (IPM) program. The program encourages supplier water conservation through irrigation efficiencies, and water quality improvement through more responsible use of fertilizers and pesticides. We engage customers through sales relationships, customer service surveys, online communications, and strategic meetings. We regularly survey our customers to understand issues of importance to them, including the importance of sustainability. “Customer’s First” - our listening program - was established to gain an understanding of the most effective ways to respond to their needs and concerns.
Employees	Relevant, always included	Our associates bring Sysco’s strategic priorities to life and enable our growth agenda. We know that our associates and future talent care deeply about our business’s environmental impact, including our products’ water footprint, and CSR has become a valuable tool in our recruiting and retention efforts. The perspectives of our associates are critical to our success. We engage with associates via Sysco Speaks (our company-wide engagement survey), “The Dish” (our intranet site), Sysco Interactive University (our online learning platform), social media, and other channels.
Investors	Relevant, always included	Certain investors have previously asked us to disclose more information about the direct and indirect impact of water on our business. As a result, we began monitoring water use for the substantial majority of our direct operations in CY2012, and we have been responding to the CDP Water request since 2013. We may evaluate additional actions in the future. We engage investors through financial reports (e.g., FY2020 Annual Report, FY2020 10-K), annual shareholder meetings, news releases, investor conference presentations, meetings with Socially Responsible Investors, and our investor relations website.
Local communities	Relevant, always included	We are committed to the protection of the environment in communities in which we live and operate. We engage directly with local communities through our philanthropic efforts such as Nourishing Neighbors, an endeavor that directs Sysco’s charitable donations primarily to agencies working to provide healthy, nutritious food where it’s needed: food banks, youth after-school and weekend food programs, senior citizen meal delivery programs, and other initiatives that connect with, and serve, hungry people. We engage indirectly with local communities through our increased sourcing of local, specialty products through our FreshPoint company, and increased engagement with small local supplier throughout our entire network.



<p>NGOs</p>	<p>Relevant, always included</p>	<p>Through our partnerships with reputable global NGOs we further our understanding of global trends impacting our business, customers and communities around the world, including risks around water usage and our seafood supply chains. Our NGO partnerships in 2020 included the World Wildlife Fund (WWF), the Center for Food Integrity, Seafood Task Force, Global Food Safety Initiative (GFSI), and Potato Sustainability Alliance (PSA).</p> <p>Sysco continued its partnership with The Sustainability Consortium (TSC) and the Potato Sustainability Alliance (PSA) to support more sustainable practices across the potato supply chain. Together we are working to align sustainability metrics among the grower community with an emphasis on issues including pesticide and water stewardship. This year PSA is incorporating as an independent nonprofit under a roundtable model.</p> <p>We reinforced our commitment to enhancing the sustainability of seafood procurement practices and standards by extending our longstanding alliance with WWF through 2020. The WWF is advising us as we work toward sourcing our Sysco Brand top 15 wild-caught and top five farmed seafood species from sustainable fisheries, in conjunction with efforts to support Fishery Improvement Projects (FIPs) worldwide. By working with WWF on these initiatives, Sysco is helping to safeguard marine wildlife, the natural environment, and the livelihoods of people who depend on ocean resources.</p> <p>Sysco is also a member of the National Fisheries Institute and the Seafood Task Force. The task force’s mission is to strengthen compliance with laws governing the seafood supply chain by implementing an international verification system, developing a code of conduct model for ports and vessels, and supporting efforts to mitigate the effects of overfishing.</p> <p>Our NGO relationships also help to advance food safety and information transparency. We support the GFSI in improving efficiencies in global food safety management systems. We’ve strengthened our partnership with the Center for Food Integrity to leverage their expertise in better understanding how to provide factual, transparent information to customers most effectively and explain the sustainability trade-offs that sometimes occur due to taste preferences or lifestyle choices.</p>
<p>Other water users at a basin/catchment level</p>	<p>Relevant, always included</p>	<p>We engage a diverse set of stakeholders, including peers, to assess the materiality of sustainability-specific issues. We engage peers through industry events, benchmarking, and best practices. Collaborating with the</p>



		Produce Marketing Association, we have offered 21 Good Agricultural Practices workshops since 2011, reaching more than 1,200 small farmers (please see pages 59-61 of our CSR report at <a href="http://csr2018report.sysco.com">csr2018report.sysco.com</a> ). We influence business, legislation and regulation through our industry trade associations with the International Foodservice Distributors Association, the National Restaurant Association, and Restaurants Canada. Sysco's Animal Welfare Council, comprised of Sysco Quality Assurance and Merchandising personnel and invited experts in animal welfare, provides feedback to our management team on the design, development and implementation of our animal care and handling programs, and also advises us on emerging issues.
Regulators	Relevant, always included	Sysco complies with water-related regulatory frameworks and partners with regulatory agencies at the local level routinely. We engage regulators through industry association activities and direct outreach. Complying with regulatory agencies is an important part of our business. We interact regularly with organizations such as the U.S. Department of Transportation, the Occupational Safety and Health Administration, the Environmental Protection Agency and the Department of Homeland Security to ensure that our business practices meet their requirements.
River basin management authorities	Relevant, not included	Sysco has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of river basin management authorities in future assessments.
Statutory special interest groups at a local level	Relevant, not included	Sysco has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of local statutory special interest groups in future assessments. We employ a multi-faceted process to determine our company's material issues to align materiality with our company and customers' key business drivers and to analyze risks and opportunities specific to sustainability. We engage a diverse set of stakeholders to assess the materiality of sustainability-specific issues, inclusive of a targeted stakeholder engagement process that includes employees, customers, investors and relevant external groups.
Suppliers	Relevant, sometimes included	Sysco relies on its supply chain to provide adequate supplies of foodservice & related products. Suppliers are not currently included in our annual water-related risk assessment, but we do communicate closely with many suppliers on various production and supply issues (e.g., impact of water-related events such as droughts). Through our IPM program, we work with participating processors and farmers to protect environmentally sensitive growing areas, soils and water sources by encouraging responsible use of fertilizers and pesticides, cover crops, crop rotation and natural pest control methods.



		<p>The impact of our IPM program is broad and global, involving 125 processing locations and more than 11,000 growers of agricultural products worldwide. In the 2019 growing season, our suppliers reported avoiding over 8.4 million pounds of pesticides by utilizing IPM principles. Also, our suppliers reported avoiding over 8.4 million pounds of pesticides by utilizing IPM principles, with nearly 1.3 million acres under cultivation for the 2019 growing season. IPM suppliers reported conservation of over 1 billion gallons of water through employment of good agricultural practices and upgrades, reducing withdrawal impact and runoff impacts on surface and ground water quality.</p> <p>Suppliers and growers typically apply IPM practices throughout their operations, not just Sysco acreage, elevating standards/practices across the industry. In addition, we hold a triennial conference where suppliers share best practices and innovative IPM methods. We also engage suppliers through surveys, in-person meetings, ongoing communication and education, and our Supplier Sustainability Award. Our Joint Business Planning program provides a structured collaboration process that benefits all parties by aligning objectives, identifying efficiencies and encouraging innovation. We work with small and mid-sized specialty producers to provide customers with locally-produced items through our FreshPoint and Broadline companies.</p>
Water utilities at a local level	Relevant, sometimes included	Water utilities/suppliers are engaged on an as needed basis to support our water stewardship efforts.
Other stakeholder, please specify	Not considered	There are no other stakeholders included in our risk assessment process.

### W3.3d

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

**i) Risk assessment tools, level of coverage, practical implementation: Over the past several years, we have implemented the use of various water risk assessment tools that serve tailored purposes.**

Sysco Corporation (“Sysco or “Company”) utilizes an Enterprise Risk Management (ERM) process to identify and evaluate risks to the company at an enterprise-wide level. Management and risk owners are responsible for identifying, managing and mitigating risks, and reports directly to the Audit

Committee and the Board on a regular basis with respect to risk management. On an annual basis, management reviews with the Board the key enterprise risks identified in the process, such as strategic, operational, financial, compliance, reputation, and regulatory/external risks, as well as management's process for addressing and mitigating the potential effects of such risks.

Sysco uses a risk rating criteria matrix to aid in assessing relative significance of risks. This assessment involves rating impact (measured by financial EBITDA impact; reputational impact; business interruption impact; regulatory, health, safety and environment impact, likely frequency of risks, and risk management effectiveness. Sysco reassesses and reprioritizes risks on an ongoing basis at the business and executive levels. We also conduct an annual water-related risk assessment to identify operating locations potentially exposed to risks. WRI's Aqueduct Water Risk Atlas and the WWF- DEG Water Risk Filter and are used to do this.

**ii) How outcomes are used in decision-making: Identification of these risks and opportunities allow us to conduct targeted water improvement projects on sites and reduce our water risks, as well as water footprint across our value chain.**

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

## W4. Risks and opportunities

### W4.1

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

No

### W4.1a

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



Substantive change in our direct operations is measured primarily by financial impact. In most cases, substantive impact is defined as “High” (>\$250MM) financial EBITDA impact. Sysco prioritizes risks that could result in a "High" or "Very High" financial impact based on EBITDA and a "highly likely/imminent" or "frequently" likelihood as defined in Sysco’s proprietary Risk Rating Criteria.

With respect to water, substantive change is based upon a high-level assessment of water risks at our operating locations that could result in a "High" or "Very High" financial impact based on EBITDA. Estimated CY2019 EBITDA at risk is used to determine the appropriate Very Low, Low, Medium, High, and Very High financial impact category.

## W4.2b

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>Sysco’s direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. They do not require significant water use. We evaluated water-related risk for 155 Sysco sites based on four primary criteria: an overall water risk factor greater than 3 provided by the WRI Aqueduct Tool, a final basin risk greater than 3 for the WWF Water Risk Filter, a site to total water withdrawal intensity ratio greater than 0.65 percent, and a median water withdrawal (ML) per million cases intensity ratio greater than 1.42.</p> <p>A risk greater than 3 was selected as a preliminary filter both within the WRI Aqueduct tool and the WWF Water Risk Filter in order to identify those sites operating in river basins subject to current and/or future water stress (inclusive of physical quantity, physical quality, regulatory and reputational risks).</p> <p>Site water withdrawal intensity of greater than 0.65 percent results in coverage of 95 percent of our facilities, eliminating non-material sites. Similarly, we calculated site-level water withdrawal to case volume intensity and made the company-wide median, 1.58, the threshold for sites to include in our analysis.</p> <p>Our analysis indicates that we do have facilities operating in regions of water stress, but only 5 facilities (representing 6.4% of total water withdrawals and 2.9% of net sales) and corresponding river basins face significant risk and may be impacted by</p>



		<p>Sysco’s water withdrawal. We estimated CY2020 EBITDA at risk based on the FY2020 EBITDA / FY2020 sales ratio. Plugging the estimated CY2020 EBITDA at risk into Sysco’s proprietary Risk Rating Criteria resulted in a medium financial impact. As the estimated EBITDA at risk was below \$250MM, Sysco’s threshold for a "High" or "Very High" financial impact (EBITDA), we believe that our risk would not result in a substantive change to our business, operations, revenues or expenditures.</p>
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## W4.2c

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

	Primary reason	Please explain
Row 1	Not yet evaluated	<p>Sysco does not currently have data needed to evaluate supplier water-related risk in terms of our definition of substantive change (W3.2), but we may evaluate supplier risks in the future as our sustainability strategy matures. However, we recognize that water plays a fundamental role in the food industry, and have identified the following potential value chain risks:</p> <ul style="list-style-type: none"> <li>•Physical: Most significant water use is embedded in crop or livestock production incurred by our suppliers. Changes in precipitation patterns, severe drought &amp; flooding due to climate change may decrease crop yield &amp; quality. Increased temperature &amp; dry weather due to climate change may raise water requirements for crop &amp; livestock.</li> <li>•Regulatory: Water scarcity &amp; increased demand &amp; competition for freshwater resources can change the pricing structure. More stringent requirements for wastewater quality may be imposed on food/meat processing facilities.</li> <li>•Reputational: Agricultural runoff &amp; wastewater from food/meat processing facilities may have negative impacts on local water sources &amp; ecosystems, potentially damaging brand image &amp; reputation. Meat has a very large water &amp; carbon footprint, with a potential reputational risk &amp; impact on demand for meat products. Higher water temperature due to climate change may increase water borne pathogens, &amp; fruit/food supply may face more risk of contamination, &amp; subsequent reputational and financial damage.</li> </ul>

## W4.3

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

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

## W4.3a

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

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**Type of opportunity**

Products and services

**Primary water-related opportunity**

Increased sales of existing products/services

**Company-specific description & strategy to realize opportunity**

Food service operators and their customers are demanding more local and sustainably-sourced food products, which influences our product offerings.

Additionally, recognition as the industry leader in sustainability is a brand enhancement, with consumers intentionally choosing to work with businesses that demonstrate a commitment to responsible and sustainable operations, including practicing good water stewardship. We believe we have an opportunity to further enhance customer loyalty and potentially gain new customers by increasing our offerings of local and sustainable products, including products grown, sourced and delivered in a manner that conserves water and enhances water quality.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

171,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact**

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

## W6. Governance

### W6.1

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

No

### W6.2

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

Yes



## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Director on board	The Chair of Corporate Social Responsibility Committee is responsible for upholding the Committee's duties which include water-related issues pertaining to (but not limited to) reviewing and assessing water-related risk, policy, projects and proposals.

## W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	<ul style="list-style-type: none"> <li>Monitoring implementation and performance</li> <li>Reviewing and guiding business plans</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Reviewing and guiding corporate responsibility strategy</li> </ul>	The Corporate Social Responsibility Committee of Sysco's Board of Directors (the "Committee") provides review for, and acts in an advisory capacity to, the Board of Directors (the "Board") and management of Sysco Corporation (the "Corporation" or "Sysco") with respect to those policies and strategies of the Corporation that affect the Corporation's long-term sustainability and its role as a socially and environmentally responsible organization. In addition, the Committee annually reviews, evaluates and provides input on Sysco's strategy, direction and policies related to sustainability, corporate responsibility, and social and environmental issues. The Committee meets at least three times a year. Water-related risks are integrated into the agenda within the framework of the sustainability issues and risk assessment tools systematically reviewed and revised throughout the year.

## W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

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

Other C-Suite Officer, please specify

Senior VP (SVP) of Corporate Affairs & Chief Communication Officer (CCO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Senior VP (SVP) of Corporate Affairs & Chief Communication Officer (CCO): i. Sysco's CSR Department is led by the SVP of Corporate Affairs & CCO, supported by the Sr Dr of CSR. ii. We recognize the value of a strong sustainability strategy that maintains achievements and identifies new opportunities that are most relevant to Sysco. The SVP of Corporate Affairs & CCO is responsible for leading the Company's approach to topics relating to People, Products and Planet, whereby water-related issues are integrated. iii. The SVP of Corporate Affairs & CCO leads strategy, policy development and external engagement related to environmental and social issues. The Sr Director of CSR reports to the SVP of Corporate Affairs & CCO and leads day to day execution. The SVP of Corporate Affairs & CCO is supported in assessing and managing water-related issues focused on three key areas. We believe these areas are where we have the greatest impact and greatest opportunities to improve sustainability.

## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**



	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

## W6.5

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

No

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, and we have no plans to do so

## W7. Business strategy

### W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Through the process of completing our materiality assessment, we determined that water is not a leading priority in relation to other sustainability issues. Our three-pillar corporate sustainability strategy will offer us the greatest opportunities to improve sustainability within our Company in high priority areas: <ul style="list-style-type: none"> <li>o People: Sysco will care for people by giving back, doing good and changing lives in our communities; creating a</li> </ul>



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



Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Through the process of completing our materiality assessment, we determined that water is not a leading priority in relation to other sustainability issues. Our three-pillar corporate sustainability strategy will offer us the greatest opportunities to improve sustainability within our Company in high priority areas: o People: Sysco will care for people by giving back, doing good and changing lives in our communities; creating a diverse and inclusive work environment; and empowering associates, customers and the next generation to make healthy choices about lifestyles and diet. o Products: Sysco will supply products responsibly by improving animal welfare in the foodservice industry; minimizing negative environmental, social or ethical impacts when sourcing products; and ensuring that human rights are respected in the company’s operations, as well as the global supply chain. o Planet: Sysco will protect the planet by advancing sustainable agriculture practices, reducing the company’s carbon footprint and diverting waste from landfills, in order to protect and preserve the environment for future generations. Given that our direct water use is relatively low, we believe water-related issues may be integrated specifically into our responsible sourcing and sustainable agriculture commitment.
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## W7.2

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

Row 1

**Water-related CAPEX (+/- % change)**

0

**Anticipated forward trend for CAPEX (+/- % change)**

0



**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

Water-related CAPEX and OPEX expenditures are not currently tracked in detail. However, a high-level analysis indicates that water-related expenditures remained relatively stable in 2020 compared to 2019.

**W7.3**

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

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

**W7.4**

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

Row 1

**Does your company use an internal price on water?**

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

**Please explain**

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

## W8. Targets

### W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Brand/product specific targets and/or goals	Goals are monitored at the corporate level	<p>Sysco’s Integrated Pest Management (IPM) program, launched in 2004 and ongoing, works with participating processors and farmers to protect environmentally sensitive growing areas; conserve water and energy; build soil health and preserve water quality by using cover crops and crop rotation; improve air quality; reduce, reuse and recycle resources; and promote responsible use of agricultural inputs; thereby helping to reduce the negative impact on the health of local water sources.</p> <p>As a major purchaser of fruit and vegetables, we know we can play a significant role in improving agricultural standards among growers, processors and distributors. As such, we require all suppliers of Sysco Brand canned and frozen fruits, vegetables and potatoes to participate in our IPM program. We’ve established a 2025 goal to expand our program, as well as our influence in support of sustainable agriculture, into five fresh crops.</p> <p>In 2019 we began the foundational work to bring this commitment to life — reviewing our own IPM program, engaging with IPM North America for advice and guidance, and reviewing existing produce supplier and industry programs to identify best practices. In the coming year we plan to move toward identifying which crops may provide the most significant beneficial impact and determining functional parameters for the expanded program.</p> <p>Due to travel restrictions imposed by the COVID-19 pandemic, we had to pause some of our planned work in FY2020 toward extending our sustainable agriculture program into fresh crops. We remain</p>



			committed to our goals and our partnerships and aim to continue implementing once travel restrictions have been lifted.
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## W8.1b

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

**Goal**

Promotion of sustainable agriculture practices

**Level**

Brand/product

**Motivation**

Recommended sector best practice

**Description of goal**

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

**Baseline year**

2004

**Start year**

2004

**End year**

2020

**Progress**

This program is ongoing. The impact of our IPM program is broad and global, involving 125 processing locations and more than 11,000 growers of agricultural products worldwide. In the 2019 growing season, our suppliers reported avoiding over 8.4 million pounds of pesticides by utilizing IPM principles, with nearly 1.3 million acres under cultivation.

Sysco Brand suppliers are required to follow the IPM program and are requested to report certain data around water, energy, electricity, and recycling. Since reporting may be overly burdensome to these suppliers' smaller growers, they are not required to report all environmental indicators requested, including water indicators.

Program success is measured by increasing resource conservation and increasing acreage enrolled in the IPM program. Sysco growers and suppliers work to reduce the impact of farming on surface and groundwater. To apply targeted irrigation strategies, many growers monitor rainfall, climate conditions and soil moisture. Growers reuse wastewater for irrigation and processors recycle water in their manufacturing facilities. Sysco suppliers conserved over 1 billion gallons of water during the 2019 growing season.

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**Goal**

Promotion of sustainable agriculture practices

**Level**

Brand/product

**Motivation**

Recommended sector best practice

**Description of goal**



We've established a 2025 goal to expand our Integrated Pest Management (IPM) program, as well as our influence in support of sustainable agriculture, into five fresh crops. In 2019 we began the foundational work to bring this commitment to life — reviewing our own IPM program, engaging with IPM North America for advice and guidance, and reviewing existing produce supplier and industry programs to identify best practices.

**Baseline year**

2019

**Start year**

2019

**End year**

2025

**Progress**

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

In FY20, we piloted the Sustainable Food Group Sustainability Standard in Mexico. With the wide success of the Sysco Sustainable/IPM Program, now implemented worldwide with 62 fruit and vegetable supply chains and more than 1.3 million acres, the Sustainable Food Group Sustainability Standard™ was launched in the fresh supply chain. This standard addresses requests from additional producers that performance be similarly documented and reported to buyers and others and has been modeled after the IPM Program.

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



## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

 CY20 SYR LRQA Verification Final.pdf

### W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water Withdrawn = 2,574 ML Water Discharge = 1,658 ML Water Consumed = 917 ML	Other, please specify ISO14064-3	Water Withdrawn and Water Discharge are the two most important figures from the analysis of Sysco's 118 sites for which we capture data at the meter-level from utility bills or facility tracking/metering. Our Water consumed in CY2020 was also verified.

## W10. Sign off

### W-FI

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



## W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

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

## W10.2

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

No