



MODERN SLAVERY ACT TRANSPARENCY STATEMENT

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 over 65,000 associates, the company operates approximately 300 distribution facilities across the globe and serves more than 500,000 customer locations. For fiscal year 2017 that ended July 1, 2017, the company generated sales of more than \$55 billion.

As a global leader in foodservice distribution, Sysco takes seriously its responsibility to follow industry best practices and distribute products from suppliers that meet high standards of safety, quality, traceability and social and environmental stewardship. During FY 18, Sysco deemed human rights as one of the most material issues for our stakeholders and as such, will be strengthening our commitments to protecting those rights throughout our supply chain.

Sysco recognizes the risk of modern slavery and knows it can be present in any country or sector. To tackle this, Sysco maintains a strict [Supplier Code of Conduct](#) (the "Code") containing the legal, moral and ethical standards it expects of suppliers, including the protection of human rights. Sysco expects its suppliers to uphold the rights of individuals as outlined in the United Nation Declaration of Human Rights (UNDHR), the Core Conventions of the International Labour Organization (ILO) and the ILO Declaration on Fundamental Principles and Rights at Work. Any act of human trafficking, slavery or child labor within Sysco's supply chain is unacceptable and is specifically prohibited by the Code.

Sysco requires each of its suppliers and their facilities to operate in full compliance with the Code and with all applicable national, state, provincial, regional, local and other laws and regulations. The Code also applies to affiliates and subcontractors of suppliers and to their respective facilities to the extent those facilities supply goods for ultimate sale to Sysco. Specifically, the Code states that Sysco will only initiate and renew contractual relationships with suppliers that do not violate basic human rights.

In FY 18, the Code was updated to include enhanced sections pertaining to anti-corruption, foreign or migrant workers and conflicts of interest. It also expands Sysco's monitoring rights with third parties beyond Sysco brand (private label) products and provides clear reporting requirements for any violation or potential



violations. The updated Code is being communicated via multiple channels and applies to all suppliers throughout our global operations. Additionally, in FY 19 all employees will be trained on human rights as part of our annual global Code of Conduct training.

In addition, all Sysco Brand approved suppliers in high-risk Latin American and Asian countries must undergo [third party assessments](#) to identify potential risks relating to wages, working hours, discrimination, worker safety, living conditions, and child and forced labor. Based on the results of these audits, Sysco works with its Sysco Brand suppliers and processors that do not achieve perfect scores to develop improvement plans and then conduct follow-up assessments to ensure that plans have been implemented. In the event that a supplier or processor is unable or unwilling to introduce improvements, or if a supplier or processor has committed a critical violation of its standards, Sysco terminates the relationship. Sysco is currently exploring enhancements to this longstanding supplier audit program, including consideration of an updated, more dynamic risk assessment tool and expansion of supplier audits beyond Sysco Brand suppliers.

Spotlight on Seafood

Concerns about labor violations in the seafood supply chain continue and although some improvements have been documented, Sysco is maintaining its efforts on several fronts, both independently as well as in cooperation with other companies, associations and NGOs.

As a member of the [National Fisheries Institute](#) (NFI), which has conducted a comprehensive analysis of the leading global social responsibility standards to help participating companies find the most thorough and credible labor systems, Sysco is committed to conducting business with entities that follow international laws to ensure an appropriate, safe, ethical and sustainable food supply chain. Through its membership in NFI, Sysco actively participates with other stakeholders to support actions needed to end human rights violations, including a call for governments in Southeast Asia and throughout the world to be more vigilant in enforcing fair, moral and ethical labor practices.

Sysco is continuing its membership in the Seafood Supply Chain Task Force - an organization that includes retail, foodservice and NGO participation. The task force aims to strengthen worker well-being and compliance with laws governing the seafood supply chain through implementation of a track and trace system of international verification from vessel to feed mill; development of a standard code of conduct model for ports, brokers and vessels; and support for fishery improvement projects to



mitigate the effects of overfishing, which can contribute to human rights abuses in the shrimp supply chain.

Sysco has reinforced its commitment to improving the sustainability of seafood procurement practices and standards by extending its longstanding alliance with World Wildlife Fund (WWF) through 2020. Among other things, Sysco is working with WWF to enhance seafood traceability within its supply chain and globally by participating in the Global Dialogue for Seafood Traceability.

Sysco has also undertaken a number of additional actions specific to suppliers and processors in Southeast Asia. Sysco suspended all purchases of unprocessed, farm-raised shrimp from Thailand under the Sysco Portico Brand since October 2014. Sysco has also maintained regular communication with all of its seafood suppliers regarding these issues, including dialogue with suppliers in Thailand about actions they are taking to eradicate human rights issues in the supply chain. Sysco continues to monitor actions by processors in Thailand on an ongoing basis to evaluate their progress and proactively look for proof that they remain active participants in efforts to protect human rights. Sysco believes ongoing engagement and monitoring of suppliers is necessary to drive continuous improvement. By continuing to participate in the international seafood market, Sysco believes it can contribute to the type of successful reforms that have taken place in land-based industries with different supply chains like textiles, technology and other food products.

Looking ahead

Sysco is committed to playing a constructive role in addressing the serious issue of modern slavery and will engage with interested stakeholders to develop and implement meaningful, practical and effective solutions.

Looking at the years ahead, there are three development areas:

1. Sysco will work to increase awareness and provide training within the organization relating to modern slavery and human rights.
2. Sysco will keep exploring the appropriate key performance indicators to assess our efforts to tackle modern slavery and broader human rights concerns.
3. Sysco will also be working to share the learnings from the work relating to Seafood with other areas of the business and within different supply chains.



This statement has been published in accordance with section 54 of the UK Modern Slavery Act 2015. This statement applies to the fiscal year ending June 30, 2018.

This statement has been approved by the Corporate Sustainability Committee of the Board of Directors of Sysco Corporation.

Signed:  /s/ Daniel J. Brutto.
Daniel J. Brutto.
Chair of the Corporate Sustainability Committee