Sysco Corporation - Water Security 2019

W0. Introduction

W0.1

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

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

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

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

We serve approximately 600,000 customer locations around the world through a network of local operating companies complemented by specialty businesses. This structure gives us an effective blend of local knowledge, wide product selection and broad service capabilities. Our operations primarily exist in the United States and Canada, but also include operations in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas.

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

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

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

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

Due to costs required to collect and report on data, we have chosen not to report on operations related to our international Broadline companies located in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas; a majority specialty meat and produce facilities; European Imports (a foodservice import specialty company); Guest Supply (a hotel amenities company); 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 2018 acquisitions.

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 2018	December 31 2018

W0.3

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

Canada

United States of America

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Significant operations not evaluated include our international Broadline companies located in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas; the majority of our specialty meat and produce facilities; European Imports (a foodservice import specialty company); Guest Supply (a hotel amenities company); 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 2018 acquisitions.	Due to costs required to collect and report on data, we have chosen not to report on significant operations related to our international Broadline companies located in Ireland, the UK, France, Sweden, Spain, Belgium, Luxembourg, Costa Rica, Mexico, Panama and the Bahamas; European Imports (a foodservice import specialty company); Guest Supply (a hotel amenities company); 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 2018 acquisitions. The data set includes data from 12 specialty facilities that participated in a water data pilot program in CY17. Collecting information for all specialty companies and other excluded operations may be evaluated in the future.

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Sysco's direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. Access to sufficient volumes and good quality water is required; however, our direct operations do not require significant water use. Sufficient volumes of good quality freshwater, primarily rainwater and/or irrigation water, has an indirect impact on our business as it is required to produce nearly all of our products. Short-term weather conditions or more prolonged climate change, crop conditions, water shortages, natural disasters, and extreme weather conditions have the potential to reduce or disrupt product availability within our supply chain and/or increase our cost of goods. Our inability to obtain adequate freshwater supplies as a result of these factors in the future could lead to inability to fulfill customer obligations. Should these situations arise, we may also be required to increase our sales prices for affected products to mitigate increases in our costs of goods.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Although our operations are not water intensive, our ability to use recycled water reduces our freshwater withdrawals. Our operations (direct) have already identified water-saving opportunities, including recycling water from vehicle washing stations and refrigeration units and using rainwater for landscaping at some of our offices. We currently capture and recycle condensation from cooling processes in a pilot project at one of our newer facilities, and we plan to install these systems in new facilities constructed in the future. 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' growing practices, which includes optional questions around water management. In FY18 (2017 crop season), suppliers that answered these questions reported conserving nearly 285 million gallons of processing facility water, with over 230 million gallons conserved through water reuse/recycling practices implemented under Sysco's Integrated Pest Management (IPM) program. For example, one supplier provided their treated processing water to three cooperative growers who used it to irrigate 1,475 acre feet of land at no cost. Another supplier used wastewater from their meat processing plant to irrigate grass, which was then used as hay for livestock feed. Conservation of water in our suppliers' operations is important to enhancing their long-term sustainability and may contribute to lower production costs.

W-FB1.1a

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

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

W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Total water withdrawals are captured at 100% of our 122 operating sites (not including exclusions reported under W0.6a) as part of our environmental data management system.
Water withdrawals – volumes from water stressed areas	100%	Using the WRI's Aqueduct tool and the WWF Water Risk Filter, we were able to assess 100% of our 122 operating sites (not including exclusions reported under W0.6a) given their location for water stress. An overall water risk factor greater than 3 (baseline water stress = "high" or "extremely high") from the WRI Aqueduct tool and a final basin risk greater than 3 (water depletion = "high" or "very high") from the WWF Water Risk Filter were selected as preliminary filters 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).
Water withdrawals – volumes by source	100%	Water withdrawals by source are captured at 100% of our 122 operating sites (not including exclusions reported under W0.6a) as part of our environmental data management system. Of our 122 operating sites, 109 rely exclusively on municipal water supply, 4 rely exclusively on renewable groundwater, and 9 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.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sectors]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	We have analyzed 100% of our sites with the WWF Water Risk Filter. The Water Risk Filter has a metric called Physical Risk Pollution (quality) that contains a Surface Water Contamination Index which we used as a guide to determine quality for all sites. This index analyzes a broad suite of pollutants with well-documented direct or indirect negative effects on water resources and biodiversity. Aspects such as general situation of water pollution around facility, nitrogen/ phosphorous/ pesticide/ organic/ sediment/ mercury loading, soil salinization, potential acidification and thermal alteration inform the overall pollution indicator.
Water discharges – total volumes	100%	Total water discharges are captured or estimated at 100% of our 122 operating sites (not including exclusions reported under W0.6a). Our discharge estimation methodologies changed for 2018 to a more localized method. Where no site discharge data exists (i.e. no sewer info from utilities, no sewer meters/site tracking), instead of applying a broad discharge/sq. ft average across the company, we put in place methods where we assumed water in = water out at the meter level. Select operating locations are currently working to improve their recording of total water discharges in our environmental data management system. 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.

	% of sites/facilities/operations	Please explain
Water discharges – volumes by destination	100%	Water discharges by destination are captured at 100% of our 122 operating sites. Of our 122 operating sites, 114 discharge exclusively to municipal/industrial treatment plants, 6 sites discharge exclusively to groundwater, and 2 sites discharge to both municipal/industrial treatment plants and groundwater. Our discharge estimation methodology changed for 2018 to a more localized method. Where no site discharge data exists (i.e. no sewer info from utilities, no sewer meter tracking), instead of applying a broad discharge/sq. ft average across the company, we put in place methods where we assumed water in = water out at the meter level. Select operating locations are working to improve their discharge data recording in our environmental data management system. Please note that according to the GRI, “discharge of collected rainwater and domestic sewage is not regarded as water discharge”; however, domestic sewage is included in Sysco’s water discharges.
Water discharges – volumes by treatment method	76-99	"Volume by treatment method" refers to primary, secondary or tertiary treatment or pre-treatment/technology types before being returned to the environment. Since the majority of 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 122 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 122 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). Our discharge estimation methodologies changed for 2018 to a more localized method. Where no site discharge data exists (i.e. no sewer info from utilities, no sewer meters/site tracking), instead of applying a broad discharge/sq. ft average across the company, we put in place methods where we assumed water in = water out at the meter level. Select operating locations are currently working to improve their recording of total water discharges in our environmental data management system. Please note that according to the GRI, “discharge of collected rainwater and domestic sewage is not regarded as water discharge”; however, domestic sewage is included in Sysco’s water discharges.
Water recycled/reused	Not monitored	This is not currently monitored, but Sysco aims to start collecting this data from our operating sites over the next year. 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. We aim to expand this pilot to an additional 90 operating sites in the US, and integrate condensate capturing into new construction specifications for newly built facilities moving forward.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All of our Sysco-owned facilities provide and regularly review access to fully-functioning WASH services for all workers in support of our Prerequisite & Food Safety Program - Good Manufacturing Practices (GMP) section.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	2372.88	About the same	Total water withdrawals stayed about the same, slightly decreasing 1.7% from 2414 ML in 2017 to 2,373 ML in 2018. Sysco considers any fluctuation equal or less than 5% from previous years as “about the same.” Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, and because our water withdrawal data and estimation methods continue to gain accuracy, this result is expected We have revised our 2017 data since last year’s CDP submission based on small changes stemming from utility bills and other information received after our CDP submission deadline. This has resulted in 2017 total withdrawals increasing 2% from an original figure of 2366 ML to a revised figure of 2414 ML. In 2018 we improved our withdrawal data coverage across all sites, and used site-specific estimation methods on only 6.2% of the 2018 withdrawals (147 ML). To quantify uncertainty associated with the estimated data, a 20% margin of error was applied to the estimated withdrawals based on the estimation technique utilized and professional judgment. Using the "GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories & Calculating Statistical Parameter Uncertainty" Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares technique). The aggregated uncertainty introduced to Sysco’s total water withdrawals is approximately 1.2% We project that total withdrawals will remain about the same or increase slightly in future years as the business continues to expand.
Total discharges	1641.52	About the same	Total water discharges stayed about the same, decreasing 3.9% from 1708 ML in 2017 to 1642 ML in 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, this result is expected. We have revised our 2017 data since last year’s CDP submission based on small changes stemming from utility bills and other information received after our CDP submission deadline. This has resulted in 2017 total discharges increasing 3.5% from an original figure of 1610 ML to a revised figure of 1664 ML. Our discharge estimation methodologies changed for 2018 to a more localized method. Where no site discharge data exists (i.e. no sewer info from utilities, no sewer meters/site tracking), instead of applying a broad discharge/sq. ft average across the company, we put in place methods where we assumed water in = water out at the meter level. 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. To quantify uncertainty associated with estimated data, a 20% margin of error was applied to the estimated discharges based on the estimation technique utilized and professional judgment. Using “GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories & Calculating Statistical Parameter Uncertainty", Sysco calculated uncertainty based on the uncertainty aggregation method (root-sum-of-squares technique). Aggregated uncertainty introduced to Sysco’s total discharges is approximately 3.9%. We project that total discharges will remain about the same in future years.
Total consumption	731.36	About the same	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). Total water consumption increased 3.1% from 706 ML in 2017 to 731 ML in 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, this result is expected. The total consumption figure represents an aggregation of local calculations. A breakdown of water consumption is not available at this time. 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.

W1.2d

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

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	49	About the same	WRI Aqueduct	Total water withdrawn from stressed areas stayed about the same, with a slight increase from 46% in 2017 to 49% 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes at our sites between 2017 and 2018, this result is expected. Using the WRI's Aqueduct tool, we were able to assess all of Sysco's 122 sites, given their location, for water stress. We defined stressed as having an "overall water risk" (as defined by the WRI) as "High" or "Extremely High" (=>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 2018 CDP submission, we determined this to be an appropriate tool to use. To crosscheck our calculations, we also ran a water risk assessment based on the WWF's Water Risk Filter (WRF) tool's water depletion indicator. In this tool we defined stressed as having "water depletion" (as defined by WWF) characterized as "High" or "Very High" (a final basin risk =>3). The WRF tool produced a similar result of 44% withdrawals from water-stressed areas.

W-FB1.2e

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

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

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	We do not have fresh surface water withdrawals
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	We do not have brackish surface water/seawater withdrawals
Groundwater – renewable	Relevant	226.86	About the same	Renewable groundwater was used at 13 of our 122 operating sites in 2018. Our renewable groundwater withdrawals stayed about the same, increasing 3.4% from 219.34 ML in 2017 to 226.86 ML in 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, and because our water withdrawal data and estimation methods continue to gain accuracy, this result is expected. In 2018 8.8% of these withdrawals (20 ML) were estimated.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	We do not have non-renewable groundwater withdrawals
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	We do not use produced/process water
Third party sources	Relevant	2146.02	About the same	Municipal water was used at 118 of our 122 operating locations in 2018. Our third-party water withdrawals stayed about the same, decreasing by 2.2% from 2194.73 ML in 2017 to 2146.02 ML in 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, and because our water withdrawal data and estimation methods continue to gain accuracy, this result is expected. In 2018, and 5.9% (127.22 ML) of these water withdrawals were estimated.

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	We do not discharge to fresh surface water
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	We do not discharge to brackish surface water/seawater
Groundwater	Relevant	73.34	About the same	Groundwater was discharged at 8 of our operating locations in 2018. Our renewable groundwater discharges stayed about the same, decreasing 4.5% from 77.84 ML in 2017 to 74.34 ML in 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, this result is expected. In 2018 1.8% of these discharges (1.35 ML) were estimated. Select operating locations are currently working to improve their recording of water discharges by destination in our environmental data management system.
Third-party destinations	Relevant	1567.18	About the same	Municipal water was discharged at 116 of our 122 operating locations in 2018. Our third-party water discharges stayed about the same, decreasing by 3.8% from 1629.66 ML in 2017 to 1567.18 ML in 2018. Sysco defines "About the same" as within a 5% variance of 2017 figures. Since we had minimal operational changes and a similar number of operating sites between 2017 and 2018, this result is expected. In 2018 20.6% of these discharges (322.58 ML) were estimated. Select operating locations are currently working to improve their recording of water discharges by destination in our environmental data management system. 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.

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	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

% of suppliers by number

1-25%

% of total procurement spend

1-25

Rationale for this coverage

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

Impact of the engagement and measures of success

In FY18 (crop year 2017), the program covered the full range of the 50+ crops we purchase, representing 77 Sysco Brand suppliers, 181 processing locations and over 1 million acres under cultivation. Suppliers are required to follow the program and report certain data, but recognizing that reporting may be overly burdensome to smaller suppliers, they are not required to report all environmental indicators (e.g., water); 65% of Sysco Brand suppliers participating in the program did report selective water data. For crop year 2017, suppliers reported conserving nearly 285 million gallons of water in manufacturing facilities plus field water through employment of good agricultural practices. Suppliers reported numerous other successes including a collective 56 million kWh reduction in electricity use, a 5 million pound reduction in pesticide use, a 22.4 million pound reduction in fertilizer use, and a 22,000 ton reduction in landfilled materials.

Comment

W1.4b

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

Type of engagement
No other supplier engagements

Details of engagement
<Not Applicable>

% of suppliers by number
<Not Applicable>

% of total procurement spend
<Not Applicable>

Rationale for the coverage of your engagement

Impact of the engagement and measures of success
<Not Applicable>

Comment
<Not Applicable>

W2. Business impacts

W2.1

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

W2.1a

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

Country/Region
United States of America

River basin
Other, please specify (Multiple river basins across US Gulf Coast, East Coast, and the Caribbean.)

Type of impact driver
Physical

Primary impact driver
Severe weather events

Primary impact
Closure of operations

Description of impact
The 2018 Atlantic Hurricane Season produced hurricanes Florence and Michael, and tropical storm Alberto, each making landfall on the US mainland. These storms threatened 27 Sysco locations, each of which activated crisis management response teams and hurricane plans. Despite their severity, none of these tropical weather events significantly interrupted Sysco's business activities, demonstrating the resiliency of Sysco's operations and response to such extreme conditions.

Primary response
Amend the Business Continuity Plan

Total financial impact
4313000

Description of response
In 2017, severe hurricanes prompted Sysco to review and improve our Crisis Management planning and response processes, building on existing emergency procedures and resources to ensure swift action, including the creation of response action checklists for a variety of weather events. For 2018 hurricanes Florence and Michael, and tropical storm Alberto, Sysco activated crisis management response teams and hurricane plans at the 27 operating locations in the storms' path, well in advance of storm landfall. The corporate crisis management teams were also activated during these storm events to provide any support needed in the field. Due to Sysco's extensive preparations and planning, none of these tropical weather events resulted in a significant business interruption. Sysco was able to service customers that were open for business as well as provide support to relief efforts. Sysco estimates the financial impact of hurricane Michael at $713,000 and hurricane Florence at $3,600,000. The total financial impact figure provided at left represents the sum of these figures. Sysco does not have an estimate of the financial impact for tropical storm Alberto.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W-FB3.1

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

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

W-FB3.1a

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

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

Activity/value chain stage
Distribution – direct operations

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

Management procedures
Follow regulation standards

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

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

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

Direct operations

Coverage
Full

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

Frequency of assessment
Annually

How far into the future are risks considered?
>6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
Databases

Tools and methods used
WRI Aqueduct
WWF-DEG Water Risk Filter
FAO/AQUASTAT
Other, please specify (Internal methods; External consultants)

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

Supply chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment

Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment

W3.3b

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

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Uncertainty around short-term weather conditions or more prolonged climate change, crop conditions, water shortages, natural disasters, and extreme weather conditions have the potential to reduce or disrupt product availability within our supply chain and increase our cost of goods. Our inability to obtain adequate supplies of water of sufficient quality as a result of the aforementioned factors could lead to inability to fulfill our obligations to customers. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including current water availability and quality parameters, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed.
Water quality at a basin/catchment level	Relevant, not included	Water availability is critical to Sysco. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including analysis of availability of sufficient quantities of water, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed, for example, to analyze water pollution data. However, although we have 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.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Current stakeholder conflicts concerning water resources at a local level have the potential to impact Sysco's business continuity, license to operate, and brand value. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including stakeholder conflicts concerning water resources at a local level, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed.
Implications of water on your key commodities/raw materials	Relevant, sometimes included	Current implications of water impact on key commodities and raw materials are considered as conditions warrant. For example, we monitored drought conditions in California carefully to understand how the supply of certain products may be impacted so that if needed, we are able to source product from a different area or supplier.
Water-related regulatory frameworks	Relevant, always included	Sysco complies with water regulatory frameworks and tariffs locally. Significant changes to regulatory frameworks or tariffs are evaluated at the local level as conditions change, and are escalated as conditions warrant. Furthermore, Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed, for example, to analyze regulatory water risks.
Status of ecosystems and habitats	Relevant, always included	It is essential to good water stewardship to incorporate impacts on local water-dependent ecosystems into our risk assessments. Sysco conducts an annual water-related risk assessment to identify operating locations exposed to risks (Sysco does not currently have data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including threatened amphibians, cross-referenced against our operating locations, water withdrawals, and sales. We also reference FAO HydroSHEDS and the WWF-DEG Water Risk Filter when needed, for example, to analyze threats to biodiversity.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	We include this at all of our operating locations to ensure the health and safety of all our employees. All of our Sysco-owned facilities provide and regularly review access to fully-functioning WASH services for all workers, in support of our Prerequisite & Food Safety Program - Good Manufacturing Practices (GMP) section.
Other contextual issues, please specify	Please select	

W3.3c

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

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Increased water stress could result in supply chain disruptions, which could also impact our ability to fulfil our obligations to customers. To mitigate this risk, we engage with growers of Sysco Brand canned and frozen fruit, vegetables and potatoes through Sysco's Sustainable Agriculture/Integrated Pest Management (IPM) program. The program encourages supplier water conservation through irrigation efficiencies, and water quality improvement through more responsible use of fertilizers and pesticides. We engage customers through sales relationships, customer service surveys, online communications, and strategic meetings. We regularly survey our customers to understand issues of importance to them, including the importance of sustainability. "Customer's First" - our listening program - was established to gain an understanding of the most effective ways to respond to their needs and concerns.
Employees	Relevant, always included	Our associates drive innovation, support business growth and provide personally delivered service. The perspectives of our associates are critical to our success. We strive to make Sysco a place where talented and capable people are inspired, motivated and fully engaged in their work. We engage associates through a company-wide associate survey, associate training, our intranet site, and newsletters. Sysco Speaks, our company-wide survey, offers our associates an opportunity to provide anonymous feedback and put forward ideas to improve engagement and overall business performance (please see page 29 of our CSR report at csr2018report.sysco.com). Our online learning platform, Sysco Interactive University, provides associates with professional development opportunities and contributes to a culture of continuous learning. Our intranet site "The Dish" provides timely, engaging news and information to employees, as well as easy access to important tools and resources. AlertLine, our global, 24-hour, toll-free hotline, allows associates to report ethical concerns. All Sysco associates are trained annually on the company's ethics and food safety policies (please see page s 74-75 of our CSR report at csr2018report.sysco.com).
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., FY2018 Annual Report, FY2018 10-K), annual shareholder meetings, news releases, investor conference presentations, meetings with Socially Responsible Investors, and our investor relations website.
Local communities	Relevant, always included	We are committed to the protection of the environment in communities in which we live and operate.
NGOs	Relevant, always included	Through our partnerships with reputable global NGOs we further our understanding of global trends impacting our business, customers and communities around the world. Our NGO partnerships in 2018 included the World Wildlife Fund (WWF), Global Food Safety Initiative (GFSI), and Share Our Strength. 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. (please see pages 42-45 of our CSR report at csr2018report.sysco.com). Sysco is also a member of the National Fisheries Institute and the Seafood Task Force. Our NGO relationships also help to advance food safety and accessibility. We support the GFSI in improving efficiencies in global food safety management systems (please see pages 47-51 of our CSR report at csr2018report.sysco.com), and this year we celebrated the 15th year of our partnership with Share Our Strength, a leading national nonprofit organization devoted to ending childhood hunger (please see pages 20-23 of our CSR report at csr2018report.sysco.com).
Other water users at a basin/catchment level	Relevant, always included	We engage a diverse set of stakeholders, including peers, to assess the materiality of sustainability-specific issues. We engage peers through industry events, benchmarking, and best practices. Collaborating with the Produce Marketing Association, we have offered 21 Good Agricultural Practices workshops since 2011, reaching more than 1,200 small farmers (please see pages 59-61 of our CSR report at csr2018report.sysco.com). We influence business, legislation and regulation through our industry trade associations with the International Foodservice Distributors Association and the National Council of Chain Restaurants (please see page 75 of our CSR report at csr2018report.sysco.com). Sysco's Animal Welfare Council, comprised of Sysco Quality Assurance and Merchandising personnel and invited experts in animal welfare, provides feedback to our management team on the design, development and implementation of our animal care and handling programs, and also advises us on emerging issues.
Regulators	Relevant, always included	Sysco complies with water-related regulatory frameworks and partners with regulatory agencies at the local level routinely. We engage regulators through industry association activities and direct outreach. Complying with regulatory agencies is an important part of our business. We interact regularly with organizations such as the U.S. Department of Transportation, the Occupational Safety and Health Administration, the Environmental Protection Agency and the Department of Homeland Security to ensure that our business practices meet their requirements.
River basin management authorities	Relevant, not included	Sysco has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of river basin management authorities in future assessments.
Statutory special interest groups at a local level	Relevant, not included	Sysco has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of local statutory special interest groups in future assessments. We employ a multi-faceted process to determine our company's material issues to align materiality with our company and customers' key business drivers and to analyze risks and opportunities specific to sustainability. We engage a diverse set of stakeholders to assess the materiality of sustainability-specific issues, inclusive of a targeted stakeholder engagement process that includes employees, customers, investors and relevant external groups.

	Relevance & inclusion	Please explain
Suppliers	Relevant, sometimes included	Sysco relies on its supply chain to provide adequate supplies of foodservice & related products. Suppliers are not currently included in our annual water-related risk assessment, but we do communicate closely with many suppliers on various production & supply issues (e.g., impact of water-related events such as droughts). Through our IPM program, we work with participating processors & farmers to protect environmentally sensitive growing areas, soils & water sources by encouraging responsible use of fertilizers & pesticides, cover crops, crop rotation & natural pest control methods. In FY18 (crop year 2017), the program covered the full range of the 50+ crops we purchase, representing 77 Sysco Brand suppliers, 181 processing locations and over 1 million acres under cultivation. Suppliers reported conserving nearly 285 million gallons of water in manufacturing facilities plus field water through employment of good agricultural practices. Suppliers & growers typically apply IPM practices throughout their operations, not just Sysco acreage, elevating standards/practices across the industry. In addition, we hold a triennial conference where suppliers share best practices & innovative IPM methods. We also engage suppliers through surveys, in-person meetings, ongoing communication & education, & our Supplier Sustainability Award. Our Joint Business Planning program provides a structured collaboration process that benefits all parties by aligning objectives, identifying efficiencies & encouraging innovation. We work with small & midsized specialty producers to provide customers with locally-produced items (e.g., FreshPoint locations track local purchases from farm to customer & Broadline companies have various local food programs).
Water utilities at a local level	Relevant, sometimes included	Water utilities/suppliers are engaged on an as needed basis to support our water stewardship efforts.
Other stakeholder, please specify	Not relevant, explanation provided	There are no other stakeholders included in our risk assessment process.

W3.3d

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

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

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

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

W4. Risks and opportunities

W4.1

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

No

W4.1a

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

Substantive change in our direct operations is measured primarily by financial impact. With respect to water, substantive change is based upon a high-level assessment of water risks at our operating locations that could result in a "High" or "Very High" financial impact based on EBITDA and a "highly likely/imminent" or "frequently" likelihood as defined in Sysco's proprietary Risk Rating Criteria. Estimated CY2018 EBITDA at risk is used to determine the appropriate Very Low, Low, Medium, High, and Very High financial impact category, while likelihood of the risk is used to determine the extremely unlikely, unlikely, occasionally, highly likely/imminent, and frequently likelihood category.

W4.2b

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Sysco's direct operations use water mainly for refrigeration systems, washing vehicles, and landscaping. They do not require significant water use. We evaluated water-related risk for 122 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 0.36 percent, and a water withdrawal per million cases intensity ratio greater than 1.35. A risk greater that 3 was selected as a preliminary filter both within 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). Site water withdrawal intensity of greater than 0.36 percent results in coverage of 95 percent of our facilities, eliminating non-material sites. Similarly, we calculated a company-wide water withdrawal to case volume intensity factor and set the threshold for sites to include in our analysis at those greater than the average of 1.35. Our analysis indicates that we do have facilities operating in regions with a defined level of water stress, but only 4 facilities (representing 6.3% of total water withdrawals and 5.1% of net sales) and corresponding river basins may be significantly affected by our water withdrawals. We estimated CY2018 EBITDA at risk based on the FY2018 EBITDA / FY2018 sales ratio. Plugging the estimated CY2018 EBITDA at risk and likelihood into Sysco's proprietary Risk Rating Criteria resulted in a medium financial impact and an unlikely likelihood. Since Sysco defines substantive change as a "High" or "Very High" financial impact (EBITDA) and a "highly likely/imminent" or "frequently" likelihood, we believe that our risk would not result in a substantive change to our business, operations, revenues or expenditures.

W4.2c

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

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

W4.3

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

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

W4.3a

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

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Recognition as the industry leader in sustainability is a brand enhancement, but we believe we also have an opportunity to further enhance customer loyalty and potentially gain new customers by enhancing our operational efficiency and increasing our offerings of local and sustainable products, including products that conserve water or enhance water quality. Advancing our sustainability initiatives enhances our customer relationships either by elevating their trust in Sysco as an environmentally and socially responsible business, or by enabling us to provide more sustainable products to help them reach their business goals. To that end, in the Fall of 2015, we established a full time Corporate Social Responsibility function to strategically identify and manage these efforts (specific pay and benefits are proprietary). Financial implications depend on the volume of increased business related to our customers' desire for sustainably-sourced products. Toward this end, we work with small and midsized specialty producers to provide customers with locally-produced items. Our FreshPoint locations have implemented technology that enables tracking of local purchases from farm to customer, and our Broadline companies have various local food programs. Customers can even define what they mean by local and how suppliers/farmers are identified. Sales from Freshpoint produce locations have totaled over $1.68 billion during the 2018 reporting year.

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)

1680000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Financial implications depend upon the volume of increased business specifically related to our customers' desire for sustainably-sourced products. Toward this end, we work with small and midsized specialty producers to provide customers with locally-produced items. Our FreshPoint locations have implemented technology that enables the tracking of local purchases from farm to customer, and our Broadline companies have various local food programs. Sales from Freshpoint produce locations have totaled over $1.68 billion during the 2018 reporting year.

W6. Governance

W6.1

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

No

W6.2

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

Yes

W6.2a

(W6.2a) Identify the position(s) (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. Reference: http://investors.sysco.com/~/media/Files/S/Sysco-IR/documents/corporate-governance/FINAL%20-%20Corporate%20Social%20Responsibility%20Committee%20Charter%20May%202019.pdf

W6.2b

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

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

W6.3

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

Name of the position(s) and/or committee(s)
Environment/Sustainability manager

Responsibility
Both assessing and managing water-related risks and opportunities

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

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

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

(W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?
No, and we do not plan to introduce them in the next two years

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
No

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

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 2018 compared to 2017.

W7.3

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

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

W7.4

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

Row 1

Does your company use an internal price on water?

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

Please explain

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

W8. Targets

W8.1

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

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

W8.1b

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

Goal
Promotion of sustainable agriculture practices

Level
Brand/product

Motivation
Recommended sector best practice

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

Baseline year
2004

Start year
2004

End year
2018

Progress
This program is ongoing. In the most recent tabulated results in FY18 (crop year 2017), the program covered the full range of the 50+ we purchase, representing 77 Sysco Brand suppliers, 181 processing locations and over 1 million acres under cultivation. Suppliers are required to follow the program and report certain data, but recognizing that reporting may be overly burdensome to smaller suppliers, they are not required to report all environmental indicators (e.g., water); 65% of Sysco Brand suppliers participating in the program did report any water data. For crop year 2017, participating suppliers reported conserving nearly 285 million gallons of water in manufacturing facilities plus field water through employment of good agricultural practices. Suppliers reported numerous other successes including a 56 million kWh reduction in electricity use, a 5 million pound reduction in pesticide use, a 22.4 million pound reduction in fertilizer use, and a 22,000 ton reduction in landfilled materials.

W9. Linkages and trade-offs

W9.1

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

W9.1a

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

Linkage or tradeoff
Linkage

Type of linkage/tradeoff
Decreased GHG emissions

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

Policy or action
Sysco's IPM program works with participating processors and farmers to identify and protect environmentally sensitive growing areas, build soil health and preserve water quality by using cover crops, crop rotation and natural pest control methods, which help to reduce the negative impact on the health of local water sources. For FY18 (crop year 2017), our suppliers used sustainable/IPM practices to achieve many successes including a 56 million kWh reduction in electricity use, a 5 million lb. reduction in pesticide use, a 22.4 million lb. reduction in fertilizer use, and a 22,000 ton reduction in landfilled materials. Suppliers participating in our optional water survey reported conserving 285 million gal. of water in manufacturing facilities. One example of the linkages between water and resource conservation comes from a supplier who converted their fields to drip irrigation. As a result, they applied less water and fertilizer to crops, suppressed weed growth enough to reduce herbicide usage, ultimately increasing production by 15% while cutting expenses by 10%. Water saving initiatives implemented in our direct operations include installing water-saving bathroom fixtures, recycling water from vehicle wash stations and refrigeration units, using rainwater and native plantings for landscaping at some of our offices, and capturing and recycling condensation from cooling processes at one new facility, with plans to implement this in new facilities constructed in the future.

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?
Yes
CY18 Sysco GHG Assurance Statement-ASRauthorized.pdf

W10.1a

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

Disclosure module	Data verified	Verification standard	Please explain
W1. Current state	Water withdrawal (classified as consumption in the assurance documentation) = 2,373 ML; Water discharge (sewer) = 1,642 ML	Other, please specify (ISO14064-3)	These are the two most important figures from the analysis of Sysco's 122 sites. These totals included both site specific actual and estimated data points.

W11. Sign off

W-FI

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

W11.1

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

	Job title	Corresponding job category
Row 1	VP Corporate Affairs	Environment/Sustainability manager

W11.2

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

No

SW. Supply chain module

SW0.1

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

	Annual revenue
Row 1	53730800769

SW0.2

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

No

SW1.1

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

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

SW1.2

(SW1.2) Are you able to provide geolocation data for your site facilities?

Yes, for all facilities

SW1.2a

(SW1.2a) Please provide all available geolocation data for your site facilities.

Identifier	Latitude	Longitude	Comment
Alaska	61.160576	-149.907041	
Albany	42.898917	-73.771311	
Arizona	33.441763	-112.232439	
Arkansas	34.690558	-92.339761	
St Paul	44.981672	-93.090038	
Atlanta	33.631509	-84.464469	
Baltimore	39.151615	-76.782786	
Boston	41.947445	-70.772535	
Calgary	50.989522	-113.967897	
Central Alabama	33.153594	-86.756683	
Central California	37.637396	-120.970295	
Central Florida	28.558342	-81.589961	
Central Illinois	40.151028	-89.408706	
Central Ontario	44.255635	-78.386185	
Central Pennsylvania	40.272466	-76.824331	
Central Texas	29.63683	-98.211612	
Charlotte	35.424633	-80.653283	
Chicago	42.04586	-87.906328	
Cincinnati	39.257204	-84.44151	
Cleveland	41.515654	-81.677666	
Connecticut	41.637776	-72.679079	
Denver	39.786122	-104.881179	
Detroit	42.264865	-83.443321	
East Maryland	38.083685	-75.601945	
Columbia	33.951773	-80.922265	
East Texas	32.423737	-94.716027	
East Wisconsin	43.320091	-88.186128	
Edmonton	53.55594	-113.762739	
Grand Rapids	42.897549	-85.536216	
Gulf Coast	31.052433	-85.9055	
Hampton Roads	36.890548	-76.43733	
Houston	29.750265	-95.367298	
Idaho	43.664465	-116.164631	
Indianapolis	39.867689	-86.228129	
Intermountain	40.577713	-112.038418	
Iowa	41.712081	-93.587369	
Jackson	32.288885	-90.184322	
Jacksonville	30.344216	-81.739441	
Kansas City	38.901921	-94.786346	
Kelowna	50.016414	-119.391694	
Kingston (DEACTIVATED)	44.267105	-76.569257	
Knoxville	35.984574	-83.94703	
Lakeside	44.644907	-63.688915	
Las Vegas	36.276937	-115.038121	
Lincoln	40.766009	-96.694581	
Long Island	40.791815	-73.18852	
Los Angeles	34.006181	-117.855011	
Lousiville	38.141702	-85.754723	
Memphis	35.029494	-89.92428	
Metro NY	40.697091	-74.057564	
Milton	43.540452	-79.915765	
Minnesota	45.074828	-93.197911	
Moncton	46.131144	-64.755541	

Identifier	Latitude	Longitude	Comment
Moncton NASYS	46.111284	-64.699845	
Montana	45.762448	-108.554856	
N. New England	43.649401	-70.350873	
Nashville	36.179305	-86.879709	
New Mexico	35.126032	-106.629226	
New Orleans	29.960307	-90.202718	
North Dakota	47.845663	-97.523103	
Oklahoma	35.261906	-97.461714	
Philadelphia	39.90888	-75.159376	
Pittsburgh	40.801345	-80.121442	
Portland	45.330149	-122.760703	
Quebec	45.637754	-73.587694	
Raleigh	35.535274	-78.309206	
RDC Northeast	38.98922	-78.170689	
RDC South	29.82057	-82.491062	
Regina	50.44474	-104.606527	
Riverside	33.89483	-117.280886	
Sacramento	38.58164	-121.495911	
San Diego	32.938452	-117.050591	
San Francisco	37.51472	-121.983748	
Seattle	47.397382	-122.26691	
South Florida	25.726714	-80.235958	
Southeast Florida	26.769996	-80.087741	
Spokane	47.703547	-117.028354	
St Johns	47.512914	-52.830792	
St Louis	38.825504	-90.507056	
SW-Ontario	43.123357	-80.707007	
Sygma Carolina	35.281308	-80.842628	
Sygma Columbus	39.994232	-83.123679	
Sygma Dallas	32.745527	-97.068211	
Sygma Denver	39.78641	-104.868892	
Sygma Detroit	41.918827	-83.370316	
Sygma Florida	28.466312	-81.412374	
Sygma Georgia	33.410111	-84.728496	
Sygma Illinois	40.109734	-87.543033	
Sygma Kansas City	39.300017	-94.66786	
Sygma Northern California	37.911461	-121.218134	
Sygma Oklahoma	36.248648	-95.303581	
Sygma Pennsylvania	40.314625	-76.888261	
Sygma Portland	45.404033	-122.529563	
Sygma San Antonio	29.475074	-98.377132	
Sygma Southern California	34.704033	-118.257699	
Syracuse	43.090479	-76.342058	
Sysco Corp HQ	29.760122	-95.620056	
Sysco Shared Business Services	29.963091	-95.681313	
Vancouver	49.248287	-122.751802	
Toronto	43.656851	-79.696598	
Ventura	34.20188	-119.132814	
Thunder Bay	48.397448	-89.249688	
Virginia	38.380561	-78.92736	
Victoria	48.458915	-123.54613	
W. Minnesota	45.578176	-94.147796	
W. Coast Florida	27.575606	-82.533025	
Winnipeg	49.827791	-97.176693	
W. Texas	33.595448	-101.842346	

Identifier	Latitude	Longitude	Comment
Buckhead Atlanta	33.633166	-84.4606	
Buckhead Dallas	32.684454	-96.889189	
Buckhead Florida	28.072933	-81.778745	
Buckhead Houston	29.916552	-95.418177	
Buckhead Ohio	41.604011	-83.527242	
FreshPoint Central Florida	28.438246	-81.410342	
FreshPoint Dallas	32.93147	-96.82635	
FreshPoint S. California	34.039989	-117.980305	
FreshPoint S. Florida	26.253287	-80.156966	
Newport NorCal	37.464659	-121.916199	
Newport SoCal	33.695199	-117.832718	
North Texas	33.065632	-96.871384	
Palisades Ranch	33.988258	-118.209018	

SW2.1

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

SW2.2

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

No

SW3.1

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

Product name

Raw outbound cases

Water intensity value

1.35

Numerator: Water aspect

Water withdrawn

Denominator: Unit of production

Raw outbound cases (millions)

Comment

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms