

**Module: Introduction**

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**W0.1**

**Introduction**

**Please give a general description and introduction to your organization.**

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. We market our own quality Sysco brands in addition to major national, regional and ethnic brands, as well as local foods.

While our trucks loaded with fresh produce and prepared foods 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 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 425,000 customers 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, Costa Rica, Mexico 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.

Due to costs required to collect and report on data, we have chosen to report on operations related to our Broadline operations in the United States and Canada, our SYGMA segment, two redistribution center (RDC) locations, and our Corporate office and Shared Business Service facility, representing approximately 85% of our footprint. Operations not included are five Broadline locations we acquired, our international Broadline companies located in Ireland, Costa Rica, Mexico and the Bahamas; meat, produce and imports specialty companies; Guest Supply (a hotel amenities company); and International Food Group (a foodservice company that exports products to international customers).

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.

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## W0.2

### Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
Thu 01 Jan 2015 - Thu 31 Dec 2015

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## W0.3

### Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

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**W0.4**

**Exclusions**

**Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?**

Yes

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**W0.4a**

**Exclusions**

**Please report the exclusions in the following table**

<b>Exclusion</b>	<b>Please explain why you have made the exclusion</b>
Operations not included are five Broadline locations that were acquired, our international Broadline companies located in Ireland, Costa Rica, Mexico and the Bahamas; meat, produce and imports specialty companies; Guest Supply (a hotel amenities company); and International Food Group (a foodservice company that exports products to international customers).	Due to costs required to collect and report on data, we have chosen to report on operations related to our U.S. and Canadian Broadline segment, our SYGMA segment, two RDC locations, and our Corporate office and our Shared Business Service facility, which represent approximately 85% of our footprint. Collecting information for excluded operations may be evaluated in the future.

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**Further Information**

**Module: Current State**

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**W1.1**

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	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 supplies as a result of these factors could lead to the inability to fulfill our customer obligations. However, in the event that these situations arise, we may also be able 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	Neutral	Important	Although our operations are not water intensive, our ability to use recycled water reduces our freshwater withdrawals. Our operations have already identified water-saving opportunities, including recycling water from vehicle washing stations and refrigeration units and using rainwater for landscaping at some of our offices. We currently capture and recycle condensation from cooling processes at several newer facilities, and we plan to install this in new facilities constructed in the future. A number of Sysco suppliers utilize recycled/reused water in their manufacturing facilities. In FY15 (2014 crop season), our suppliers reported conserving over 1.3 billion gallons of processing facility water based solely on water recycling/reuse implemented under Sysco's Integrated Pest Management (IPM) program. Conservation of water in our suppliers' operations is important to enhancing their long-term sustainability and may contribute to lower production costs.

**W1.2**

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Total water withdrawals are captured at 110 of 111 of our operating locations (not including exclusions reported under W0.4a - international Broadline companies located in Ireland, Costa Rica, Mexico and the Bahamas; meat, produce and imports specialty companies; Guest Supply; and International Food Group) as part of our environmental data management system. We developed a company-wide intensity metric based on sites with water withdrawal data (ML/1000 ft3 average space) to estimate water withdrawals for the 1 site without data, bringing our total up to 100% of sites covered. We record this data to better understand our resource usage at a facility and company level.
Water withdrawals- volume by sources	76-100	Water withdrawals by source are captured at 110 of 111 of our operating locations (not including exclusions reported under W0.4a) as part of our environmental data management system. The vast majority of our operating locations with water withdrawal data (107 of 110) rely on municipal supply (4 sites use renewable groundwater, including two sites that use on both municipal supply and groundwater), so municipal supply was assumed for the 1 site with water withdrawals estimated using the company-wide intensity metric, bringing our total up to 100% of sites covered. We record this level of data to better understand our resource usage at a facility and company level.
Water discharges- total volumes	76-100	Select operating locations are currently working to improve their recording of total water discharges in our environmental data management system. Total water discharges are captured at 47 of 111 of our operating locations (not including exclusions reported under W0.4a). We developed a company-wide intensity metric based on sites with water discharge data (ML/1000 ft3 average space) to estimate water discharges for the 64 sites without data, bringing our total up to 100% of sites covered. 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- volume by destination	76-100	Select operating locations are currently working to improve their recording of water discharges by destination in our environmental data management system. Water discharges by destination are captured at 47 of 111 of our operating locations (not including exclusions reported under W0.4a). The vast majority of our operating locations with water discharge data (46 of 47) discharge to municipal/industrial treatment plants (only 1 site discharges to groundwater), so municipal/industrial treatment plant was assumed for the 64 sites with water discharges estimated using the company-wide intensity metric, bringing our total up to 100% of sites covered. 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- volume by treatment method	76-100	Volume by treatment method refers to primary, secondary or tertiary treatment or pre-treatment/technology types before being returned to the environment. Since the vast majority of sites (99%) discharge to municipal/industrial treatment plants (99% of total water discharges), and since most municipal wastewater treatment facilities use primary and secondary levels of treatment, though some also use tertiary treatments, we have assumed secondary treatment for 99% of our water sites/discharges. This estimate may be further refined in the future by following up with each municipal/industrial treatment plant to confirm treatment method.

Water aspect	% of sites/facilities/operations	Please explain
Water discharge quality data- quality by standard effluent parameters	Less than 1%	Based on the 47 sites with actual water discharge data, 1 site discharges to groundwater with the remaining 99% of water discharges being sent to municipal/industrial treatment plants. 'Water discharges- volume by treatment method' is applicable to organizations that discharge effluents or process water, so this water aspect is not applicable to the vast majority of our water discharges. We do not currently track water discharge quality by standard effluent parameter (e.g., BOD or TSS) for the 1 site that discharges to groundwater (1% of our water discharges) as part of our environmental data management system. We will evaluate opportunities to capture this level of data in the future.
Water consumption- total volume	76-100	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 W0.4a). 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. 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.
Facilities providing fully-functioning WASH services for all workers	76-100	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.

#### W1.2a

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	We do not have fresh surface water withdrawals

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Brackish surface water/seawater	0	Not applicable	We do not have brackish surface water/seawater withdrawals
Rainwater	0	Not applicable	We do not use rainwater
Groundwater - renewable	109.89	Higher	Renewable groundwater was used at 4 of our operating locations in 2015 (two sites use both groundwater and municipal supply). Our renewable groundwater withdrawals increased 9.4% from 100.45 ML in 2014 to 109.89 ML in 2015; 0.88% of these withdrawals (0.96 ML) were estimated. (Please note that 2014 renewable groundwater was reported as 255.52 ML in last year's CDP response, but this number was revised based on corrections to the dataset.) This increase can be attributed to normal fluctuations in water withdrawals.
Groundwater - non-renewable	0	Not applicable	We do not have non-renewable groundwater withdrawals
Produced/process water	0	Not applicable	We do not use produced/process water
Municipal supply	2056.76	Higher	108 of our 111 operating locations (not including exclusions reported under W0.4a) used 2040.87 ML of municipal supply water in 2015 (two sites use both municipal supply and groundwater), and 5% (93.06 ML) of these water withdrawals were estimated. To estimate withdrawals for the 1 site without data, assumed to be municipal supply, Sysco developed a company-wide intensity metric based on sites with renewable groundwater and municipal supply withdrawal data (0.00253 ML/1000 ft3 average space) to estimate withdrawals of 15.89 ML. Total municipal supply (2040.87 ML + 15.89 ML = 2056.76 ML) increased 1.3% compared to 2014 (2030.28 ML) since withdrawals were provided for 109 sites in 2014 compared to 111 sites in 2015 (otherwise withdrawals would have decreased by 0.4%). (Please note that 2014 municipal supply was reported as 1970.07 ML in last year's CDP response, but this number was revised based on corrections to the dataset.)
Wastewater from another organization	0	Not applicable	We do not use wastewater from another organization
Total	2197.17	Higher	Total water withdrawals increased 1.9% from 2126.92 ML in 2014 to 2166.65 ML in 2015 due to accounting for additional sites in 2015 (109 sites in 2014 compared to 111 sites in 2015) and normal fluctuations in water withdrawals; 5% of the 2015 withdrawals (109.91 ML) were estimated. (Please note that 2014 total water withdrawals were reported as 2225.59 ML in last year's CDP response, but this number was revised based on corrections to the dataset.) To

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
			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%.

**W1.2b**

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	We do not discharge to fresh surface water
Brackish surface water/seawater	0	Not applicable	We do not discharge to brackish surface water/seawater
Groundwater	5.82	About the same	1 of our operating locations discharged 5.82 ML to groundwater in 2015 (0% estimated); this represents a 0.6% increase compared to 5.78 ML in 2014. (Please note that 2014 groundwater discharges were reported as 5.32 ML in last year's CDP response, but this number was

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
			revised based on corrections to the dataset.) Select operating locations are currently working to improve their recording of water discharges by destination in our environmental data management system.
Municipal/industrial wastewater treatment plant	1028.05	Much higher	46 of 111 sites (not including exclusions reported under W0.4a) discharged 421.68 ML to municipal/industrial wastewater treatment plants (WWTPs) in 2015; 2% (7.44 ML) of these discharges were estimated. To estimate discharges for 64 sites without data (assumed discharge to WWTPs), Sysco developed a company-wide intensity metric based on sites with groundwater and WWTP discharge data (0.00126 ML/1000 ft3 average space) to estimate discharges of 606.37 ML. Total WWTP discharges (421.68 ML + 606.37 ML = 1028.05 ML) increased 177% compared to 2014 (370.51 ML) primarily because discharges were not estimated for sites without data in 2014. (Please note that 2014 WWTP discharges were reported as 365.81 ML in last year's CDP response, but this number was revised based on corrections to the dataset.) Discharges were provided for 45 sites in 2014 compared to 111 sites in 2015 (97% of the 657.54 ML increase); the remaining 3% increase can be attributed to normal fluctuations in water discharges.
Wastewater for another organization	0	Not applicable	We do not provide wastewater for another organization
Total	1033.87	Much higher	Total water discharges increased 175% from 376.29 ML in 2014 to 1033.87 ML in 2015 due to accounting for additional sites (45 sites in 2014, 111 sites in 2015) and normal fluctuations in water discharges; 59.4% of 2015 discharges (613.81 ML) were estimated. (Please note that 2014 total discharges were reported as 371.13 ML in last year's CDP response, but this number was revised based on corrections to the dataset.) Please note that 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 11.9%.

**W1.2c**

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
1132.78	Much lower	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 W0.4a). Total water consumption decreased 35% from 1753.68 ML in 2014 to 1132.78 ML in 2015 primarily due to accounting of water discharges for additional sites in 2015 (45 sites in 2014 compared to 111 sites in 2015). (Please note that 2014 consumption was reported as 1854.46 ML in last year's CDP response, but this number was revised based on corrections to the dataset.) 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. 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.

**W1.3**

**Do you request your suppliers to report on their water use, risks and/or management?**

Yes

**W1.3a**

**Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents**

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
		<p>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. % of suppliers &amp; total procurement spend are proprietary measures. Sysco Brand sales were ~30% of total sales in FY15. During crop year 2014, the program covered 66 Sysco Brand suppliers, including small specialty-crop suppliers, representing 174 processing locations &amp; 1.2 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 other environmental indicators (e.g., water); ~1/2 of Sysco Brand suppliers participating in the program do report water data. For crop year 2014, suppliers reported having conserved 333 billion gallons of field water and 3.4 billion gallons of processing facility water, reduced fuel use by 492 million gallons and energy use by 287 million kWh, reused 18.4 million tons of resources and recycled 117 million tons of materials. In addition, our suppliers reported avoiding utilizing 5.1 million pounds of pesticides and 11.3 million pounds of fertilizer.</p>

**W1.3b**

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
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**W1.4**

Has your organization experienced any detrimental impacts related to water in the reporting year?

No

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W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
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W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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**Further Information**

**Module: Risk Assessment**

**Page: W2. Procedures and Requirements**

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**W2.1**

**Does your organization undertake a water-related risk assessment?**

Water risks are assessed

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**W2.2**

**Please select the options that best describe your procedures with regard to assessing water risks**

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations	All facilities	Management is responsible for identifying, managing and mitigating risks, and reports on these issues to the Audit Committee and the Board of Directors regularly. The Audit Committee reviews Sysco's process by which management assesses and manages the company's exposure to risk. The Audit Committee also makes recommendations to the Board regarding how the Board and relevant committees are made aware of the company's significant risks, including what committee of the Board would be most appropriate to take responsibility for oversight of the Company's most material risks. On an annual basis management reviews with the Board the key enterprise risks identified, as well as management's process for addressing and mitigating the potential effects of such risks. Sysco's risk management procedures include frequent discussion and prioritization of key risk issues by the executive management team, tracking and monitoring of risk information and identification of particular risks for which management intends to develop or enhance Sysco's management and mitigation plans. The Company reassesses and reprioritizes risks on an ongoing basis at the business and executive levels. In addition, Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks using the WRI Aqueduct tool. We plan to evaluate the results of this study to validate the outcomes and understand how we may use this information in our business.

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**W2.3**

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Country	1 to 3 years	Annually, management reviews with the Board the key enterprise risks identified at the Country level (US, Canada, Ireland, Costa Rica, Mexico, Bahamas), such as strategic, operational, people, financial, reputational, and regulatory/external risks, as well as the process for addressing and mitigating the potential effects of such risks. The Company reassesses and reprioritizes risks on an ongoing basis at the business and executive levels.

**W2.4**

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Not evaluated

**W2.4a**

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

**W2.4b**

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment
Important but not any immediate business priority	No	Other: FY17	While our sustainability efforts are well established, we have not yet developed a comprehensive strategy with specific targets or KPIs related to water stewardship, including evaluation of how water risks might affect our growth strategy. We have plans to develop our sustainability strategy during Fiscal Year 2017.

**W2.5**

**Please state the methods used to assess water risks**

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge WBCSD Global Water Tool WRI Aqueduct WWF-DEG Water Risk Filter Other: Enterprise Risk Management (ERM) process	Management is responsible for identifying, managing and mitigating risks, and reports on these issues to the Audit Committee and the Board of Directors regularly. The Audit Committee reviews Sysco's process by which management assesses and manages the company's exposure to risk. The Audit Committee also makes recommendations to the Board regarding how the Board and relevant committees are made aware of the company's significant risks, including what committee of the Board would be most appropriate to take responsibility for oversight of the Company's most material risks. On an annual basis management reviews with the Board the key enterprise risks identified, as well as management's process for addressing and mitigating the potential effects of such risks. Sysco's risk management procedures include frequent discussion and prioritization of key risk issues by the executive management team, tracking and monitoring of risk information and identification of particular risks for which management intends to develop or enhance Sysco's management and mitigation plans. The Company reassesses and reprioritizes risks on an ongoing basis at the business and executive levels. In addition, Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks using analysis of key indicators identified in the WRI Aqueduct tool, cross-referenced against our facilities and water withdrawals. We also referenced the WWF-DEG Water Risk Filter as necessary. We plan to evaluate the results of this study to validate the outcomes and understand how we may use this information in our business. Our evaluation reviewed water-related risks for 111 Sysco sites (not including exclusions reported under W0.4a) based on 3 primary criteria: an overall water risk factor (default weighting scheme) greater than 2.5 (e.g., high risk and above), a site to total water withdrawal intensity ratio greater than 0.39%, and a water withdrawal per million cases intensity ratio greater than 1.63. High overall water risk and above was selected as a preliminary filter to identify those sites operating in river basins subject to current and/or future water stress. The site water

Method	Please explain how these methods are used in your risk assessment
	<p>withdrawal intensity greater than 0.39% results in coverage of greater than 95% 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 1.63. This method was selected because it allows for a comprehensive and efficient assessment of key water risks across our operations. We believe the WRI Aqueduct outputs align most closely with more robust Source Vulnerability Assessments. Note: In 2014, Sysco utilized the WBCSD Global Water Tool for its water risk assessment.</p>

**W2.6**

**Which of the following contextual issues are always factored into your organization's water risk assessments?**

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	<p>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 the inability of fulfilling our obligations to customers. Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. 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 and water withdrawals. We also reference the WWF-DEG Water Risk Filter when needed.</p>
Current water regulatory frameworks and tariffs at a local level	Relevant, included	<p>Sysco complies with water regulatory frameworks and tariffs locally. Significant changes to regulatory frameworks or tariffs are evaluated at the local level as conditions change, and are escalated as conditions warrant. Furthermore, Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. Our risk assessment is primarily based on analysis of key factors identified in the WRI Aqueduct tool, cross-referenced against our operating locations and water withdrawals. We also reference the WWF-DEG Water Risk Filter when needed, for example, to analyze regulatory water risks.</p>
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	<p>Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. 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-</p>

Issues	Choose option	Please explain
		referenced against our operating locations and water withdrawals. We also reference the WWF-DEG Water Risk Filter when needed.
Current implications of water on your key commodities/raw materials	Relevant, 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.
Current status of ecosystems and habitats at a local level	Relevant, included	Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, which includes issues such as threatened eco-systems, cross-referenced against our operating locations and water withdrawals. We also reference the WWF-DEG Water Risk Filter to analyze threats to biodiversity.
Current river basin management plans	Relevant, not yet included	Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including identification of river basins that we operate in, cross-referenced against our operating locations and water withdrawals. We also reference the WWF-DEG Water Risk Filter when needed. However, after identifying basins as being at risk using Aqueduct, we have not yet completed a more local analysis of river basin management plans for those basins.
Current access to fully-functioning WASH services for all employees	Relevant, 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.
Estimates of future changes in water availability at a local level	Relevant, included	Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct tool, including future changes in water availability through 2050, cross-referenced against our operating locations and water withdrawals. We also reference the WWF-DEG Water Risk Filter when needed.
Estimates of future potential regulatory changes at a local level	Relevant, not yet included	Regulatory changes related to water can have a significant impact on our business as there is potential for decreased access to quality water, both from an availability and cost perspective. Significant changes to regulatory frameworks are evaluated at the local level as conditions change, and are escalated as conditions warrant, but future changes are not estimated.
Estimates of future potential stakeholder conflicts at a local level	Relevant, not yet included	As water scarcity increases (based on WRI Aqueduct analysis), so too will the potential for stakeholder conflict. Future potential stakeholder conflicts would be assessed through our Enterprise Risk Management (ERM) process to identify and evaluate risks to the company at an enterprise-wide level.
Estimates of future implications of water on your key commodities/raw materials	Relevant, not yet included	Raw materials, specifically agriculture and animals raised in food production, are vulnerable to water scarcity. Sysco's business relies on sustainable sources of raw materials. Future implications of water impact on key commodities and raw materials are considered as conditions warrant.

Issues	Choose option	Please explain
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, not yet included	We have not reviewed the status of ecosystems and local habitats at a local level at this time and have not yet evaluated plans to do this in the future.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, not yet included	Sysco has conducted a preliminary assessment that identifies operating locations exposed to water-related risks. 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 and water withdrawals. We also reference the WWF-DEG Water Risk Filter when needed, for example, to analyze water pollution 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.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, not yet included	We have not conducted a scenario analysis of regulatory and/or tariff changes at a local level and have not yet evaluated plans to do this in the future.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, not yet included	We have not conducted a scenario analysis of stakeholder conflicts concerning water resources at a local level and have not yet evaluated plans to do this in the future.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, not yet included	We have not conducted a scenario analysis of implications of water on our key commodities/raw materials and have not yet evaluated plans to do this in the future.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, not yet included	We have not conducted a scenario analysis of potential changes in the status of ecosystems and habitats at a local level at this time and have not yet evaluated plans to do this in the future.
Other	Not evaluated	Not Applicable

**W2.7**

**Which of the following stakeholders are always factored into your organization's water risk assessments?**

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Increased water stress could result in supply chain disruptions, which could also impact our ability to fulfill 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.
Employees	Relevant, not yet 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. Sysco may evaluate the inclusion of employees in future assessments.
Investors	Relevant, 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 Investor request since 2013. We may evaluate additional actions in the future. Engagement type: Financial reports, annual shareholder meetings, news releases, SRI investment advisor meetings, investor relations website. Examples: FY15 Annual Report
Local communities	Relevant, not yet included	We are committed to the protection of the environment in communities in which we live and operate. Sysco may evaluate inclusion of local communities in future assessments.
NGOs	Relevant, not yet 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 2015 included the World Wildlife Fund (WWF), Global Food Safety Initiative (GFSI), and Share Our Strength. We may evaluate further engagement with NGOs in future water assessments.
Other water users at a local level	Relevant, not yet included	We engage a diverse set of stakeholders, including peers, to assess the materiality of sustainability-specific issues. We may evaluate further engagement with other water users in future water assessments.
Regulators	Relevant, not yet included	Sysco complies with water-related regulatory frameworks and partners with regulatory agencies at the local level routinely. We may evaluate further engagement with regulators in future water assessments.
River basin management authorities	Relevant, not yet included	Sysco has only recently initiated water risk assessments, and will further evaluate the consideration of river basin management authorities in future assessments.
Statutory special interest groups at a local level	Relevant, not yet included	Sysco has only recently initiated water risk assessments within our operations, and will further evaluate the consideration of local statutory special interest groups in future assessments.
Suppliers	Relevant, not yet included	We do not currently include suppliers in our annual water risk assessments. However, we communicate closely with many suppliers on various issues related to production and supply, including the impact of water-related events such as droughts. Through our Integrated Pest Management (IPM) program, we work with participating processors and farmers to identify and protect environmentally sensitive areas, build soil health and preserve water sources by using cover crops, crop rotation and natural pest control methods. In addition, we hold a triennial conference where our suppliers share best practices and innovative methods in applying sustainable and IPM practices to their operations. We currently measure success of these supply chain efforts through various benchmarking efforts. During crop year

Stakeholder	Choose option	Please explain
		2014 (the most recent year for which we have data), the program covered 66 Sysco Brand suppliers, including small specialty-crop suppliers, representing 174 processing locations & 1.2 million acres under cultivation (compared to 74 suppliers, 180 processing locations, and 898,134 acres under cultivation during FY14 (crop year 2013)). Water conservation data improved dramatically from FY14 to FY15 as we engaged new suppliers and as metrics reported to us on a voluntary basis increased. We have found that for most suppliers, it is not cost-effective to apply the sustainable and IPM practices Sysco requires on acreage relating only to Sysco products. As a result, suppliers typically apply these practices 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, which includes items produced for both Sysco as well as other companies. We continuously strive to increase engagement through ongoing communication and education.
Water utilities/suppliers at a local level	Relevant, not yet included	Water utilities/suppliers are engaged on an as needed basis to support our water stewardship efforts.
Other	Not evaluated	There are no other stakeholders included in our risk assessment process.

**W2.8**

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain
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**Further Information**

**Module: Implications**

**Page: W3. Water Risks**

**W3.1**

**Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?**

Don't know

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**W3.2**

**Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk**

Substantive change to the business is measured primarily by financial impact.

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**W3.2a**

**Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide**

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
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**W3.2b**

**Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a**

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
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W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
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W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
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W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2g

**Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this**

Primary reason	Future plans
Environmental risk assessments are incomplete at this time	Substantive change to the business is measured primarily by financial impact. We believe that the impact of changes in availability and quality of water may result in different types of impacts on our business - which may be positive or negative depending on the specific scenario – and are combined with the impact of other business drivers. In regards to our direct operations, we have conducted a preliminary evaluation of current and future water-related risks for 111 Sysco sites (not including exclusions reported under W0.4a) using the WRI Aqueduct tool, a water withdrawal intensity ratio, and a water withdrawal per million cases intensity ratio. We expect to evaluate the results of this preliminary study to validate the outcomes and understand how we may use this information in our business. While Sysco recognizes that water plays a fundamental role in the food industry, the Company does not currently have data needed to evaluate supply chain water-related risk, but we may evaluate in the future as our sustainability strategy matures.

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**Further Information**

**Page: W4. Water Opportunities**

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**W4.1**

**Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?**

Yes

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**W4.1a**

**Please describe the opportunities water presents to your organization and your strategies to realize them**

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Company-wide	Sales of new products/services	Consumers, and Sysco's customers, are demanding more local and sustainably-sourced products. Recognition as the industry leader in sustainability is a brand enhancement, but we believe we have an opportunity to further enhance customer loyalty and potentially gain new customers by continuing to grow our capabilities to offer more local and sustainable products, including products that are produced using methods that conserve water or enhance water quality. Financial implications depend upon the volume of increased business specifically related to our customers' desire for sustainably-sourced products, which is unknown at this time.	Unknown	

W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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**Further Information****Module: Accounting****Page: W5. Facility Level Water Accounting (I)**

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## W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
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**Further Information****Page: W5. Facility Level Water Accounting (II)**

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## W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
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**W5.2**

**Water discharge:** for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
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**W5.2a**

**Water discharge:** for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
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**W5.3**

**Water consumption:** for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
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W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
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**Further Information**

**Module: Response**

**Page: W6. Governance and Strategy**

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W6.1

**Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?**

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled-annual	The Sustainability Committee of Sysco's Board of Directors provides review for, and acts in an advisory capacity to, the Board and management of Sysco with respect to policies and strategies that affect Sysco'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. Sustainability topics related to agriculture and operations are reported once each year, and more frequently should there be any significant changes that arise.

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**W6.2**

**Is water management integrated into your business strategy?**

No

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**W6.2a**

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
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**W6.2b**

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
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**W6.2c**

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain
Other: We have not yet developed specific targets, policies or strategies related to water.	Our sustainability efforts are well established, however, we have not yet developed specific targets, policies or strategies integrating water management into our business strategy. Sysco's Integrated Pest Management Program (IPM), launched in 2004, promotes the responsible use of agricultural inputs - such as fertilizers, pesticides, energy and water - by growers of Sysco Brand canned and frozen fruit, vegetables and potatoes. For crop year 2014, Sysco Brand suppliers reported having conserved 333 billion gallons of field water and 3.4 billion gallons of processing facility water, and avoided utilizing 5.1 million pounds of pesticides and 11.3 million pounds of fertilizer. Sysco recognizes the benefits from, and value of, a strong strategy to identify new ways to become even more sustainable. In the short term (<5 years), we plan to invest resources in developing a comprehensive, long-term sustainability strategy by the end of FY17, including identification of targets and goals, KPIs to measure performance, and strategies to achieve targets/goals and KPIs. In the long term (>5 years), we will focus on 3 key areas - People, Products, Planet. We will have the greatest impact in these areas and they offer the best opportunities to improve Sysco sustainability. Our CSR program will help Sysco gain competitive advantage by increasing the sales and marketability of our products, reducing operational costs, and attracting and retaining talent.

**W6.3**

Does your organization have a water policy that sets out clear goals and guidelines for action?

No

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**W6.3a**

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
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**W6.4**

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
0	0	N/A

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**Further Information**

**Page: W7. Compliance**

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**W7.1**

**Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?**

No

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**W7.1a**

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
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**W7.1b**

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

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**W7.1c**

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
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**Further Information**

**Page: W8. Targets and Initiatives**

**W8.1**

**Do you have any company wide targets (quantitative) or goals (qualitative) related to water?**

No

**W8.1a**

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
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**W8.1b**

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
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**W8.1c**

**Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future**

In our direct operations, we are not a substantial user of water, but we have implemented efforts to recycle water in some facilities and for Sysco Brand, where we define brand specifications. For example, 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. During FY15 (crop year 2014), suppliers reported conserving 333 billion gallons of field water through overhead irrigation drop nozzles, furrow/flood irrigation replaced by overhead drip, laser leveling flood irrigated fields, shutoff devices triggered by rainfall, improving irrigation water use efficiency and soil and plant moisture technologies. Suppliers reported conserving 3.4 billion gallons of processing facility water through changes in processing strategy, upgrading processing equipment, water reuse/recycling and low flow nozzles. Suppliers reported avoiding utilizing 5.1 million pounds of pesticides and 11.3 million pounds of fertilizer.

While our sustainability efforts are well established, we have not yet developed specific policies or strategies related to water quality and water quantity management. However, as part of establishing the company's formal CSR department in the Fall of 2015, we plan to establish a long-term sustainability strategy for Sysco, including target and goal setting, during FY17.

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**Further Information**

**Module: Linkages/Tradeoff**

**Page: W9. Managing trade-offs between water and other environmental issues**

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**W9.1**

**Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?**

Yes

**W9.1a**

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Improved growing practices implemented through our IPM program, such as responsible use of water, energy, fertilizers and pesticides, may increase productivity of crop yields and also contribute to less polluted runoff entering local streams and rivers.	Linkage	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; thereby helping to reduce the negative impact on the health of local water sources. For FY15 (crop year 2014), by utilizing Sustainable Agriculture/IPM practices, our suppliers reported having conserved 333 billion gallons of field water and 3.4 billion gallons of processing facility water, reduced fuel use by 492 million gallons and energy use by 287 million kWh, reused 18.4 million tons of resources, and recycled 117 million tons of materials. In addition, our suppliers reported avoiding utilizing 5.1 million pounds of pesticides and 11.3 million pounds of fertilizer. Supplier Success Stories: • "Ninety-nine percent of irrigation by growers is drip irrigation, resulting in 30% plus water savings and as much as 50% less fertilizer use." • "Using GPS-driven tractors, we have added a second split application of fertilizer which has led to an increase in yield using the same amount of fertilizer."

**Further Information**

**Module: Sign Off**

**Page: Sign Off**

**W10.1**

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Shannon Mutschler	Vice President – Sustainability	Environment/Sustainability manager

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**W10.2**

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

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**Further Information**

**CDP**