Sustainability and Productivity

The Value Proposition of Sustainability

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Sysco Corporation

- Publicly held company, 1969
- North American distribution, Global procurement
- FY 09 Annual Sales: $38B
- 185 Warehouse Network
- Distribution Equipment
  - 9200 Tractors/Straight Trucks
  - 10,500 Refrigerated Trailers
- 115B cases shipped
- 42,000 employees (9500 sales associates)
- Customer Mix
- Sysco Brand drives sales
  - 42% of total sales
  - 36,000 Sysco brand items
Business Strategy for Sustainability

- Consideration began in early 2001
- Michael Porter Harvard Business School
- Sustainability of food from a global perspective
- Focus on sustainability must be a business case specific to our company
- Practices and system connected with people and planet
- Totally about supply chain engagement
- Suppliers, customers, NGO, academia, regulation
“Within any company, even under challenging economic times, sustainable work will continue provided this philosophy is a strong component of the company’s strategic business plan.”
Agricultural Sustainability Initiatives

- Integrated Pest Management
- Life Cycle Assessment (LCA)
- Seafood Sustainability
- Wallace Center Project
- Social Audit Program
- Animal Welfare
Integrated Pest Management

- Project began in 2004
- First 2005 growing season
- 2008 Sustainable Indicators of Change
- Branded Suppliers of Canned/Frozen Fruits/Vegetables/Potatoes
- 75 Suppliers, 180 Factories, 690,000 acres, 4350 Growers
- Pesticide Avoidance: 601,500 pounds
  - 1.3 million pounds in past three years
- Fertilizer Avoidance: 18.3 million pounds N&P
- Recycled Products: 123 million pounds
- Recycled Waste: 201.6 million tons
- Advisory Council
  - USDA, Academia, NGO, Suppliers
- What is the economic benefit to a Grower?
Sustainable Operation & Distribution Initiatives

- **Kilowatt Hour Reductions**
  - Warehouse Upgrades
    - Facility design
    - Monitoring systems
    - Lighting/motion systems
  - Single versus Triple Pallet Jacks
  - 28.7% KWH reduction in past (3) years

- **Diesel Fuel Reduction**
  - Computerized Routing System
    - Delivery miles
    - Cases per Truck
    - Off Hour/Night Delivery
  - Delivery Truck Modifications
    - Automatic shut-offs
    - Collapsible bulkheads
  - Regional Redistribution Centers
  - Truck to Rail Conversions
  - 8-10% diesel fuel reduction

- **LEED Gold Certification:** Corporate Office Complex
- **Other Initiatives under Consideration**