

# Corporate Sustainability, SDG Review, & Consulting Project

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[Sysco Sustainability Report FY23](#)

Fortune 500 Rank: 54/500

## Part One: Sysco Sustainability Corporate Assessment

### Company Overview:

Sysco Corporation is a global leader in food service distribution, selling products like meat, seafood, dairy, fruits, vegetables, breads, canned goods, and frozen foods. They sell around 78.8 billion dollars annually across 90 different countries with the assistance of over 76,000 employees, and have been committed to sustainability for quite some time. Together, we will explore the 54th ranked Fortune 500 company's sustainability initiatives, with a particular focus on their environmental, social, and governance (ESG) efforts as outlined in their latest FY23 reports, since FY24 is not yet available.

### Reporting on Best Practices:

Sysco's framework in regards to governance and reporting is designed to uphold the ethical principles of transparency and accountability in their sustainability efforts throughout every component from the administrative side all the way down to the supply chain. They publish comprehensive sustainability reports in accordance with the Global Reporting Initiative (GRI) that provide detailed insights into Sysco's progress and future goals, ensuring stakeholders and consumers are well-informed about their sustainability journey. It includes 65 pages of sustainability-related topics, further separated into 4 different categories (people, products, planet, and governance), while also holding another report on diversity, equity, and inclusivity practices.

### *Environmental Practices:*

Sysco's environmental strategy is centered around reducing their carbon footprint and promoting sustainable practices that align with reducing scope 1, 2, and 3 emissions across all of their operations. In FY23, Sysco made notable efforts towards the reduction of their carbon footprint goals by revealing an Electric Vehicle Hub in California, and deploying the new electric vehicles globally, along with 5 electric refrigerated trailers. These efforts will reduce transportation emissions being produced by the company by 27.5% in the year 2030, and will lead to the expansion of renewable energy use, which is part of Sysco's broader commitment to electrify their fleet and reduce greenhouse gas emissions.

Additionally, Sysco has focused on Scope 3 emissions by segmenting and engaging their supplier base and conducting interviews and surveys to inform this engagement strategy. Scope 3 takes up around 98% of Sysco's carbon footprint, so in order to reduce this they are working with a new recycling partner that uses technology to enable an analysis of specific data to sort out successes and areas for improvement within their practices. This sparked new initiatives for the recycling process of used shrink wrap, cardboard, and pallets, while also quantifying ways to reduce and densify styrofoam, and manage organic waste.

### ***Social Practices:***

Sysco's social responsibility efforts are highlighted by their contributions to global hunger and community engagement. In FY23, Sysco donated 900,000 dollars to Feeding America, which benefited communities where their products were sold, which is part of their Nourishing Neighbors initiative established in 2018. Sysco focuses its social initiatives mainly on the topic of hunger, since their company is based in food production/distribution, and their Canada office alone dedicated 6,000 volunteer hours giving back to local communities.

To recognize the importance of their employee's dedication, Sysco has a reward system set up for quarterly volunteer spotlights, where they hold a random drawing for 5 volunteers to receive 100 dollars each to donate to a charity of the winner's choice. They also hold a volunteer of the year program that recognizes the individual with the highest number of logged volunteer hours, where the winner is given 1,000 dollars to donate to their charity of choice. Finally, Sysco holds a company of the year award that recognizes the company that best reflects the corporation's values and purpose— resulting in 10,000 dollars to donate to a hunger focused charity of their choice.

### **Conclusion:**

Sysco's commitment to sustainability is evident through their diverse environmental, social, and governance initiatives. By focusing on reducing their carbon emissions and supporting the use of renewable energy throughout their entire company, while also maintaining and upholding transparent supply chain practices, Sysco is leading the way towards a more sustainable future for businesses and communities around the globe. Their ongoing efforts to electrify their fleet, responsibly dispose of products that are being produced, and promoting incentives for their employees to get involved with local communities to fight hunger within their communities prove their commitment and dedication to creating an equitable future for everyone involved in the process.

## **Part Two: Sysco Sustainable Development Goal (SDG) Review**

### **SDG Number Two - Eliminating Hunger:**

The Zero Hunger Sustainable Development Goal is focused on eliminating hunger across the globe and creating a sustainable agriculture system. There is a surplus of food in some countries, while others remain malnourished and often lead to fatalities among young, innocent, individuals in underdeveloped countries worldwide. This is an issue of equity in regard to basic necessities for human beings, and affects everyone globally, due to its impact on human well-being and carbon emissions being produced into the atmosphere, since over ⅓ of the food in America alone is wasted by consumers and production companies. Agriculture is the number one industry for water use, and the second largest industry for emission pollutants, which is why action needs to be taken. This SDG was applicable to Sysco's corporation because of its focus on food insecurity and sustainable agriculture, and all that they're doing to mitigate this challenge.

### **Analyzing SDG Initiatives:**

Sysco has implemented a thoughtful strategy to combat hunger and food insecurity around the globe. During FY23, The company collaborated with local community partners to donate over 17 million healthy and nutritious meals to food-insecure families, which ultimately helped them reduce food waste. During the White House Conference on Hunger, Nutrition, and Health, Sysco has strengthened food security efforts by advocating for policy engagement on the food insecurity crisis, with a commitment to deliver 500 million dollars in global goods, with 200 million of those meals by 2025. During their established "Purpose Month," Sysco focuses on food insecurity-related initiatives, encouraging employees to volunteer with hunger-based organizations to have a chance to be rewarded for their efforts at the end of the year that are mentioned above. Sysco also mitigates food waste within a cross-functional team that manages and minimizes waste, through a set of 4 main steps:

1. **Reducing food waste at the source:** Sysco has implemented a team that monitors and reduces waste across the business from supply chain, to transport, contact centers, and inventory control.
2. **Donating to communities in need:** after shelf life analysis, the Stock Controller quickly transports extra products to charity partners to be redistributed to communities that need it most.
3. **Supporting animal well-being:** Instead of throwing scraps away, Sysco ensures that food that cannot be sold or donated is turned into animal feed and given to the Dublin Zoo.
4. **Converting scraps:** When all of the above steps are completed, and there are scraps left over, the company sends the surplus to an outside partner that turns them into renewable energy through an anaerobic digestion process.

### ***Evaluation:***

Sysco's FY23 sustainability report highlights the company's efforts in promoting and achieving the Zero Hunger Sustainable Development Goals. With Sysco's initiatives regarding

their donations and commitments, the company's collaboration with community partners and focus on reducing food waste is proactive and apparent. Additionally, the creation of a cross-functional team to manage waste and convert scraps into renewable energy really highlights their dedication to sustainable practices. I've never seen a company do as much as Sysco is right now, so I would expect to see something even better for FY24.

### ***Recommendations:***

To go even further, Sysco's hunger focused philanthropy could benefit by considering several recommendations. The corporation could expand its efforts by creating educational programs that teach about sustainable food practices, nutrition, and food waste mitigation, due to their large scale influence. Increasing engagement with stakeholders, like suppliers, customers, and communities can help Sysco gather feedback from different perspectives and create a collaborative approach to sustainability. They could improve reporting by providing more periodic updates on progress towards SDG targets and promoting them through social media, while also investing in technology for preservation and waste reduction (OpenAI, 2024a). I would also add that forming partnerships with international organizations focused on hunger and sustainability could further intensify Sysco's impact. By implementing these recommendations, Sysco can promote its commitment to the SDGs and further its impact on communities and the environment.

### **Conclusion:**

Sysco's FY23 sustainability report showcases the company's genuine efforts made with integration of the Zero Hunger Sustainable Development Goal. Their initiatives reflect a unique approach to addressing food insecurity that will help communities around the globe. Sysco's proactive approach is proven through their consideration of local communities, focus on food waste reduction, and the creation of a cross-functional team dedicated to management of sustainable practices. To further enhance their impact, Sysco could consider implementing a few recommendations to make a more positive impact on communities and the environment. I think that the SDG's are an important topic to focus on due to the state of our environment and the climate crisis that is prevalent in society today. Corporations have the largest influence on sustainability by far, due to their influence over consumers and their manufacturing processes, so it is important to be a leader in this realm

## **Part Three: Developing a Comprehensive Sustainability Strategy**

### **Introduction:**

A comprehensive sustainability strategy is vital for companies because it ensures long term sustainability and resilience in a world that is constantly subject to change. Integrating factors like sustainability can help with a company's competitive advantage by reducing costs

throughout time while capitalizing on resource use, enhancing the reputation of the company, and meeting the expectations of consumers. A strong sustainability strategy can catapult innovation, leaving room for new opportunities within the industry, and eliminating risks associated with environmental and social challenges. Ultimately, it helps companies to have a positive impact on the world in which they are serving.

### **Current State Analysis:**

Sysco Corporation demonstrates a strong commitment to sustainability through a multitude of environmental, social, and governance initiatives. They have made many strides in reducing their carbon footprint with their introduction of electric vehicles and efforts to manage Scopes 1, 2, and 3 emissions. Their social responsibility initiatives are highlighted through the many donations to hunger relief and employee engagement within the realm of volunteering. Sysco's transparency is obvious in their detailed sustainability reports. However, continuous improvement in managing Scope 3 emissions and waste management practices will remain a prominent issue for their future success.

### **Strategic Goals and Objectives:**

Sysco Corporation aims to reduce transportation emissions by 27.5% by 2030, or 4.5% each year starting in FY24, through the use of electric vehicles, increasing sources of renewable energy use across the entire company, and promoting diversity and inclusion through DEI initiatives. Other goals regarding food donations and volunteer hours are centered around hunger aligned with SDG number 2. To achieve these goals, Sysco will implement energy-efficient technologies like solar farms and EVs, expand recycling programs with the help of a third party partner, dispose of materials in a sustainable manner, and invest in renewable energy. From a social standpoint, they plan to engage in development projects within the community, implement employee volunteer programs, and support other initiatives. These strategies align with their business objectives and the Sustainable Development Goals (SDGs), making sure a balanced focus on both environmental and social responsibilities remain a priority.

### **Action Plan/ Implementation:**

Implementation will start in FY24, requiring a multitude of financial investments, human resources, and technological developments. Key departments include Sustainability, Operations, HR, Supply Chain, and Community Partners. Monitoring will involve regular progress reports and periodic adjustments as needed throughout the year. Using metrics such as carbon emission reduction, increase in renewable energy use, number of community projects initiated, employee satisfaction and diversity, and compiling into software to track changes like Excel. Stakeholder engagement will involve transparent communication throughout the company, collaboration with nonprofits, social organizations and agencies, and feedback systems (OpenAI 2024b).

**Conclusion:**

Sysco has set some aggressive goals for itself that are still extremely attainable. Their plan and strategy to attack these new innovations within their company are extremely admirable, but need a thorough plan in order to ensure the goals are accomplished. To increase renewable energy use, enhance community relations, and promote diversity and inclusion, they will need to set up software and tracking measures to see how their company is evolving. They will implement energy-efficient technologies, expand recycling programs, and invest in renewable energy. Socially, they will engage in community projects, implement employee volunteer programs. These initiatives will enhance Sysco's reputation, drive innovation, and contribute to global sustainability efforts, positioning the company as a leader in sustainable business practices.

## Works Cited

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