GC3 Green Chemistry & Commerce Council
Innovators Roundtable
April 26-28, 2010
SYSCO’S Heritage

- Founded in 1969 by John Baugh in Houston, Texas
- Vision to become the first “broadline” distributor.
- SYSCO → Systems and Services Company.
SYSCO Public Offering

March 3, 1970

- 8 states
- 24 locations
- 10,000 products
- 240 sales reps
- $115 mm sales
Sysco Quick Facts

- North America’s #1 foodservice marketer & distributor
- FY 2008 sales of over $37 billion
- Serve $200+ billion foodservice & hospitality market
Sysco Quick Facts

- Broad reach - 400,000 customers
- Depth of product selection - more than 360,000 products, including approx. 38,000 SYSCO Brand products
Sysco Quick Facts

- Largest private truck fleet in North America – 9,000 trucks
- Approx. 50,000 employees
- Deliver over 1.2 billion cases of food and related products every year
Craig Watson
Vice President
Agricultural Sustainability
GC3 Green Chemistry & Commerce Council

Innovators Roundtable

April 26-28, 2010
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
Agricultural Sustainability Initiatives

• Integrated Pest Management
• Life Cycle Assessment (LCA)
• 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
• **Henry A. Wallace Center Project**

• **Division of Winrock International**

• *Increase customer interest in local foods – products with a food story*

• *Produce procurement from small family farms – what happened to small rural America*

• *Test markets: Kansas City, Grand Rapids, Chicago*

• *Best Business Practice development – GAP Amish Farmers*

• *Supply Chain Assessment – availability of product i.e. local products used season vs. availability – compatible varieties. Season extensions methods.*

• *Aggregation key to success - 10-40 farmers/aggregation*
• **Additional Sustainable Initiatives**
  
• **Social Audit Program**

• **Animal Welfare**

• **Initiatives Under Development**
  
  • **Seafood Sustainability (WWF)**
    
    • Assessment of Current Purchases
    
    • Establishment of Future Strategy
    
    • Fishery Improvement Initiative

  • **International Small Holder Projects**
    
    • Oxfam/Guatemala
    
    • USAID/Dominican Republic

• **Future Considerations**
  
  • **Watershed Quality Assessment**
  
  • **Packaging Requirements**
  
  • **Green Restaurant Standards**