

# Media Statement

For more information contact:

Media Contact  
Shannon Mutschler  
[Mutschler.Shannon@sysco.com](mailto:Mutschler.Shannon@sysco.com)  
281-584-4059



## Sysco Discontinuing Business Relationship with Chishan Group

**HOUSTON, December 15, 2023** – Sysco has stopped purchasing product from and has severed its U.S. Broadline operation’s direct business relationship with, Shandong Haidu, a Chishan Group Chinese seafood processor, following a months-long investigation into allegations of forced labor and other human rights abuses that violate Sysco’s values and Supplier Code of Conduct.

Sysco has zero tolerance for forced labor and child labor and will continue to hold all its suppliers to the highest standards of labor and human rights. We believe all people deserve to work in a safe environment with fair treatment and equal opportunities to succeed. We expect our suppliers to uphold the rights of every individual they work with, as outlined in the United Nations Declaration of Human Rights and Sysco’s Supplier Code of Conduct.

Sysco is conducting an investigation to ensure there are no other ties to Chishan Group throughout our global business.

None of the seafood processors named in the Ocean Outlaw report have a contract with Sysco to supply Sysco’s Portico brand. Investigations into the supply chain are ongoing and Sysco will take all necessary actions based on the findings.

Sysco has demonstrated a longstanding commitment to improving safety and human rights practices throughout the food supply chain to reduce the risk of human rights violations. For more than 10 years, Sysco has implemented an industry-leading program for identifying potential risks related to child and forced labor, wages, working hours, discrimination, worker safety, and living conditions. This program is followed for all Sysco-branded suppliers operating in high-risk countries, including China, and includes:

- Requiring suppliers in high-risk countries to undergo a third-party Social Responsibility Audit conducted by an auditing firm that specializes in such audits.
- Employing dedicated Sysco sourcing and quality assurance resources to administer the program as well as dedicated staff in overseas offices to conduct facility inspections on a routine or unannounced basis.

Suppliers can face serious consequences if an audit finds critical issues including suspension/canceling the right to pack Sysco-branded products. In high-risk areas around the world, such routine audits combined with a dedicated team responsible for ensuring implementation of corrective actions, has minimized human rights risks and improved working conditions in facilities that act as Sysco brand suppliers.

Due to the extraordinarily complex nature of the seafood supply chain, Sysco is continuing to:

- Conduct investigations into whether any non-Sysco brand supplier has ties to the Chishan Group. If additional relationships are identified within the organization we will immediately take steps to end those relationships as well.
- Confirming that all Sysco businesses globally sever any existing business relationship with the Chishan Group.
- Investigating whether any products that may be tied to Chishan Group were supplied to government entities.

Sysco has an industry-leading Corporate Social Responsibility program that helps identify labor and human rights violations within the supply chain. We will continue to use this program to identify bad actors and sever business relationships with those that fail to uphold our values or Supplier Code of Conduct.

### **About Sysco**

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. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. With more than 72,000 colleagues, the company operates 334 distribution facilities worldwide and serves approximately 725,000 customer locations. For fiscal year 2023 that ended July 1, 2023, the company generated sales of more than \$76 billion. Information about our Sustainability program, including Sysco's 2022 Sustainability Report and 2022 Diversity, Equity & Inclusion Report, can be found at [www.sysco.com](http://www.sysco.com).

For more information, visit [www.sysco.com](http://www.sysco.com) or connect with Sysco on Facebook at [www.facebook.com/SyscoFoods](https://www.facebook.com/SyscoFoods). For important news and information regarding Sysco, visit the Investor Relations section of the company's Internet home page at [investors.sysco.com](http://investors.sysco.com), which Sysco plans to use as a primary channel for publishing key information to its investors, some of which may contain material and previously non-public information. In addition, investors should continue to review our news releases and filings with the SEC. It is possible that the information we disclose through any of these channels of distribution could be deemed to be material information.

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