



2019
**CORPORATE SOCIAL
RESPONSIBILITY REPORT**

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3 A LETTER FROM OUR CEO

Dear Stakeholders:

As we release this report, the world continues to grapple with the profound impacts of the coronavirus (COVID-19). As a company, our response to the pandemic has been guided by a commitment to keeping our associates safe and doing our part to help our customers and communities in these trying times.

It's this same dedication to making a positive difference that is the foundation of our Corporate Social Responsibility (CSR) efforts. Through our three CSR pillars - People, Planet and Products - we aim to maximize our impact and contribute to the greater good.

In this publication, which is our first full CSR Report, you will find an update on our efforts around each of these areas, including some of the progress highlights below.

PEOPLE

Strengthening our workplace by growing our training and development programs; bolstering our safety mindset and expanding our diversity and inclusion efforts; supporting our communities through the expansion of the US Foods® Scholars program.

PLANET

Reducing energy intensity by optimizing our building operations and investing in renewable energy; increasing the efficiency of our fleet by improving routing and testing technology like compressed natural gas (CNG) vehicles.

PRODUCTS

Expanding our Serve Good® portfolio of items which are responsibly sourced or contribute to waste reduction; continuing to make progress on our Palm Oil and Responsibly Sourced Seafood Policy commitments.

We are proud of this progress, and the hard work these milestones represent. At the same time, we know there is more work to do and we're energized by the opportunities ahead.

Thank you for taking the time to learn about our CSR journey. As you read this report, I hope you'll sense the commitment and pride of our 28,000 associates. It is their passion and hard work that allow us to make a positive difference every day for our customers, communities and colleagues.



Pietro Satriano
Chairman and Chief Executive Officer



ABOUT THIS REPORT

This report provides an overview of US Foods' CSR commitments, activities and progress in 2019. The data in it covers our broadline locations, which represent the vast majority of our operations. Unless otherwise noted, the information provided does not include the Food Group of Companies, which US Foods acquired in September 2019.

For more information about our CSR efforts, please contact us at communications@usfoods.com



4 ABOUT US FOODS®

US Foods (NYSE: USFD) is one of America's great food companies and a leading foodservice distributor, serving restaurants as well as healthcare, hospitality, governmental and educational institutions. Through a broad and innovative food offering and a comprehensive suite of e-commerce, technology and business solutions, we help chefs, restaurants and foodservice operators succeed. Our success is powered by our talented US Foods associates who come to work every day with one goal in mind: to help our customers make it.

OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a leading food distributor, we understand we have an opportunity to positively impact our customers, their diners, our associates and the communities where we live and work. Our CSR disclosures are informed by reporting frameworks and recommendations of organizations such as the Sustainability Accounting Standards Board, the Global Reporting Initiative and the Task Force on Climate-Related Financial Disclosures. We report environmental data through the **Carbon Disclosure Project** (CDP), and respond to numerous investor, customer, vendor and third-party disclosure requests.

Our CSR platform is organized around our commitment to caring for people, protecting the environment and providing sustainably sourced products. In this report, we're pleased to share progress highlights for each of our key focus areas: People, Planet and Products. Information regarding our efforts, initiatives and accomplishments can also be found at usfoods.com/csr

GOVERNING CSR AT US FOODS

US Foods' CSR efforts are managed by a cross-functional CSR Working Group, led by our Executive Vice President, General Counsel and Chief Compliance Officer. The Working Group includes leaders and subject matter experts from areas such as Supply Chain, Real Estate, Merchandising, Human Resources and Communications.

Periodic updates on the company's CSR initiatives and accomplishments are provided to the Nominating and Corporate Governance Committee of our Board of Directors, which oversees the progress of these efforts.

US FOODS AT A GLANCE*

150+ years in business

300,000 customers

400,000 products

6,000 suppliers

28,000 associates, including

4,000 sales associates

70+ distribution facilities

7,000 trucks

**Figures include the Food Group of Companies, which US Foods acquired in September 2019.*



PEOPLE

At US Foods®, we strive to make a positive difference in the lives of our associates and in the communities we serve. This means working to create an inclusive and dynamic workplace where our associates can grow and thrive. It also includes our commitment to philanthropy and volunteerism activities that help strengthen our local communities.



OUR WORKPLACE

OUR CULTURAL BELIEFS

Our Cultural Beliefs are the cornerstone of our culture. These four beliefs guide how we work together each day to deliver on our promise to our customers.

SECOND TO NONE

We challenge the status quo every day to be the best.

TEAM UP

We engage the right people, in the right way, at the right time.

TALK STRAIGHT

We seek the truth and exchange objective feedback.

WALK THE TALK

We take accountability to deliver on our commitments.

TRAINING AND DEVELOPMENT

Through training, mentoring and on-the-job development, we help our associates learn and grow. We have development programming dedicated to supporting associates at all levels of our organization.

Our signature development programs include *Gateway to Leadership* for new people managers and *Aspire to Lead* and *Aspire to Grow* for high-potential leaders. These programs are designed to strengthen leadership capabilities and provide networking opportunities with other leaders across the organization.

In addition, we provide training and development programs such as:

- *Sales Readiness:* Provides new selling associates with tools, resources and peer networking to help them succeed
- *Selector Onboarding:* Prepares warehouse selectors to be successful through training on safety, accuracy and performance standards
- *Leadership Foundations:* Helps Sales Managers and Supply Chain Supervisors and Managers effectively lead and grow their teams
- *E-Cademy:* Provides associates with online learning resources to develop a variety of skills that align with the US Foods® business strategy and Cultural Beliefs

620+
ASSOCIATES
PARTICIPATED IN ONE OF
OUR SIGNATURE TRAINING
PROGRAMS IN 2019

ASSOCIATE ENGAGEMENT SURVEYS

Through our associate engagement survey and pulse survey program, we invite our associates to provide important feedback that allows us to guide positive changes across our company. These surveys, along with regular associate roundtables, help us continually improve how we demonstrate our Cultural Beliefs and other focus areas such as safety, manager effectiveness and customer service.

75%
OF OUR ASSOCIATES
PARTICIPATED IN THE
2019 ASSOCIATE
ENGAGEMENT SURVEY



OUR WORKPLACE

ASSOCIATE BENEFITS

We are committed to compensation and benefits that respect and reward our associates for their dedication and hard work. Our health and wellness benefits are designed to provide flexible options to fit every stage of an associate's career.

80%+ US FOODS® ASSOCIATES ENROLLED IN BENEFITS PROGRAMMING

Our comprehensive benefits program includes a variety of medical and dental plans, plus voluntary benefits like vision or critical illness protection. We provide associates with tools and resources to help them make informed healthcare decisions. In addition, we are proud to offer innovative, no-cost wellness programs focused on helping associates with challenges such as diabetes management, weight loss and reducing knee, back or hip pain.

As part of our commitment to associates and their families, we also provide paid time off programs, an employee assistance program, an employee stock purchase plan and tuition reimbursement. In 2020, the company introduced a new parental leave policy, which provides all eligible associates, regardless of gender, two weeks of paid parental leave when welcoming a new child.

"I went to see my HR rep just to say, 'I need you to know that the partnership with Virta and US Foods has been life-changing for me.' It's given me back a quality of life that I never thought I would be able to enjoy again."



Kevin started working at US Foods as a pricing analyst seven years ago – just one year before he was diagnosed with type 2 diabetes. As afraid as he was for his health, the cost of his care was weighing even more heavily on his mind. So when he heard about Virta through the company, one phrase stuck out to him: reverse diabetes. Hearing that diabetes reversal was possible gave him a new way to invest in himself – and to ease some of his family's fears.

"I've been on Virta now for about six months, but I was off insulin in just four days. After seven days, I was able to stop taking glipizide. I was 330 pounds when I started Virta. Now I'm under 280, and I couldn't be happier to say that being under 250 pounds is a real goal for me for this year."

Beyond the numbers, the changes he's made through Virta have had an immediate impact on his daily life. He now has more energy and focus.

[Listen to Kevin's story here.](#)



OUR WORKPLACE

100%
OF ASSOCIATES
PROVIDED WITH ANNUAL
CODE OF CONDUCT TRAINING

ETHICS AND COMPLIANCE

At US Foods®, we are committed to working with integrity as we engage with each other and our partners. The cornerstone of this commitment is our [Code of Conduct](#), a public affirmation that we are committed to doing the right thing. The Code is grounded in our Cultural Beliefs and the understanding that each of us plays an important role in operating with honesty and integrity.

This Code of Conduct sets out expectations for how we work with each other and with customers, suppliers, communities and government officials. It also reinforces the importance of ethical decision-making, speaking up through the US Foods Check-In Line and our commitment to a respectful and inclusive workplace.

Most recently, our ethics and compliance programs, including our associate training programs, have been focused on reinforcing our commitment to diversity and inclusion and building a respectful workplace. For example, our annual Code of Conduct training includes a specific module on anti-harassment and respect in the workplace. In addition, more than 2,800 of our associates, including our executive and senior leadership teams and sales managers, have participated in a live, interactive respectful workplace training workshop.

We also have formal policies in place that reinforce our commitment to a strong ethics and compliance program. The policies provide guidance and resources that address appropriate conduct in the workplace. They are regularly reviewed and updated as appropriate and include topics such as:

- [Anti-Corruption Policy](#)
- [Conflicts of Interest Policy](#)
- [Equal Employment and Affirmative Action Policy](#)
- [Prohibition Against Discrimination, Harassment and Retaliation Policy](#)
- [Responsible Sourcing Policy and Supplier Code](#)

More details about all our policies can be found on the [Code of Conduct](#) section of the US Foods website.



EMBRACING DIVERSITY AND INCLUSION

OUR COMMITMENT

At US Foods® we believe that success and innovation are only achieved when all voices and perspectives are valued. One way we do this is by building a diverse and inclusive workforce in which we hire the best talent that reflects the customers and communities we serve. We foster an environment that is welcoming, respectful and engaging for all, with opportunities for everyone to reach their full potential.

Our commitment to diversity and inclusion is grounded in three areas of focus and we are proud of the progress we have made in each of these areas in 2019.

CREATE A MORE INCLUSIVE WORK ENVIRONMENT

where everyone feels safe, valued and that their voice matters.

2019 progress highlights:

- 2,800+ associates participated in interactive *Respectful Workplace Training* designed to promote respectful communication and foster an inclusive environment
- 800+ associates engaged through eight Employee Resource Groups (ERGs) designed to promote inclusion and support diverse associates
- Introduced *Inclusive Leadership Training* to US Foods senior leaders

INCREASE DIVERSITY OF WORKFORCE AND LEADERS

by investing in programs to build the diversity of our leadership pipeline and accelerate development of diverse associates.

2019 progress highlights:

- Participated in Women's Foodservice Forum
- Signed The Chicago Network's Equity Pledge, committing to identify, invest in and evaluate progress on advancing gender equity in the workplace
- Achieved diversity goals for our *Aspire to Lead* program, for high-potential leaders
- Partnered each executive team member with a high-potential, diverse mentee as part of our *Learning Partners Program* for two-way learning

SUPPORT DIVERSE COMMUNITIES AND BUSINESSES

2019 progress highlights:

- Expanded our US Foods Scholars program, providing scholarships to underserved students - 90% diverse
- Continued investment in hunger relief efforts benefitting Black and Brown communities disproportionately impacted by hunger
- Increased support of supplier diversity initiatives designed to source our products from a competitive, diverse supplier base reflective of the customers and communities we serve



\$360M+

SPENT IN 2019 WITH CERTIFIED WOMAN- OR MINORITY-OWNED BUSINESSES*

~440

CERTIFIED WOMAN- OR MINORITY-OWNED SUPPLIER PARTNERSHIPS IN 2019*

*Diversity figures include trade and indirect spend with Tier 1 suppliers.



EMBRACING DIVERSITY AND INCLUSION

EMPLOYEE RESOURCE GROUPS

In 2018, we began the rollout of company-sponsored Employee Resource Groups (ERGs) to strengthen networking among colleagues, further personal and professional development and promote diversity and inclusion. Ongoing listening sessions with ERGs and our Executive Leadership Team allow for open dialogue and the identification of new opportunities to bolster our diversity and inclusion strategy roadmap. Today, more than 800 associates are engaged in eight ERGs across select markets, with plans for future expansion.

They include:

- Black Resource Utilization Hub
- Collective Asian Network
- Hispanic and Latino ERG
- LINK-UP - Linking Information, Networks and Knowledge
- Pride Alliance
- Those Who Serve - Military ERG
- Women in Network
- Young Professionals ERG



Members of the Hispanic and Latino ERG based in Rosemont, IL commemorated 2019 Hispanic Heritage Month with a campus-wide celebration that featured cuisine and music from Hispanic and Latino countries and highlighted the work of Latino-owned restaurant customers of US Foods®. Throughout the year, the ERG focused on educational events and helping US Foods connect with the growing Hispanic and Latino customer segment.



EMBRACING DIVERSITY AND INCLUSION

US FOODS® ASSOCIATE RECOGNIZED WITH CHANGE MAKERS AWARD



Angie Coderre, US Foods Senior Manager of Business Analytics, was honored in 2019 with a *Change Makers* award by WFF as part of its 30th anniversary celebration. WFF's *Change Makers* award honors women who are rising stars in the industry, already driving strong business results and exemplifying inclusive leadership.

Angie has been with US Foods since 2013, and her commitment to driving continuous improvement and fostering collaborative relationships with business partners has been unwavering. She also led the launch of US Foods Pride Alliance Employee Resource Group, helping to bring the company's diversity and inclusion strategy to life.

WOMEN'S FOODSERVICE FORUM (WFF)

WFF provides the research, insights and best practices to help food companies address the pressing need for talent and increased business performance by realizing the full potential of female leaders. It helps organizations throughout the food industry identify levers to drive change and create work environments where women thrive.

We are a regular sponsor of the WFF Leadership Conference, contributing annually to the success of this initiative.

700+

US FOODS WOMEN HAVE PARTICIPATED IN WFF SINCE 2010



ASSOCIATE SAFETY

At US Foods®, we are committed to ensuring that our associates, customers, business partners and the members of the public with whom we interact every day are provided with a safe and hazard-free environment. In 2019, we launched our *Get Home Safe* campaign, committed to driving an enhanced safety culture and deepening associate engagement. The campaign, which is a touchstone for meaningful conversations about safety, outlines actions aimed at reducing risks and improving safety routines.

IN OUR FACILITIES

As part of our holistic approach to safety, we invest in people and resources that strengthen our culture of safety. In 2019, we introduced a new safety staffing model, hiring additional safety professionals focused on improving safety engagement and performance throughout our field operations. This new staffing model supports our long-term safety strategy, and we will continue to build our professional safety team as we move forward.

In our facilities, we rely upon culture-based initiatives, leveraging a Continuous Improvement mindset to form Safety Performance Teams. These teams, comprised of warehouse and transportation leaders and associates, help identify safety solutions, execute safety routines and manage metrics to gauge improvement over time.

GET HOME SAFE

“FROM TOP TO BOTTOM,
WE ALL WANT TO BE
SAFE. WE’RE ALL HERE
TO PROVIDE FOR OUR
FAMILIES. YOU CAN’T DO
THAT IF YOU’RE INJURED
OR ON THE SIDELINES”

- CIERRA BARNETTE
SELECTOR AND TRAINER

US FOODS | SAFETY



ASSOCIATE SAFETY

IN OUR FLEET

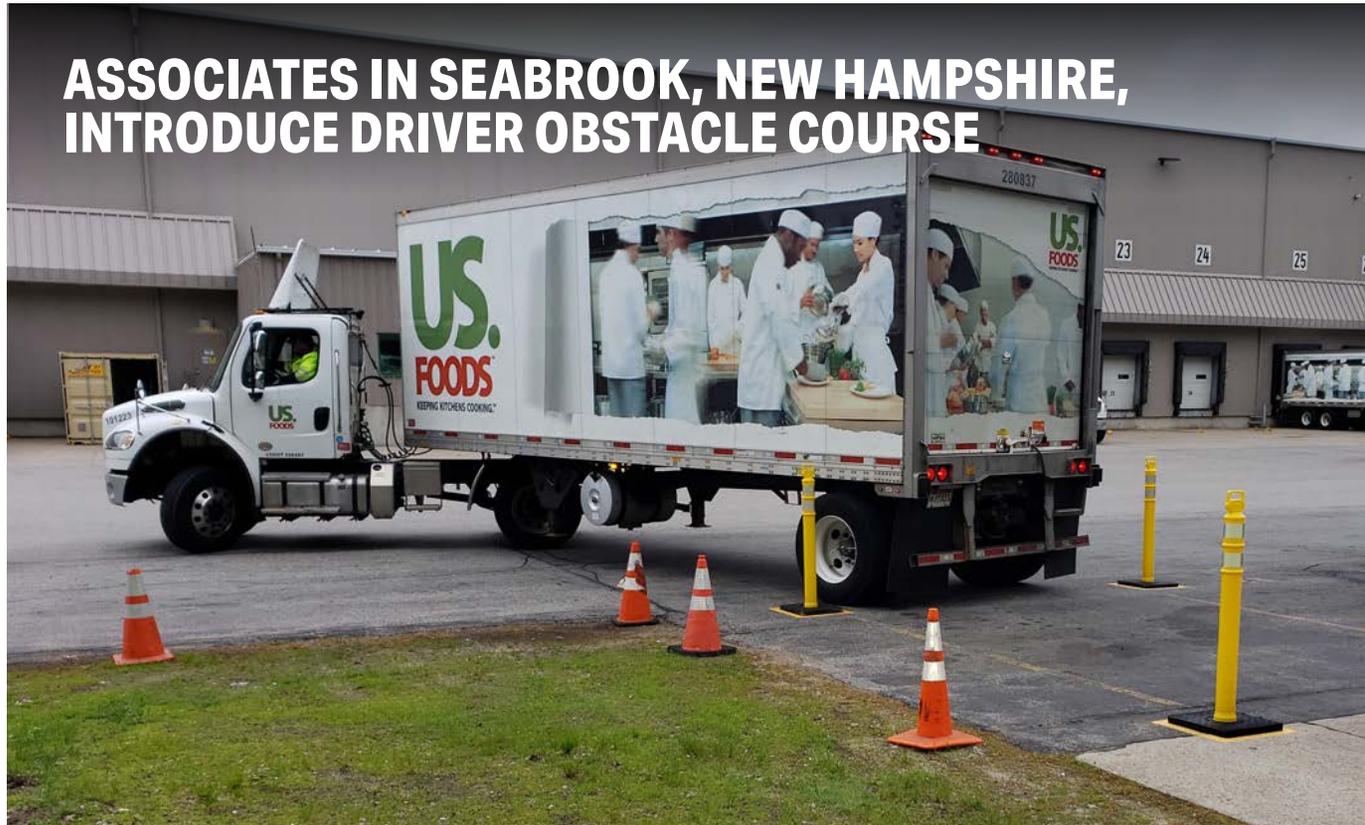
We employ rigorous practices and technology to increase the safety of the more than 7,200 drivers who operate our fleet. We partner with SambaSafety® to continuously monitor our drivers' motor vehicle records. On the road, we employ the Lytx® DriveCam® safety program in all of our vehicles to identify safe and coachable driving behaviors.

In 2019, US Foods® began a multi-year upgrade to our DriveCam system, transitioning to Lytx ActiveVision®. ActiveVision uses a multi-camera, video-event capture function to alert drivers to driving patterns consistent with distracted or drowsy driving. In addition, new trucks are now equipped with The Detroit Assurance® 5.0 suite of safety systems. This technology enhances safety through Active Brake Assist and Adaptive Cruise Control. These features activate warning or braking action when necessary and adjust cruising speed to ensure a continuous, safe following distance to other vehicles and objects in a vehicle's path.

TRUCK DRIVER HALL OF FAME

In 2019, eight US Foods drivers were named to the International Foodservice Distribution Association (IFDA) Truck Driver Hall of Fame. Hall of Fame inductees are honored for their exceptional safety records and longevity of service, including 25 years or more without an accident.

ASSOCIATES IN SEABROOK, NEW HAMPSHIRE, INTRODUCE DRIVER OBSTACLE COURSE



By leveraging Continuous Improvement (CI) principles, US Foods associates address safety needs with greater efficiency and share best practices across the network. At the Seabrook distribution center, several leaders and associates spearheaded the development of a driver skills course. Any driver can use the course, but it's specifically intended for use by new hires and drivers who have been in accidents or incidents.

Trainers accompany the drivers while they're on the course, giving real-time coaching and feedback and allowing drivers to hone their professional skills in a controlled environment. Approximately 90 drivers have been trained on the course since it was implemented in June 2019. The Seabrook team credits the course with helping to reduce their accident frequency rate (AFR) and further developing a strong, associate-led safety culture built on CI principles.



HELPING OUR COMMUNITIES

OUR EFFORTS

We are privileged to be able to give back to the communities in which we live and work - empowering people with nourishment and opportunity. As a national foodservice distributor, we strive to make a meaningful difference by donating our time and resources. Our philanthropy and associate volunteerism efforts focus on hunger relief and culinary education for underserved students.

DONATING AND VOLUNTEERING

According to Feeding America®, more than 40 million Americans struggle with hunger. That's why, as a Feeding America Leadership Partner, US Foods® supports food banks and other related nonprofits through product and financial contributions. Since 2007, US Foods has donated more than 120 million pounds of food, and our associates generously volunteer their time at food banks and other organizations.

In September 2019, hundreds of US Foods associates participated in our third annual Feeding America Hunger Action Month campaign, packing and sorting more than 115,000 meals at local food banks and donating thousands of food items to fight hunger in their communities.



In May 2019, more than 330 associates in our Rosemont, Illinois, and Tempe, Arizona, offices participated in our second annual "Spring into Service" initiative. During the week-long effort, associates volunteered with 11 different local nonprofit partners primarily focused on eliminating hunger within their communities.

BY THE NUMBERS SINCE 2018

24M+
TOTAL POUNDS OF FOOD DONATED

(The equivalent of 20M+ hunger relief meals or approximately 800 truckloads of product)

55+
FOOD BANKS SUPPORTED

1,500+
VOLUNTEER HOURS COMPLETED BY CORPORATE ASSOCIATES



HELPING OUR COMMUNITIES

2019 HUNGER ACTION MONTH

In September 2019, during the annual Hunger Action Month campaign led by Feeding America®, US Foods® teams across the country came together to fight hunger in their communities through group volunteer outings, food drives and fundraisers. Our associates completed 873 volunteer hours and donated 2,326 food items to more than 20 local hunger-fighting organizations nationwide. Throughout the month, they packaged and sorted an estimated 139,000 pounds of food on behalf of Feeding America food banks.



67K+

LBS. OF FOOD PROCESSED
BY ASSOCIATES IN
TEMPE, ARIZONA



25K+

HUNGER RELIEF MEALS
PACKAGED BY ASSOCIATES IN
ROSEMONT, ILLINOIS



200+

ASSOCIATES PARTICIPATED
IN CHICAGO'S LARGEST
ANTI-HUNGER RALLY



HELPING OUR COMMUNITIES

US FOODS® SCHOLARS PROGRAM

Launched in 2017, our [US Foods Scholars program](#) addresses two pressing needs: providing economic opportunity to underserved students and helping to tackle the talent shortage facing the foodservice industry. By supporting the next generation of culinary talent, we aim to set both our customers and our scholars up for success in the industry.

The program provides individual awards of up to \$20,000 in financial support and professional development to outstanding students seeking to achieve their dreams in the culinary arts. We work with the [Careers Through Culinary Arts Program](#) and the [American Culinary Federation](#) to identify deserving students in Arizona, Atlanta, Austin, Chicago, Denver, New York City and Raleigh. Since 2017, we have welcomed 30 scholars to the program, offering more than \$600,000 in scholarship funding.

I cannot wait to see the proud faces of my family and friends, as I will be the first person in my family to receive a college degree.

Stevani Flahaut,
US Foods Scholar



MEET STEVANI

Stevani Flahaut started to experiment in the kitchen when she was only 10 years old. Raised by a single mother who prepared simple meals and boxed dinners, she was inspired to create new dishes. She eventually took on the role of making dinner for her family every night, and since then, her passion for cooking has only grown.

Currently a culinary science student at Austin Community College in Austin, Texas, she was named a US Foods Scholar in the spring of 2019. When she received the scholarship, she said, "I

am grateful to be able to pursue a career in what I love; to do the most without the financial burden of loans. I can take a deep breath and enjoy going to school! I cannot wait to see the proud faces of my family and friends, as I will be the first person in my family to receive a college degree."

Stevani expects to earn her degree in December 2021, and she plans to run her own business and provide personal chef services to the Austin community. She is continuing to hone her own unique cooking style and philosophy, and is proud to be a chef who puts her pride and soul into every dish she creates.



PLANET

US Foods® applies a continuous improvement mindset to our sustainability efforts, consistently identifying opportunities across the business to reduce energy use and improve fleet efficiency. By optimizing our building operations, investing in renewable energy and building facilities to Leadership in Energy and Environmental Design (LEED) standards, we're reducing the energy intensity of our facilities. By improving our routing to reduce miles driven and testing new technology like compressed natural gas (CNG) vehicles, we're increasing the efficiency of our fleet.



IN OUR FACILITIES

ENERGY INTENSITY REDUCTION INITIATIVES

Our distribution centers require significant amounts of energy to store, refrigerate and manage our vast portfolio of products. We work diligently to reduce the energy intensity of our business (measured in kilowatt hours per case shipped) and have achieved more than a 12% improvement in our broadline business since 2015.

US Foods® currently operates three Leadership in Energy and Environmental Design (LEED) Silver-certified facilities, with two additional locations in progress in Marrero, Louisiana, and Sacramento, California. LEED-certified buildings have been shown to lower environmental impact and operating costs, while providing a healthier working environment for associates.

1M+
SQUARE FEET
OF LEED-CERTIFIED
BUILDINGS

PARTNERSHIP TO IMPROVE ENERGY EFFICIENCY

US Foods began partnering with Cascade Energy (CE) in 2015 to track electricity usage in our facilities through real-time monitoring. This information is used to create predictive facility-level energy models and assess energy performance and savings. As a result, our teams are able to better understand our cold storage energy usage based on anticipated conditions.

Through this initiative, field teams receive CE energy efficiency training and participate in facility tune-ups, which provide opportunities to

optimize refrigeration systems and operations, and identify energy efficiency projects for the future. These efforts have driven a cumulative energy savings of 133,197,604 kWh in our broadline business since 2015. That's the equivalent of:

- Removing 12,881 passenger cars from the road for one year
- Planting 1,003,210 new trees
- Saving 5,959,835 gallons of diesel fuel

REFRIGERATION

Over the last two years, US Foods has invested in the phasing out of r22 freon-based refrigeration systems in key facilities in favor of lower-emission alternatives. In these facilities, r22 has been replaced with a new non-ozone depleting refrigerant, and existing equipment has been retrofitted with alternative refrigeration, such as ammonia or refrigerants with lower global warming potential.



IN OUR FACILITIES

TURNING TO RENEWABLE ENERGY

Renewable energy, including solar power, plays an important role in increasing energy efficiency and reducing greenhouse gas emissions. We operate six facilities with solar array installations - in Albuquerque, New Mexico; La Mirada, California; Livermore, California; North Kingstown, Rhode Island; Perth Amboy, New Jersey; and Phoenix, Arizona. Construction is currently underway on a new distribution center outside of Sacramento, California, which is expected to open at the end of 2020. This facility is designed to meet rigorous LEED Silver certification requirements, and the company also plans to install solar arrays at this location.

Each year, 13 million kilowatt hours (kWh) of electricity are generated from six US Foods® solar installations, which includes a 8.4-megawatt solar installation in Perth Amboy, New Jersey - one of the largest in the state. Electricity generated through these installations is equivalent to:

- The amount of carbon sequestered by 11,939 acres of U.S. forests in one year
- The greenhouse gas emissions avoided by 3,110 tons of waste recycled instead of landfilled
- CO₂ emissions from 1,055 homes' energy use for one year



13M KILOWATT HOURS (KWH)
OF ELECTRICITY ARE
GENERATED ANNUALLY FROM OUR
SOLAR INSTALLATIONS



IN OUR FLEET

Delivering products by truck is core to our business. We continually work to improve transportation efficiency and reduce the environmental footprint of our fleet.

OPTIMIZED ROUTING

We're optimizing our routing to reduce miles driven and rightsizing our vehicles by route type to improve transportation efficiency. This work includes the implementation of technology that equips our drivers with real-time traffic data and the increased integration of backhauls into our routing. These efforts, in addition to our other efficiency measures, have helped us reduce gallons of fuel used annually and reduced Scope 1 and Scope 2 emissions.

VEHICLE ENHANCEMENTS

US Foods® is recognized as a SmartWay partner by the U.S. Environmental Protection Agency's SmartWay Transport program. The installation of SmartWay-verified tires and tire inflation systems, the adoption of extended oil drain schedules to reduce oil use and waste, and the utilization of lighter-weight oil to improve fuel economy all contribute to improved freight transportation efficiency.

As we continue to update and add to our fleet, we have selected new vehicle models that feature an aerodynamic design for better fuel efficiency, and engines that run at a lower RPM to

reduce emissions. In addition, the new vehicles include state-of-the-art diagnostics that connect to the engine and monitor performance in real time, as well as onboard computer monitoring systems that are used to report fuel economy and idle time. These data are used to drive continuous improvement and higher efficiency.

As fleet technology continues to evolve, we have integrated new alternative-fuel, compressed natural gas (CNG) vehicles into our fleet. We currently have 55 CNG vehicles across Texas and Oklahoma. These vehicles help reduce truck emissions and overall fuel costs.

11.2%
REDUCTION SINCE 2015 IN GALLONS
OF FUEL USED PER CASE DELIVERED*

15.1%
REDUCTION IN SCOPE 1 AND SCOPE 2
EMISSIONS INTENSITY SINCE 2015**

~10M
FEWER MILES DRIVEN IN 2019
THAN IN 2017



*Broadline business only.

**Emissions intensity measured as pounds of CO2e per case delivered.



IN OUR FLEET

EMBRACING ALTERNATIVE FUEL

Our 55 compressed natural gas (CNG) vehicles are conveniently serviced out of an American Natural Gas CNG fueling station, located adjacent to the US Foods® distribution center in Buda, Texas. US Foods is its anchor fleet, and the station is supplied by Texas-produced natural gas. According to a study done for the California Energy Commission, CNG trucks emit 22-29% fewer greenhouse gas emissions than comparable gas or diesel fuel vehicles.

CNG TRUCKS EMIT
21-29%
FEWER GREENHOUSE GAS
EMISSIONS THAN COMPARABLE
GAS OR DIESEL FUEL VEHICLES

"We're committed to continually improving the efficiency of our fleet," said Gautam Grover, Senior Vice President of Operations Excellence. "These vehicles allow us to reduce emissions during our daily deliveries to our customers, while also reducing our fuel costs."



PRODUCTS

US Foods® has a network of programs and policies in place to support our commitment to providing a portfolio of responsibly sourced and sustainable products. Our customers want authentic, simple ingredients from sources they know and trust. Our Hungry for Better strategy encompasses our commitment to working with our partners and suppliers to offer products that are local, sustainable or support well-being. These efforts are also supported by specific goals related to responsibly sourced seafood, palm oil and cage-free eggs.

At the heart of every product we provide to our customers is our ongoing commitment to food safety and quality. We work with our suppliers to set safety expectations, while also enhancing food safety and quality practices in our distribution and manufacturing facilities.

DEVONSHIRE® Premium Banana Chocolate Swirl Cake made with Rainforest Alliance Bananas and Fair Trade Chocolate



OUR PRODUCTS

PRODUCT MATERIALITY ASSESSMENT

To help inform our efforts, in 2018, we conducted a formal materiality assessment of sustainability issues related to our product portfolio. Working with a third-party partner, we plotted the economic, social and environmental issues that are of greatest concern to our external stakeholders against those that pose risks or present opportunities for US Foods®. This analysis helped us identify opportunities within our product portfolio that key stakeholders find meaningful and the focus areas for our key initiatives.

In May 2018, our materiality assessment highlighted priority areas where we can make the most impact.

These include:

- Plant protein
- Food waste
- Antibiotics
- Sustainable seafood
- Traceability
- Transparency
- Sustainable packaging

As detailed in this report, we are addressing these priority areas through key initiatives.

OUR RESPONSIBLE SOURCING POLICY

Our commitment to high sourcing standards begins with our Responsible Sourcing Policy, which sets forth principles our suppliers must meet in key areas, including legal compliance, food safety, human rights, physical safety and the environment. The standards in the policy are informed by the United Nations Universal Declaration of Human Rights, the International Labor Organization Conventions and Recommendations, the United Nations Guiding Principles on Business and Human Rights and related internationally recognized standards. We ask that suppliers train their associates to understand and comply with these standards.



SERVE LOCAL

OUR SERVE LOCAL PROGRAM

In 2018, we launched the Serve Local program in select markets to better connect our customers with their local farmers, producers and/or manufacturers. Serve Local recruits new vendors to the program and enables a higher level of transparency, so our operators can better understand the story behind how products are grown, raised or caught. Products offered through Serve Local are sourced within 400 miles from where we ship, or within the state from where we ship.



SERVE LOCAL SUPPLIER REVOL GREENS, MEDFORD, MINNESOTA

Revol Greens is a sustainably driven greenhouse lettuce farm dedicated to providing clean, safe, fresh lettuce and greens grown locally without the use of pesticides. Headquartered in Minnesota, Revol Greens was founded in 2017 by a team of experienced growers and marketers looking to make an impact in a diverse and challenging category. Currently, they operate a 10-acre facility in Minnesota that provides the fresh, quality greens in the Midwest. Since Revol Greens was founded, US Foods® has sourced a variety of leafy greens, such as romaine lettuce, spring mix, baby arugula and basil products from them.

The Serve Local program with US Foods has been instrumental in helping grow and promote the value of locally grown products.

Brendon Krieg,
*Sales Manager – Partner
Revol Greens*



SERVE GOOD

OUR SERVE GOOD® PROGRAM

The Serve Good program offers a portfolio of products that are developed with suppliers who are committed to responsible practices, and many items come with the reassurance of verification by third-party certifiers. In addition, we have developed our Progress Check® program in support of our growing portfolio of Serve Good products. Our Progress Check program recognizes seafood partners and vendors that have made significant progress toward meeting our Serve Good standards.



To be included in the Serve Good program, a product requires two attributes.

First, it must come with a claim of responsible sourcing or contribution to waste reduction. We have organized the product claim for all Serve Good items into one of several categories:

- Agricultural practices
- Sustainable seafood
- Animal care
- Responsible disposables
- Waste reduction

Second, it must arrive to our customers in packaging that meets strict packaging standards designed to help minimize packaging waste and prioritize the use of recycled materials, and help minimize our ecological footprint.

Learn more about our [Serve Good Program Policy](#) and [Serve Good Packaging Standards](#) requirements and applicable certifications.

800+ SERVE GOOD® AND
PROGRESS CHECK® PRODUCTS



SERVE GOOD: AGRICULTURAL PRACTICES

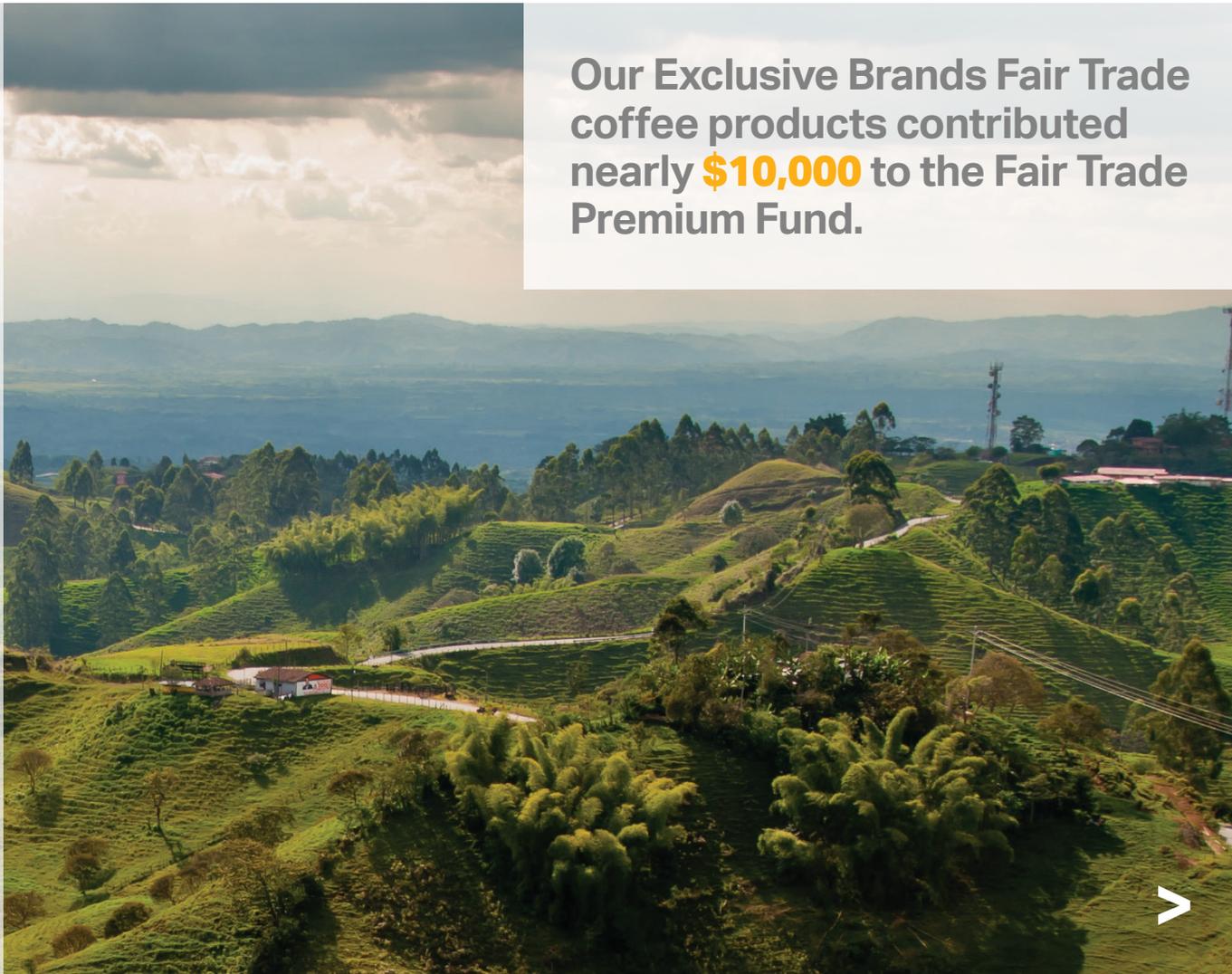
OUR SERVE GOOD® AGRICULTURAL PRACTICES

Increased mindfulness of environmental and social practices has led to increased demand for foods that help protect biodiversity, protect workers' rights and increase overall transparency. With those concerns in mind, we created a Serve Good category - which we've named Agricultural Practices - to include organic food, non-GMO foods, Fair Trade Certified™ and Rainforest Alliance Certified™ items.

FAIR TRADE

US Foods® offers several Exclusive Brands products, including coffee and dessert items, made with Fair Trade Certified ingredients. These ingredients meet rigorous social, environmental and economic standards. In addition, they generate contributions to the Fair Trade Premium Fund, which is paid to producers, on top of the Fair Trade Minimum Price, to be invested in social, environmental and/or economic development projects to empower and uplift their communities. For example, in 2019, suppliers' purchases of Fair Trade Certified ingredients for use in our Exclusive Brand Fair Trade coffee products contributed nearly \$10,000 to the Fair Trade Premium Fund. Funds are allocated to and invested in projects democratically elected by producer groups.

Our Exclusive Brands Fair Trade coffee products contributed nearly **\$10,000** to the Fair Trade Premium Fund.



SERVE GOOD: SUSTAINABLE SEAFOOD



OUR POLICY

We are continually working to improve the sustainability and traceability of our seafood supply chain, starting with a focus on our Exclusive Brands seafood products. The cornerstone of these efforts is our Responsibly Sourced Seafood Policy. This policy outlines measurable, timebound commitments that address all species within our Exclusive Brands seafood portfolio and each stage of our supply chain. In addition, it leverages our partnerships with best-in-class industry organizations at the forefront of seafood sustainability standards.

We have achieved our 2018 Responsibly Sourced Seafood milestone for our Harbor Banks® Exclusive Brand. Today, more than 80% of the products in our Harbor Banks seafood portfolio - the largest US Foods® portfolio of Exclusive Brand seafood products - now meet either Progress Check® or Serve Good® standards, with a goal of 100% by 2020. In accordance with our continued commitments, 75% of our Exclusive Brands seafood products outside of the Harbor Banks brand will meet Progress Check or Serve Good standards by 2025.

OUR PARTNERSHIPS

Because ongoing dialogue is critical to supporting sustainable seafood practices, we actively participate and partner with leading organizations dedicated to informing seafood sustainability best practices. We sit on the Board of the National Fisheries Institute, and we are an active member of the Sustainable Fisheries Partnership and the first American foodservice distributor to join the Global Sustainable Seafood Initiative (GSSI).

In 2015, US Foods was the first nationwide foodservice distributor in the United States to earn the Marine Stewardship Council Chain of Custody certification, a certification that requires, among other things, the implementation of specific traceability procedures within our distribution centers. We are proud of our efforts around sourcing sustainable seafood and are committed to continually reviewing and implementing best practices across our seafood supply chain.



SERVE GOOD: SUSTAINABLE SEAFOOD

OUR SERVE GOOD® SUSTAINABLE SEAFOOD PRACTICES

As responsibly sourced seafood practices continue to vary across countries and organizations, US Foods® is working to make seafood choices easier and more transparent for our customers through our Serve Good and Progress Check® programs.



Serve Good, which is dedicated to products that meet responsible sourcing claims and adhere to strict Serve Good packaging standards, includes seafood products that are certified sustainable to leading industry-recognized standards, with chain of custody where applicable:

Farmed species carry a Best Aquaculture Practices (BAP) 4-star recognition, or have the highest level of BAP recognition available for the species or equivalent Global Sustainable Seafood Initiative (GSSI) benchmarked certifications, where US Foods has the associated Chain of Custody certification.

Wild-caught species carry Marine Stewardship Council (MSC) and MSC Chain of Custody certification, or equivalent GSSI benchmarked certifications, where US Foods has the associated chain of custody certification.

Progress Check recognizes seafood products and vendors that have made significant progress toward meeting our Serve Good program standards:

Farmed species carry either BAP 1-star, 2-star or 3-star recognition, Aquaculture Stewardship Council (ASC) Certified without associated ASC chain of custody certification, GSSI benchmarked certification where US Foods does not have an associated chain of custody certification, or they're a participant in the Aquaculture Improvement Project (AIP); equivalent certification or improvement projects will also be considered.

Wild-caught species carry a GSSI benchmarked certification where US Foods does not have an associated chain of custody certification; or Fishery Improvement Project rated, "A, B or C" by FishSource of Sustainable Fisheries Partnership (SFP); or Low Risk as advised by FishSource of SFP.

THE MARINE STEWARDSHIP COUNCIL AWARD

In 2019, the Marine Stewardship Council (MSC) awarded US Foods the US Ocean Champion Award. This award is reserved for MSC partners in the United States who are helping to ensure an ocean full of life now and into the future. Award recipients are recognized for going above and beyond MSC commitments by demonstrating a dedication to healthy oceans and transparent supply chain operations.



SERVE GOOD: ANIMAL CARE

OUR SERVE GOOD® ANIMAL CARE STANDARDS

The treatment and care of agricultural animals is important to US Foods® and our stakeholders. Although we do not handle live animals in our role as a foodservice distributor, we do require our suppliers to meet a variety of standards to support our commitment to proper animal care.

SERVE GOOD: PROGRAM REQUIREMENTS

Our Serve Good program includes an animal care pillar composed of an assortment of responsibly sourced beef, poultry and pork that complies to strict, third-party standards and animal care commitments:

- All natural*
- Vegetarian-fed
- Raised without antibiotics
- No added hormones**

All of our responsibly sourced beef, poultry and pork products also meet the following category-specific standards and are available in participating markets.

- **Beef** - Raised with shelter, space for comfort, health care and a nutrition plan (based on our supplier's USDA Process Verified Program)
- **Poultry** - Raised with appropriate nutrition, health care and housing based on our suppliers' third-party audits (American Humane Certified™ for chicken and turkey products where applicable)
- **Pork** - Group-housed (based on our supplier's USDA Process Verified Program)

EXCLUSIVE BRANDS SUPPLIER REQUIREMENTS

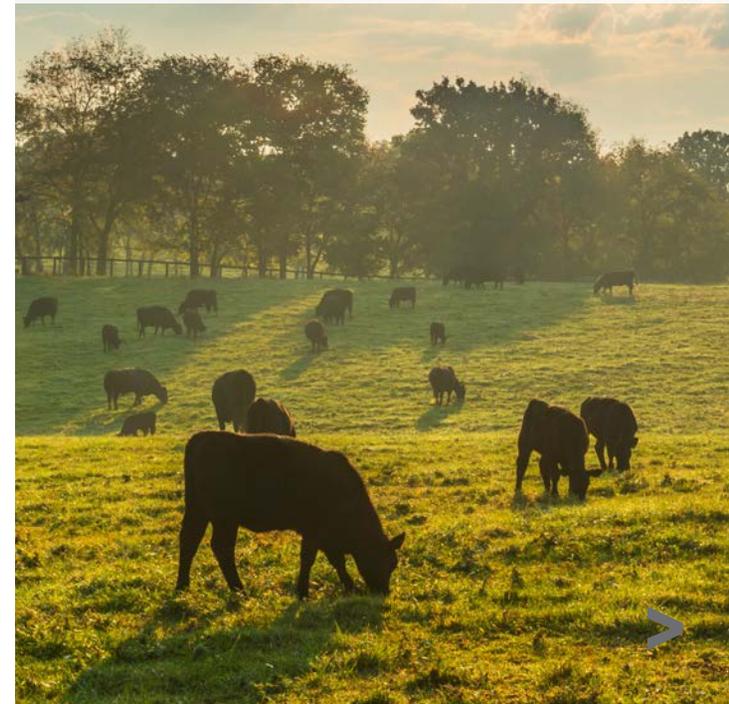
The foundation of our animal care commitments starts with our US Foods Exclusive Brands supplier animal care requirements outlined in our US Foods Exclusive Brands Supplier and Co-Packer Food Safety and Quality Manual.

As stated in the manual, all US Foods Exclusive Brands suppliers who deal with live animals must comply with all applicable federal, state and local laws and regulations, including applicable animal welfare requirements set forth in federal, state and local regulations. In addition, they are required to have policies and quality systems in place that support and manage the treatment of animals in their supply chain to ensure they are handled without abusive or cruel treatment. The policy must meet the Professional Animal Auditor Certification Organization (PAACO) Minimum Standards for Assessments of Animal Welfare Audits. All animal facilities must be audited and hold updated certifications to an industry-recognized animal welfare standard (e.g., USDA) and each supplier must conduct routine internal audits of their operations to assess their compliance to accepted good handling principles.

*No artificial ingredients. Minimally processed.

**Federal regulations prohibit the use of hormones in poultry and pork.

We require our suppliers to meet a variety of standards to support **our commitment** to proper animal care standards.



SERVE GOOD: RESPONSIBLE DISPOSABLES

OUR SERVE GOOD® RESPONSIBLE DISPOSABLES PRODUCTS

Shifting to responsible disposables can be an important step in decreasing the environmental impact of foodservice operations. Our growing selection of Serve Good disposables, such as cups, plates, napkins, cutlery, containers and more, come with at least one third-party verification classified as responsibly sourced or compostable. These verifications support environmental efforts such as waste reduction, conservation of natural resources, energy savings and reductions in greenhouse gas emissions. US Foods® may consider and use additional third-party certifications on a per product basis.



260+

PRODUCTS CLASSIFIED AS RESPONSIBLE DISPOSABLES

RESPONSIBLY SOURCED:

- USDA BioPreferred certified
- Forest Stewardship Council® (FSC®) certified
- Sustainable Forestry Initiative (SFI) certified
- Made with recycled content

COMPOSTABLE:

- BPI Compostable
- OK Compost Certified
- Cedar Grove Certified



SERVE GOOD: WASTE REDUCTION

OUR SERVE GOOD® WASTE REDUCTION PRODUCTS

Serve Good products that fall under this category specifically contribute to waste reduction based on how they are sourced and/or manufactured. These include items produced by facilities that have significantly reduced manufacturing waste associated with those items, products that create a new form of value and products that minimize the amount of garbage that enters the waste stream.



CHEF'S LINE® GUACAMOLE

As part of our commitment to reducing waste, our Chef's Line Guacamole is produced in a reduced-waste facility. It is sustainably created in partnership with a manufacturer that composts the majority of all avocado pits and skins, among other large-scale recycling efforts.



WELL-BEING

UNPRONOUNCEABLES LIST™ INITIATIVE

In 2017, US Foods® introduced the Unpronounceables List initiative in response to growing diner demand for products with simpler, more recognizable ingredients. All Metro Deli®, Rykoff Sexton®, Chef's Line® and Stock Yards®* Exclusive Brands products are produced with clean label profiles by avoiding, removing or replacing certain ingredients and food additives found on our Unpronounceables List. We offer more than 1,000 products that meet our Unpronounceables List initiative guidelines.

PLANT-BASED ALTERNATIVES

As more diners look to reduce meat intake for dietary or environmental concerns, plant-based products are more than just a trend. US Foods offers a variety of Exclusive Brands plant-based products, including plant-based beverages and plant-based meat alternatives such as burger patties, meatless crumbles and meatless breaded boneless wings.

**Does not include product marketed and sold by third-party licensees.*

MOLLY'S KITCHEN® PLANT-BASED BURGER PATTY



PALM OIL COMMITMENT

OUR COMMITMENT

Given the potential environmental and social risks associated with palm oil production, we began working with our suppliers in 2017 to transition the palm and palm kernel oil used in US Foods® Exclusive Brands products to responsibly sourced palm oil.

Our Palm Oil Policy lays out our commitment to source 100% of the palm or palm kernel oil used in US Foods Exclusive Brands products through certified sustainable sources such as Roundtable on Sustainable Palm Oil (RSPO) Mass Balance, Identity Preserved or Segregated Supply Chain or equivalent standard by December 31, 2019. If a physical supply is unavailable, RSPO Credits will be required to cover that material to support the production of Certified Sustainable Palm Oil (CSPO). We are proud to report that we have met our 2019 palm oil sourcing commitment.

We are proud to report that we have met our 2019 palm oil sourcing commitment.



CAGE-FREE EGGS COMMITMENT

OUR COMMITMENT

In June 2016, in conjunction with our Serve Good® program, we became one of the first broadline distributors to introduce a product like our nationally available Premium Cage-Free Pasteurized Liquid Whole Eggs under an Exclusive Brand. This product, which is American Humane Certified™ by the American Humane Association, combines the safety of pasteurization with the humane treatment of hens raised in a cage-free environment.

We will collaborate with our suppliers throughout this process to assess availability, affordability and customer demand. In July 2016, we began informing all of our key egg suppliers of our goal to source only cage-free eggs by 2026. This goal applies to US Foods® Exclusive Brands raw shell eggs and liquid eggs. As of year-end 2019, 12% of our Exclusive Brands raw shell eggs and liquid eggs meet our cage-free egg requirements.†

†Certain jurisdictions may have specific housing requirements for egg-laying hens and US Foods requires its suppliers to comply with applicable laws.



FOOD SAFETY AND QUALITY

As one of the largest foodservice distributors in the United States, we take our commitment to food safety seriously. It is top-of-mind in our facilities, and we regularly review our food safety processes to help drive continuous improvements.

FOOD SAFETY AND QUALITY EXPERTS

We employ food safety and quality experts to train and support our facility staff in important food safety practices, oversee food safety and quality across our supply chain and help ensure ongoing compliance with applicable food safety and quality laws and regulations. These experts hold certifications in key food safety areas such as Preventive Controls Qualified Individuals (PCQI), Hazard Analysis Critical Control Point (HACCP) and Seafood HACCP.

We provide ongoing training for all Food Safety and Quality associates to help ensure that we consistently deliver on our commitment to food safety and quality. Role-specific food safety training is also provided for associates who have direct product touch points with potential food safety impacts across the enterprise.

FOOD SAFETY IN OUR FACILITIES

Our facilities receive annual, independent, third-party audits to ensure we are meeting strict food safety and quality requirements. These include requirements under the Food Safety Modernization Act (FSMA), which aims to strengthen the U.S. food safety system, and other third-party standards, such as Global Food Safety Initiative (GFSI) standards.

US FOODS® SUPPLIERS

As part of our commitment to food safety, our [Supplier Code of Conduct](#) guides the standards by which we secure and maintain our supplier relationships. We screen suppliers on the basis of their ability to provide safe, quality products. All Manufacturer Brands and Exclusive Brands (EB) suppliers to US Foods are required to operate in full compliance with applicable laws and regulations, including applicable regulatory requirements set forth by the United States Department of Agriculture (USDA) and the Food and Drug Administration (FDA) and in line with our expectations, as explained in our Supplier Code of Conduct. For manufacturers supplying EB products, there are additional food safety requirements as outlined in our EB Supplier's Manual.

For our EB suppliers, we detail the food safety and quality systems that must be developed, maintained and validated to grow, manufacture, process, pack, store and distribute our EB products. In addition, for EB vendors, we require that manufacturers are certified to Global Food Safety Initiative (GFSI) and in compliance with US Foods Food Safety and Quality requirements. Periodic audits are executed as appropriate. Vendors found to be out of compliance are required to implement corrections or are removed from supplying EB products.

US Foods conducts periodic produce audits to help verify that fruits and vegetables are produced, packed, handled and stored safely to reduce the risk of microbial hazards. These audits check for compliance with the FDA's guidance on

reducing microbial safety hazards in fresh fruits and vegetables as well as industry-recognized food safety practices.

COMMITMENT TO TIMELY AND EFFECTIVE RECALL COMMUNICATIONS

Despite the many safety precautions taken by our vendors and our company, occasional product recalls are necessary. When they happen, we are prepared with a product recall and recovery program that promptly contacts affected customers and initiates the product recovery in our facilities.

PARTNERSHIPS

US Foods is a proud member of the following industry groups, engaging with them on evolving industry-wide food safety and quality considerations:

- Beef Industry Food Safety Council
- Global Sustainable Seafood Initiative
- National Fisheries Institute
- National Restaurant Association
- North American Meat Institute
- Produce Marketing Association
- Sustainable Fisheries Partnership
- United Fresh Produce Association
- US Roundtable for Sustainable Beef



