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## **LETTER FROM OUR CEO**

Dear Stakeholders,

It is an honor to join US Foods, where we take great care for our products, our people and our planet, all while continuing to deliver on our GREAT FOOD. MADE EASY.<sup>TM</sup> strategy. We are dedicated to enhancing our sustainable-product portfolio, supporting our talented associates and local communities and reducing our environmental impact. We are proud of the progress we made across our Corporate Social Responsibility (CSR) commitments in 2022.

#### **PRODUCTS**

We continue to expand our Hungry For Better program to offer more products that meet our specified local, sustainable or well-being criteria. Today, we offer more than 2,600 differentiated products to address growing customer demand in these categories. As part of our commitment to achieve and maintain robust standards for product safety and quality, human rights and environmental protection across our supply chain, we updated our Responsible Sourcing Policy and Supplier Code of Conduct in 2022.

#### **PEOPLE**

We seek to make a positive impact on the lives of our associates and the communities we serve by fostering diversity and inclusion. In 2022, we increased our diverse representation, exceeding our goal of at least 40% diverse leadership promotions or hires. Additionally, we advanced our Supplier Diversity program and disclose in this report the positive economic impact we are making on small and diverse suppliers and the communities in which they operate.

#### **PLANET**

In 2022, our greenhouse gas (GHG) reduction goals were formally validated by the Science Based Targets initiative (SBTi) as we seek to cut our Scope 1 and 2 emissions in line with the well-below 2°C pathway, and our Scope 3 emissions by working with our suppliers. To achieve our goals, we continue to make enhancements to our fleet and facilities, including our first deliveries of electric semi-trucks. Recognizing that our biggest climate opportunity is reducing the emissions of the products we source, we began engaging our suppliers to understand and support their climate goals and actions.

The exciting progress we share in this report would not have been possible without the dedication and talent of our 29,000 associates, as well as the valuable engagement and feedback from our shareholders, suppliers and customers.

We remain committed to positively impacting our products, people and planet in 2023 and beyond.

Thank you for your interest in US Foods.

Dave Flitman

Chief Executive Officer

## **ABOUT US FOODS**

US Foods (NYSE: USFD) is one of America's great food companies and a leading foodservice distributor, serving independent and chain restaurants, as well as healthcare, hospitality, governmental and educational institutions. Through a broad and innovative food offering and a comprehensive suite of e-commerce 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." Visit usfoods.com to learn more.



\$34.1B

IN REVENUE



250,000

**CUSTOMERS** 



400,000+

**PRODUCTS** 



150+

YEARS IN BUSINESS



~6,000

SUPPLIERS



~6,500

TRUCKS IN OUR FLEET



29,000

**ASSOCIATES** 



70

DISTRIBUTION FACILITIES



~4,000

SALES ASSOCIATES



86

CHEF'STORE® LOCATIONS



### GREAT FOOD. MADE EASY.™

#### **OUR SUSTAINABLE BUSINESS STRATEGY**

As one of America's great food companies and a leading foodservice distributor, we strive to inspire and empower chefs and foodservice operators to bring great food experiences to consumers. This mission is supported by our GREAT FOOD. MADE EASY.<sup>TM</sup> strategy, which is centered on providing customers with the innovative products, business support and technology solutions they need to succeed.

The US Foods Way is how we deliver on this strategy, and it sets the stage for how our associates engage, lead, work day-to-day, live our US Foods Cultural Beliefs and embrace continuous improvement. The US Foods Way allows us to focus on the critical actions that accelerate our progress across all aspects of our business, including corporate social responsibility.

#### **OUR CULTURAL BELIEFS**





## **OUR CSR GOALS**



#### **PRODUCTS**

Grow our portfolio of products that meet our criteria for being local, sustainable or supporting well-being by working with our suppliers to source and offer products with social or environmental benefits, as well as maintaining our continued commitment to food safety and quality.

- Grow our offering and sales of Serve Good® sustainable products
- Maintain 100% of the palm and palm kernel oil used in all Exclusive Brand products being certified, at minimum, Roundtable on Sustainable Palm Oil (RSPO) Mass Balance
- Maintain 100% of our Harbor Banks® Brand seafood products meeting our Serve Good® or Progress Check® standards
- Achieve 75% of our Exclusive Brand seafood products (in addition to 100% of Harbor Banks®) meeting our Serve Good® or Progress Check® standards by 2025
- Source only cage-free for both raw shell and liquid eggs for our Exclusive Brands by 2026

#### **PEOPLE**

Make a positive difference in the lives of our associates and in the communities we serve by fostering an inclusive and dynamic workplace where our associates can grow and thrive and by investing in our communities through community giving and volunteerism.

- Fill 40% of our leadership roles with diverse candidates
- Increase diverse representation across all associate job levels
- Increase a culture of inclusion as measured by the Inclusion Index

#### **PLANET**

Engage in best practices to improve the efficiency of our facilities and fleet and to help reduce the environmental footprint of our operations, including commitments to GHG reduction goals, which were approved by SBTi in December 2022.

- Reduce absolute Scope 1 and 2 GHG emissions 32.5% by 2032 from a 2019 base year
- Work with suppliers representing 67% of Scope 3 emissions<sup>1</sup> to set science-based targets by 2027
- Increase the use of alternative-fuel vehicles in our fleet
- Add 30 battery-electric trucks in 2023
- · Decrease fleet miles driven

<sup>&</sup>lt;sup>1</sup> Focusing on purchased goods and services.

# OUR CSR REPORT HIGHLIGHTS PRODUCTS



950+

SERVE GOOD® AND PROGRESS CHECK® PRODUCTS



100%

OF HARBOR BANKS®
BRAND SEAFOOD
PRODUCTS MET OUR
DEFINED RESPONSIBLE
SOURCING STANDARDS³



1,700+

WELL-BEING PRODUCTS<sup>4</sup>



2,600+

PRODUCTS IN THE HUNGRY FOR BETTER PROGRAM<sup>2</sup>



MAINTAINED OUR COMMITMENT TO USE

100%

RESPONSIBLY SOURCED PALM OIL AND PALM KERNEL OIL IN EXCLUSIVE BRAND PRODUCTS



<sup>&</sup>lt;sup>3</sup> In 2022, 100% of the products being produced for our Harbor Banks® seafood portfolio meet or met either Serve Good® or Progress Check® standards, at the time of their sourcing. See the Products section of this report for more information.

<sup>4</sup> Exclusive Brand products with simple ingredients, plant-forward attributes or positive nutrient claims.



## OUR CSR REPORT HIGHLIGHTS PEOPLE



47%

OF OUR NEW OR OPEN LEADERSHIP ROLES WERE FILLED BY WOMEN OR PEOPLE OF COLOR



2,800+

ASSOCIATES
PARTICIPATED IN OUR 9
EMPLOYEE RESOURCE
GROUPS



\$723M

SPENT WITH NEARLY 500 CERTIFIED DIVERSE SUPPLIERS<sup>5</sup>



\$2.4B+

SPENT WITH 2,600+ SMALL BUSINESSES ACROSS THE U.S.<sup>5</sup>



INCREASED DIVERSE REPRESENTATION ACROSS ALL ASSOCIATE JOB LEVELS



<sup>&</sup>lt;sup>5</sup> Figures include trade and indirect spend with Tier 1 suppliers.

## OUR CSR REPORT HIGHLIGHTS PLANET



22%

REDUCTION IN SCOPE 1 AND SCOPE 2 EMISSIONS SINCE 2015



10%

REDUCTION IN ENERGY INTENSITY ACROSS THE BUSINESS SINCE 2015<sup>6</sup>



17%

REDUCTION IN GALLONS OF FUEL USED PER CASE DELIVERED SINCE 2015



12.4M

KWH OF ELECTRICITY GENERATED FROM ACTIVE SOLAR PROJECTS



<sup>&</sup>lt;sup>6</sup> Measured in kilowatt hours per case shipped.

### **2022 AWARDS AND RECOGNITIONS**

At US Foods, we are proud to be recognized by many influential organizations and publications for the initiatives that support our CSR commitments.











2022 Fortune 500 Company

Fortune: 2023 America's Most Innovative Companies

Sustainalytics 2023 ESG Industry Top-Rated and Regional Top-Rated

Prepared Foods: 2022 Spirit of Innovation Award

Newsweek: 2023 America's Greatest Workplaces for Diversity

Newsweek: 2023 America's Greatest Workplaces for Women

Newsweek: 2023 America's Most Trustworthy Companies

Women's Choice Awards: 2022 Best Companies to Work For (Best Companies for Women; Best Companies for Diversity; Best Companies for Millennials) Forbes: 2022 America's Best Employers for Diversity

American Opportunity Index's
Best Employers:
2022 Top 50 companies in the
"Career launchpad," "Growing
talent" and "Advancement without
a degree categories"

Fairygodboss: 2022 Best Companies for Women

FlexJobs: 2022 Top 100 Companies for Hybrid Jobs

GDUSA 2022 Package Design Award: Thirster® Certified Organic Kombucha Can Design



### **OUR APPROACH TO CSR**

At US Foods, we help our customers make it, with products and services that help to shape the communities in which we live and work. We recognize the importance of CSR and are committed to operating responsibly and continuously improving. Our CSR strategy is organized around our commitments across three key focus areas: Products, People and Planet.

US Foods recognizes the value of listening to and considering the perspectives of our stakeholders, including our associates, customers, vendors and shareholders. We believe this is a crucial step in driving a holistic CSR program, and we actively seek their priorities for our company. We are focused on actively engaging with our stakeholders on a variety of environmental, social and governance (ESG)–related topics regularly to understand and respond to their needs. In response to their feedback and to further progress our efforts, we committed to science-based GHG reduction goals to reduce our environmental impact.

Our Nominating and Corporate Governance
Committee (NCG) of the Board of Directors oversees
the company's CSR program, including program
strategy, areas of focus, goals and progress. The
NCG receives quarterly reports from management
regarding the company's CSR initiatives and
accomplishments. Our Audit Committee provides
oversight to our cybersecurity programs; food
quality and safety; and ethics and compliance
matters, and the Committee receives an annual
report from management.

Our Compensation Committee has been renamed as the Compensation and Human Capital Committee to include additional oversight responsibilities of executive succession and our people management strategy. In addition to compensation matters, this committee's formal responsibilities include our human capital management policies and strategies relating to talent acquisition, diversity and inclusion, associate engagement and retention, associate safety and leadership development.

Our General Counsel (GC)<sup>7</sup>, with support from our Associate General Counsel, Corporate & ESG and Corporate Secretary, leads a cross-functional CSR working group to advance our CSR objectives. This working group is composed of leaders and subjectmatter experts (SMEs) from across the enterprise, including Supply Chain, Real Estate, Merchandising, Human Resources, Investor Relations, Legal and Communications. The GC reports directly to our Chief Executive Officer, and the CSR working group regularly works with our Executive Leadership Team (ELT) to plan for and assess progress against environmental, social and governance commitments and priorities. Managed by the Director of Corporate Social Responsibility, the CSR working group reports updates on a quarterly basis to the GC, who communicates those updates to the NCG Committee.

As of publication of this report and in 2022, the person in the role of GC is the Interim General Counsel; however, GC will be used in the report to demonstrate job responsibilities.

### **ABOUT THIS REPORT**

This report reflects our CSR performance during fiscal year 2022, unless noted otherwise.

We report using the following standards, which are most relevant to our business and stakeholders: the Sustainability Accounting Standards Board's (SASB) Food Retailers & Distributors standard, the Task Force on Climate-related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI) Standards.





SPOTLIGHT ON

STEPHANIE MILLER,
ASSOCIATE GENERAL
COUNSEL, CORPORATE
& ESG AND CORPORATE
SECRETARY AND LEAD OF
NEW ESG TEAM

## Tell us about your responsibilities at US Foods.

As the Associate General Counsel, Corporate & ESG and Corporate Secretary, I act as the corporate secretary for the Board of Directors and as the senior lawyer for all securities and governance matters, financing, mergers and acquisitions and more. I also lead the shareholder engagement function, working closely with the Investor Relations and Corporate Communications teams. Additionally, I lead the newly formed ESG team, which was created in 2022 to efficiently facilitate our CSR efforts on behalf of the Board of Directors and external stakeholders. In this role, I have oversight over the

ESG functions at our company and over the Director of CSR and the Director of Supplier Diversity. This additional role has felt like a natural progression, as my responsibilities already included providing quarterly updates to the Board of Directors on CSR and ESG initiatives and accomplishments, as well as providing regular updates to the General Counsel, who serves as the CSR Executive Sponsor.

## What are the advantages of the new ESG team structure?

By bringing together this cross-functional team, we have been able to increase and ease the level of communications with and coordination between

various teams to enhance our sustainability initiatives. I look forward to growing our ESG team and sharing the team's progress.

## What US Foods sustainability opportunities are you most excited about?

It truly is an exciting time at US Foods as we continue to develop our sustainability priorities and set goals across the company. As we enhance our CSR strategy, we are deepening our engagement with our stakeholders, including shareholders, customers and suppliers. We recognize the value our stakeholders bring, and we remain excited to work with them. One example of this engagement is the newly approved science-

based climate targets, which were approved by SBTi in December 2022. We worked with shareholders to set the goals and will be working with our suppliers as we work to achieve our goals. I am immensely proud of the meaningful actions we are taking to help reduce our environmental impact, while continuing to deliver for all our stakeholders.



# **PRODUCTS**

At US Foods, we are committed to expanding our portfolio of products that meet our standards for being local, sustainable or supporting well-being. We do this through our Hungry For Better program, which is integral to our We Help You Make It® promise to our customers.

### **HUNGRY FOR BETTER**

## PROVIDING LOCAL, SUSTAINABLE AND WELL-BEING PRODUCTS

The Hungry For Better program assesses social or environmental benefits to help provide strategic insight for our new product development and delivers on our promise as a customer-facing, revenue-driving initiative. Informed by a 2018 third party-led materiality assessment of sustainability opportunities related to product, our Hungry For Better program prioritizes focus areas in which we believe we can have the greatest impact. These include antibiotic use, animal care, food waste, responsible disposables, sustainable packaging, sustainable seafood, transparency and waste reduction, as well as products that offer simple ingredients, plant-forward attributes or positive nutrient claims.

The Nominating and Corporate Governance Committee receives quarterly updates and provides oversight to the Hungry For Better program as part of its broader responsibility over the company's CSR program. Our Senior Executive Vice President, Field Operations and Chief Commercial Officer acts as ELT sponsor and our VP, Product Development and Innovation, provides managerial oversight. As part of our Hungry For Better program, our Product

Development and Innovation team leads the ideation and develops innovative Exclusive Brand products for our customers, while also delivering on our commitment to offer products with defined social or environmental benefits. To support our growing program and enhance our in-house expertise, we introduced a new Local and Sustainable Product Lead in 2022. Additionally, we leverage our Exclusive Brand Innovation platform Scoop™ to share our innovative, on-trend Hungry For Better items with our customers.

In 2023, we intend to engage with our customers to further develop the Hungry For Better program and to optimize sales of Hungry For Better program products — including products that meet our criteria for being local, sustainable or supporting well-being — by launching expanded seller training and resources.

There are three pillars within the Hungry For Better program: Serve Local, Serve Good® and Well-Being. Our Serve Local program offers Exclusive Brand and Manufacturer Brand products, and Serve Good® and Well-Being offer Exclusive Brand products. Exclusive Brand products are US Foods' branded products, while Manufacturer Brands are other companies' products that we stock.

2,600+ EXCLUSIVE BRAND PRODUCTS IN THE HUNGRY FOR BETTER PROGRAM

12% OF ALL EXCLUSIVE BRAND PRODUCTS QUALIFIED FOR HUNGRY FOR BETTER





SPOTLIGHT ON

#### SERVE LOCAL PARTNER, CITY ROOTS



City Roots is a familyowned organic farm that specializes in growing high-quality, certified organic microgreens in greenhouses year-round. Bright in color and packed with flavor, microgreens make a great garnish or topping to any dish. Founded in 2009 as South Carolina's first urban farm, City Roots also promotes sustainable living by educating the local community on the benefits of local food and land stewardship in Columbia, South Carolina.

"The Serve Local program from US Foods has been a great way for City Roots to highlight locally grown, regional produce to chefs and consumers."

**Eric McClam,**Owner at City Roots

## **SERVE LOCAL**

Our Serve Local program connects our customers with regional farmers, producers and/or manufacturers. Exclusive Brand and Manufacturer Brand products offered through Serve Local are sourced within 400 miles from where the products ship to our customers or within the state from where the products ship to our customers.

To advance our Serve Local program, we also work with indoor farms to source leafy greens and microgreens. Using methods such as clean-room technology, advanced proprietary equipment and plant and seed science, indoor farming can provide a wide range of consistent products throughout the year, compared to traditional, seasonal field farming.



90+ SERVE LOCAL SUPPLIERS



### **SERVE GOOD®**

Our Serve Good® program offers a curated portfolio of our Exclusive Brand products developed in partnership with suppliers that are committed to our defined standards for responsible practices. Most of our Serve Good® products come with the reassurance of verification by third-party certifiers. Our Serve Good® portfolio also includes certain categories of products that we have identified as consistent with our sustainability goals, even when an established third-party certification program is not currently available in the applicable category.

To be included in the Serve Good® program, a product must have two attributes. First, it must come with a claim of responsible sourcing or contribution to waste reduction in one of several categories: agricultural practices, sustainable seafood, animal care, responsible disposables or reduced food waste. Second, the product must arrive to our customers in packaging that meets our strict packaging standards, designed

to help minimize packaging waste and prioritize the use of recycled materials to help minimize our environmental footprint.

Our Serve Good® Program Policy and Serve Good® Packaging Standards provide details on the program requirements and applicable certifications. In addition, we have developed our Progress Check® program in support of growing our portfolio of Serve Good® seafood products. Progress Check® recognizes seafood vendors that have made significant progress toward meeting our defined Serve Good® standards.

In 2022, we set a goal to grow revenue and case sales of Serve Good® and Progress Check® products year-over-year, as well as introduced performance tracking of Serve Good® and Progress Check® products compared to conventional Exclusive Brand products. In 2022, Serve Good® and Progress Check® products comprised approximately 9% of total sales of Exclusive Brand products.





#### Some of our latest sustainable and wellbeing product launches include:

- Monogram® Wrapped Compostable\* Cutlery Kit with Salt and Pepper
- Monarch® USDA Certified Organic Yellow Mustard
- Monarch® Green Chickpeas
- Glenview Farms® Vegan\*\* Cheddar
- Chef's Line® Mediterranean-Style Wheat Berry and White Bean Blend
- Harbor Banks® BAP 4-Star Certified Gluten-Free Crispy Battered Shrimp
- Molly's Kitchen® Plant-Based\*\*\* Pork Strips
- Biodegradable Products Institute (BPI) Certified compostable;
   Commercially compostable only. OK compost HOME and OK compost INDUSTRIAL certified. Wrapper is FSC certified.
- No ingredients of animal origin. Reasonable efforts to avoid crosscontact with animal-based ingredients.
- Made with ingredients derived from plants, fungi and algae; no animalderived ingredients. Reasonable efforts to avoid cross-contact with animal-based ingredients.

#### SERVE GOOD® PACKAGING STANDARDS

We have specific <u>packaging standards</u> for all items included in the Serve Good® program to ensure a holistic approach to providing more sustainable products. For both the inner and outer packaging, we follow three key rules:

- Engineer packaging to use less material and work to reduce empty space, while assuring performance and product protection
- Use more sustainable materials, such as requiring responsibly sourced Forest Stewardship Council<sup>®</sup> (FSC) or Sustainable Forestry Initiative–certified fiber content, and avoid widely unrecyclable materials, such as expanded polystyrene foam
- Help enable customers to recycle or compost when applicable by clearly displaying instructions on what should be done with materials after use

Additionally, to help reduce packaging waste, we partner with How2Recycle® to include information on Exclusive Brand product labels that identifies which packaging material is recyclable and how to prepare it for recycling. How2Recycle is a project of the Sustainable Packaging Coalition®, which provides a U.S.- and Canada-based standardized labeling system that clearly communicates recycling instructions.

As part of the Serve Good® pillar, we curate Exclusive Brand products across a variety of categories to provide sustainable products for our customers.



#### SERVE GOOD® AGRICULTURAL PRACTICES

Our Agricultural Practices category within Serve Good® offers products that address consumer demand for greater transparency about how foods are grown, harvested and processed to help protect biodiversity and workers' rights. The category includes United States Department of Agriculture (USDA) Certified Organic, Non-GMO Project Verified, Fair Trade Certified™ and Rainforest Alliance Certified™ products. As part of our efforts to increase our offering and sales of organic products, we continue to launch new certified organic Exclusive Brand products and to enhance seller education and training to drive increased sales of Serve Good® products overall.

## SERVE GOOD® AND PROGRESS CHECK® SUSTAINABLE SEAFOOD

US Foods is working to make seafood choices easier and more transparent for our customers through our Serve Good® and Progress Check® programs. Currently all Serve Good® farmed species carry a Best Aquaculture Practices (BAP) 4-star recognition, while the wild-caught species carry Marine Stewardship Council (MSC) Chain of Custody certification. Additionally, we have developed our Progress Check® program to recognize Exclusive Brand seafood products and vendors that have made sufficient progress toward meeting our Serve Good® standards with the aim to move fully into Serve Good®. The Progress Check® program helps to create a market for and grow the pipeline of fisheries, farms and processors that offer responsibly sourced seafood and are working towards our standards of certification. Our goal is to be stewards of the process toward certification and add to the Serve Good® portfolio.

#### SERVE GOOD® ANIMAL CARE STANDARDS

Serve Good® products categorized under animal care focus on how animals are raised. Within our Serve Good® program, we offer products that are American Humane Certified™ for livestock and poultry welfare, cage-free for eggs and raised without antibiotics for meat and poultry.

#### **Responsibly Sourced Proteins Program**

In participating markets, we offer a portfolio of responsibly sourced proteins that meet additional sourcing standards beyond our Serve Good® program standards for animal care. Every product in our responsibly sourced protein assortment meets the following standards: All natural (USDA Standard), raised without antibiotics and no added hormones.8

Our beef, poultry and pork products that are included in our Responsibly Sourced Proteins Program also meet the following category-specific standards:



#### **BEEF**

Raised with shelter, space for comfort, healthcare, a nutrition plan (based on our supplier's USDA Process Verified Program) and vegetarian-fed



#### **POULTRY**

Raised with appropriate nutrition, healthcare and housing based on our supplier's third-party audits (American Humane Certified for chicken and turkey products, where applicable) and vegetarian-fed



#### **PORK**

Group-housed (based on our supplier's USDA Process Verified Program)

#### **Exclusive Brand Supplier Requirements**

Although we do not handle live animals in our role as a foodservice distributor, we offer a variety of products that adhere to specific standards in support of our animal care programs. Our US Foods Exclusive Brands Supplier and Co-Packer Food Safety and Quality Manual outlines our animal-care commitments. As stated in the manual, all US Foods Exclusive Brand suppliers who deal with live animals must comply with all applicable federal, state and local laws and regulations. In addition, they are required to have policies and quality-assurance systems in place that support and manage the treatment of animals in their supply chain, to help ensure they are handled without abusive or cruel treatment. Their policies must meet the Professional Animal Auditor Certification Organization (PAACO) Minimum Standards for Assessments of Animal Welfare Audits. All live-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.

#### **Cage-Free Eggs Commitment**

Our goal is to source only cage-free eggs for our Exclusive Brands by 2026. This applies to both raw shell and liquid eggs. As of year-end 2022, nearly 21% of our Exclusive Brand raw shell and liquid eggs met our cage-free requirements, compared to 14% as of year-end 2021. We continuously collaborate with our suppliers and customers, as we strive to increase that percentage in 2023.9

<sup>&</sup>lt;sup>8</sup> Federal regulations prohibit the use of hormones in poultry and pork.

<sup>9</sup> Certain jurisdictions have specific cage-free housing requirements for egg-laying hens, and US Foods requires its suppliers to comply with applicable laws.

#### SERVE GOOD® RESPONSIBLE DISPOSABLES

We believe we can help our customers shift to more sustainable disposables, which can be an important step in helping to decrease the environmental impact of foodservice operations. Our growing selection of Exclusive Brand Serve Good® Responsible Disposables includes cups, plates, napkins, cutlery, containers and more made from materials that are certified, verified

or classified as one or more of the following: recyclable, compostable, post-consumer content, bio-based or responsibly sourced virgin pulp. For example, the category includes products that are Forest Stewardship Council® (FSC) certified, Biodegradable Products Institute (BPI) certified, Compost Manufacturing Alliance (CMA) certified or USDA BioPreferred.



#### SPOTLIGHT ON

#### MONOGRAM® EVOLVE™ STRAW

We offer our customers the Monogram® Evolve™ Straw, which is produced from a biological process involving the fermentation of canola oil. It has the similar feel and strength of traditional plastic, without disintegrating like paper. Best of all, the straws are certified home and industrial compostable\*.

\* Biodegradable Products Institute (BPI) Certified compostable; Commercially compostable only. OK compost HOME and OK compost INDUSTRIAL certified. Wrapper is FSC certified.



#### SERVE GOOD® WASTE REDUCTION

Products in the Reduce Waste category of our Serve Good® program include Exclusive Brand items produced by facilities that have reduced manufacturing waste associated with those items, products made using materials that would otherwise be disposed of or products that reduce the amount of material that enters the waste stream.

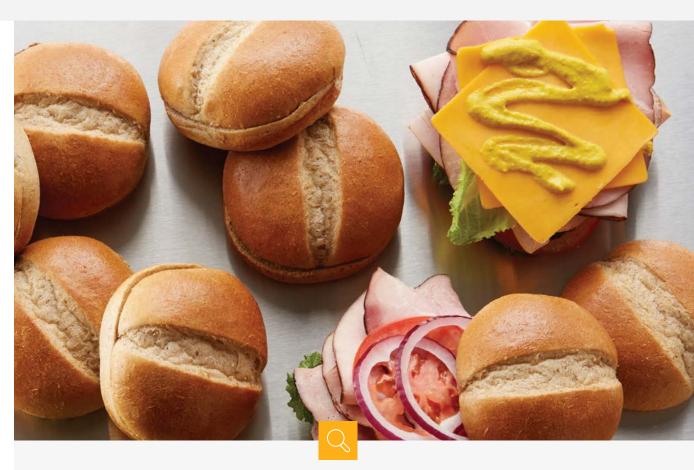
Underscoring our waste reduction commitment, we were one of the first major broadline foodservice distributors to become a member of the Upcycled Food Association (UFA). The UFA is a nonprofit organization focused on reducing food waste by growing the upcycled food economy. Upcycled products help to reduce food waste by transforming food ingredients headed for landfill or non-food uses to be incorporated into various food products. Since joining the UFA, we have been collaborating on innovation and certification opportunities.

### **WELL-BEING**

Our Well-Being pillar offers a growing portfolio of Exclusive Brand products with simple ingredients, plant-forward attributes or positive nutrient claims.

#### SIMPLE INGREDIENTS

In response to the growing consumer demand for simple ingredients, we have in place our Unpronounceables List<sup>TM</sup> initiative. Through this initiative, we help operators meet customerpreference expectations by creating or reformulating products to avoid, remove or replace certain ingredients and food additives found on our Unpronounceables List<sup>TM</sup>.



SPOTLIGHT ON

## OUR FIRST UPCYCLED CERTIFIED™ PRODUCT WINS 2021–2022 \*\*PREPARED FOODS SPIRIT\* OF INNOVATION AWARD\*\*



We launched our first Upcycled Certified™ product in March 2022, the Hilltop Hearth Pub Grain Hamburger Bun. As one of the first Upcycled Certified™ products launched in the food service industry, the bun is made with spent grain flour,

a byproduct of the beer brewing process. With its taste and sustainability story, our Pub Grain Hamburger Bun was a winner of the 2021–2022 Prepared Foods Spirit of Innovation award ("Judges' Selection").

#### PLANT-FORWARD PRODUCTS

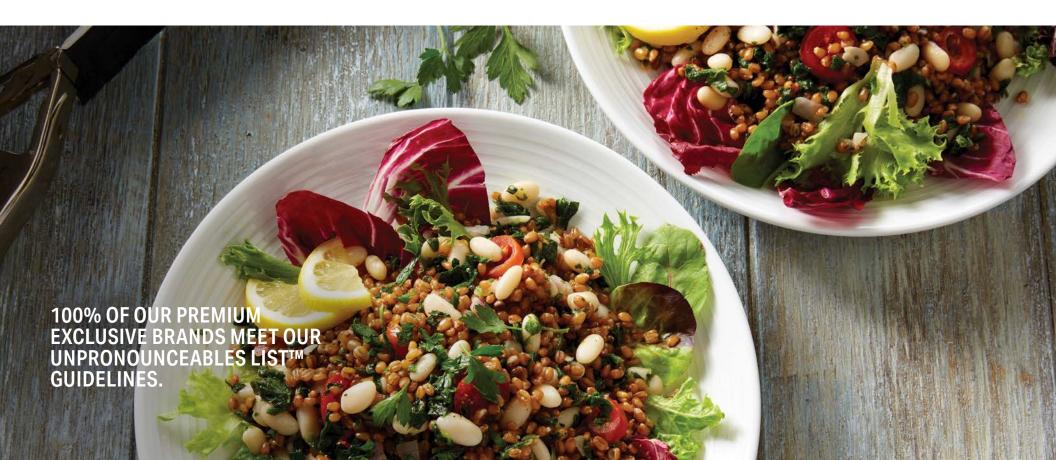
We offer a variety of Exclusive Brand plant-based 10, vegetarian 11 and vegan 12 products. These include plant-based beverages and plant-based and vegetarian meat alternatives, such as meatless burger patties, meatless crumbles, meatless breaded boneless wings and vegan products like our quinoa crumbles.

1,700+ WELL-BEING PRODUCTS

#### **FUNCTIONAL FOODS**

US Foods defines Functional Foods as food or beverage products containing a positive nutrient benefit, inherent or added. Positive nutrient content claims may include statements such as "excellent source of vitamin D" or "excellent source of fiber," for example. Our growing product line of Functional Foods includes our Monarch® Green Chickpeas, Chef's Line® Mediterranean Style Wheat Berry and White Bean Blend, Molly's Kitchen® Plant-Based Italian Style Meatball, and Rykoff Sexton® Power Greens Blend.

- We define plant-based as a finished product that is made with ingredients derived from plants — including vegetables, fruits, whole grains, nuts, seeds and/or legumes. Additionally, fungi and algae, although not technically plants, will also be considered as plant-based ingredients. Products eligible are meat, fish and seafood, and egg and dairy alternative products that do not contain any animalderived ingredients. Ingredients that are not of plant or animal origin are permitted.
- To be considered vegetarian by US Foods, the product cannot contain any ingredients that are of animal origin, except that milk, eggs, honey and beeswax may be used. Our suppliers make reasonable efforts to avoid cross-contact with other animal-based ingredients.
- <sup>12</sup> To be considered vegan by US Foods, the product must not contain any ingredients that are of animal origin, including milk, eggs, honey, beeswax or gelatin. Our suppliers make reasonable efforts to avoid cross-contact with animal-based ingredients.



## PRODUCT SAFETY AND RESPONSIBILITY

At the heart of every product we provide to our customers is our ongoing dedication to product safety, quality and responsibility. We have developed robust standards for our own operations and expectations for our supply chain.

## **FOOD SAFETY AND QUALITY**

As one of the largest foodservice distributors in the U.S., food safety and quality are top priorities in our facilities. We regularly review our food safety and quality processes and programs to help drive continuous improvement.

#### **Food Safety and Quality Oversight**

The Audit Committee of the Board of Directors oversees our food safety and quality programs and receives quarterly updates on programs and metrics from our Associate General Counsel, Product Regulatory and our Vice President of Food Safety and Quality Assurance, Supply Chain. Both have responsibility for the day-to-day management of food safety and quality matters, with oversight from our General Counsel.

#### **Food Safety and Quality Experts**

We employ food safety and quality experts to train and support our facility staff in important food safety and quality 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 and quality areas, such as Preventive Controls Qualified Individuals, Hazard Analysis Critical Control Point (HACCP) and Seafood HACCP.

We provide ongoing training for all distribution-facility associates, retail associates and production-plant associates to help ensure that we consistently deliver on our commitment to food safety and quality. Role-specific food safety training is provided annually for all associates who have direct product touch points with potential food safety impacts.

We continuously monitor applicable federal, state and local regulatory requirements to help us plan for changes in food and non-food product requirements, including evolving requirements for product traceability, animal housing, packaging, labeling and sustainability. This enables us to adjust our products and our supply chain efficiently when needed.

#### **Food Safety and Quality in Our Facilities**

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



#### **Supply Chain Oversight**

We screen suppliers based on their ability to provide safe, quality products. All our Manufacturer Brand and Exclusive Brand suppliers 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). Our Responsible Sourcing Policy and Supplier Code of Conduct sets forth our additional expectations of all suppliers.

For manufacturers supplying Exclusive Brand products, there are additional food safety and quality requirements, as outlined in our Exclusive Brands Supplier and Co-Packer Food Safety and Quality Manual. We detail the food safety and quality systems that must be developed, maintained and validated to grow, manufacture, process, pack, store and distribute our Exclusive Brand products. In addition, manufacturers that produce Exclusive Brand products must be certified by GFSI standards and comply with US Foods food safety and quality requirements. Every new Exclusive Brand product receives a risk assessment conducted by one of our food safety and quality experts, as do its associated supplier(s), to identify any associated risks and to ensure processes are in place to mitigate those risks. Periodic Exclusive Brand supplier audits are executed by US Foods as appropriate, and any Exclusive Brand supplier that might be found to be out of compliance is required to implement corrections or is removed from supplying Exclusive Brand products.

## Commitment to Timely and Effective Recall Procedures

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

#### **Partnerships**

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

- American Meat Science Association
- Beef Industry Food Safety Council
- · Better Seafood Board
- Food Marketing Institute
- Global Seafood Alliance
- International Foodservice Distributors Association
- National Fisheries Institute
- National Restaurant Association
- North American Meat Institute
- International Fresh Produce Association
- Southeast Produce Council



#### SPOTLIGHT ON

## INTERNATIONAL ASSOCIATION FOR FOOD PROTECTION (IAFP) AWARD

IAFP presents annual awards recognizing excellence in food safety, and Dr. Ann Marie McNamara, VP, Food Safety and Quality, Supply Chain, received the 2022 IAFP Food Safety Award in recognition of a long history of outstanding contributions to food safety research and education.

Ann Marie's career has focused on proactive planning and a risk-based,

science-based approach to prioritizing interventions and developing a food safety culture. She has made significant contributions to food safety in government, manufacturing, foodservice and retail. As co-author of USDA's Pathogen Reduction/ HACCP rule, Dr. McNamara's work on this preventative, risk-based approach to food safety is used daily in U.S. meat and poultry plants to produce safe food.

### **RESPONSIBLE SOURCING**

We are committed to achieving and maintaining robust standards for safety, quality, human rights and environmental protection across our supply chain. We work with our suppliers to help them understand and meet our expectations.

## IN 2022, WE UPDATED OUR RESPONSIBLE SOURCING POLICY AND SUPPLIER CODE OF CONDUCT,

which outlines our standards for suppliers and our priorities for selecting, evaluating and monitoring suppliers. Our standards of ethics and integrity are informed by the United Nations (UN) Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Conventions and Recommendations, the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises (OECD Guidelines), as well as US Foods' Human Rights Principles.

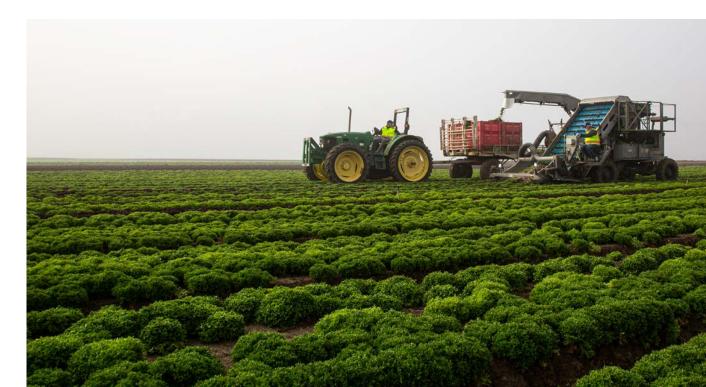
As part of the update, we included additional information on deforestation and have set our commitment to work to achieve no deforestation in our supply chain. Specifically, our Responsible Sourcing Policy and Supplier Code of Conduct defines deforestation and sets expectations for each supplier to align with our commitment. Additionally, our Responsible Sourcing Policy and Supplier Code of Conduct sets forth principles that we expect our suppliers to adhere to in key areas,

including legal compliance, human rights, forced labor and human trafficking, workplace health and safety, food safety and regulatory compliance, sustainability and social responsibility and ethical business practices.

In addition, we expect each supplier to conduct business in full compliance with all applicable national, state and local regulations and laws of the countries in which they operate — including trade, export and import controls and all applicable antitrust and fair competition laws. Our Responsible Sourcing Policy and Supplier Code of Conduct also details procedures for engaging with suppliers in the case of non-compliance, up to and including terminating our business relationship with the supplier. Our Supply Chain Collaboration Policy – the purpose of which is to provide clear, written expectations regarding US Foods' policies,

processes and procedures – also includes our expectation that suppliers review and comply with our Responsible Sourcing Policy and Supplier Code of Conduct.

Multiple departments help ensure managerial responsibility for supplier oversight and adherence to our policies and standards, including our Legal and Commercial teams. Oversight of the Responsible Sourcing Policy and Supplier Code of Conduct is managed by our GC. Our Nominating and Corporate Governance Committee provides ultimate oversight for supply chain management as part of its larger responsibility over the company's CSR program. Our Merchandising and Category Management teams manage supplier relationships and performance, including adherence to the Responsible Sourcing Policy and Supplier Code of Conduct.



#### **RESPECTING HUMAN RIGHTS**

Our commitment to responsible sourcing and working with integrity includes our commitment to respecting human rights. Our senior management has adopted our Human Rights Principles, which are guided by our Cultural Beliefs and informed by the UN UDHR, the UN Guiding Principles on Business and Human Rights, the ILO Conventions and Recommendations and the OECD Guidelines. Our Human Rights Principles prohibit the use of forced labor, unlawful discrimination and harassment, in support of maintaining a safe, inclusive workplace. We expect our suppliers and other vendors to adopt consistent human rights principles and comply with all human rights laws and regulations applicable to them. This expectation is included in our Responsible Sourcing Policy and Supplier Code of Conduct. We encourage our associates, consultants, suppliers and vendors to raise questions or suspicions of non-compliance without fear of retaliation. Concerns can be raised in a variety of ways, as detailed in our Human Rights Principles, such as going directly to any US Foods manager, any member of the Human Resources, Legal Department or Ethics and Compliance teams, our GC or the US Foods Check-In Line. The Check-In Line is an externally hosted hotline that is available to both internal and external parties and can be contacted anonymously, 24 hours a day, seven days a week, with translation services, if needed.

#### Palm Oil

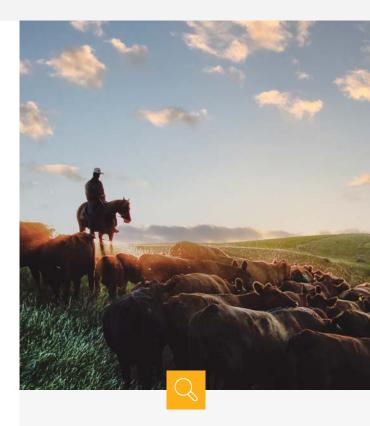
Since 2019, we have adhered to our Responsibly Sourced Palm Oil Policy commitment to source 100% of the palm or palm kernel oil used in US Foods Exclusive Brand products through certified sustainable sources. Supplier compliance with this

policy is reviewed annually. We recognize palm oil is a significant contributor to deforestation, and we have incorporated our Responsibly Sourced Palm Oil Policy into our Responsible Sourcing Policy and Supplier Code of Conduct to address potential environmental and social risks associated with the production of palm oil. The RSPO Shared Responsibility Scorecard, which shows companies' overall Shared Responsibility (SR) performance based on their reported commitments, gives US Foods an average score of 9.7 out of 10 as of March 2023.

In 2022, we engaged all Exclusive Brand suppliers to collect data and support our first-ever Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress (ACOP), which we expect to submit in 2023.

100% OF THE PALM OR PALM KERNEL OIL USED IN US FOODS EXCLUSIVE BRAND PRODUCTS IS CERTIFIED RSPO MASS BALANCE OR HIGHER.

This means, at a minimum, the volume of palm or palm kernel oil in the products reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO-certified mills and plantations. Less than 1% of the products in our Exclusive Brand portfolio were confirmed to contain palm oil or palm kernel oil — 71% of which was Mass Balance, less than 2% of which was Segregated and the remaining 27% of which was sourced from a combination of supply chain models. No RSPO credits were required.



#### SPOTLIGHT ON

## U.S. ROUNDTABLE FOR SUSTAINABLE BEEF (USRSB)

We support the USRSB's work to develop and advance goals for sustainability in the U.S. beef value chain. In 2022, we participated on the USRSB goalsetting committee where we provided feedback, reviewed materials and committed to aligning to

sector-specific targets of USRSB's <u>sustainable beef</u> <u>goals</u> focused on seven high-priority indicators: air and GHG emissions, land resources, water resources, employee safety and wellbeing, animal health and well-being and efficiency and yield.

#### Sustainable Seafood

As the global demand for seafood continues to grow, US Foods can help play an important role in supporting the long-term health of fisheries and aquaculture through the distribution of responsibly sourced seafood. We are continually working to improve the sustainability and traceability of our seafood supply chain, starting with a focus on our Exclusive Brand seafood products.

The cornerstone of these efforts is our Responsibly Sourced Seafood Policy. This policy outlines measurable, time-bound commitments that address all species within our Exclusive Brand 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.

US Foods is working to make seafood choices easier and more transparent for our customers through our Serve Good® and Progress Check® programs. As outlined in our Responsibly Sourced Seafood Policy, our Exclusive Brand seafood products are organized into three tiers of products, two of which have corresponding third-party responsible sourcing standards, including, but not limited to,

Global Sustainable Seafood Initiative (GSSI), Marine Stewardship Council (MSC) and comprehensive fishery improvement projects (FIPs).

We also highly encourage our Exclusive Brand vendors to join and participate in relevant roundtables to address unique opportunities in certain species, such as tuna or squid. This ensures that US Foods and our suppliers are highly engaged and aware when FIP requirements change.

<sup>13</sup> US Foods is aware that some of the FIPs from which we sourced have stalled since the time of sourcing, such as due to the COVID-19 pandemic, and is actively engaged with Sustainable Fisheries Partnership, species-specific roundtables and other partnerships to continue to advance the sustainability of impacted species.



#### Our Partnerships to Advance Sustainable Seafood

Because ongoing dialogue is critical to supporting sustainable seafood practices, we actively participate and partner with leading organizations dedicated to informing responsible sourcing practices. We sit on the Board of Directors and **Executive Committee of the National Fisheries** Institute, as well as the Board of Directors for the Global Seafood Alliance (GSA), and we are an active member of the Better Seafood Board and Sustainable Fisheries Partnership. We were also the first U.S. foodservice distributor to join the GSSI, and in 2015, US Foods became the first foodservice broadline distributor in the U.S. to earn the MSC Chain of Custody certification nationwide, which requires, among other things, the implementation and audit of specific inventory procedures within our distribution centers.

In 2022, we began to improve social accountability and address human rights and labor concerns in the seafood supply chain by adding and reviewing human rights risk assessment data from the Sustainable Fisheries Partnership's (SFP) Human Rights Risk Indicator (HRRI) to our seafood program metrics. SFP's HRRI system assigns a risk score based on the use of flags of convenience, a country's ratification of ILO C188 and the Global Slavery Index Fishing Risk indicators and other factors.





SPOTLIGHT ON

## ATLANTIC CAPES FISHERIES



Atlantic Capes Fisheries, Inc., a seafood producer based in Fall River, MA, and supplier of our Harbor Banks® scallops, recently became the first company to achieve Best Seafood Practices (BSP) certification for its entire supply chain. Atlantic Capes' processing plant is certified to BSP's Seafood Processing Standard (SPS), and their 25 harvesting vessels were certified to BSP's Vessel Standard (the Responsible

Fishing Vessel Standard). In addition, they harvest their sea scallops from a fishery certified to a GSSI-benchmarked scheme.

BSP is a third-party certification program that provides assurances that wild-caught seafood has been harvested and processed in a responsible manner. Through attaining BSP certification, Atlantic Capes has demonstrated that they are using safe

and responsible practices throughout their whole supply chain, which is especially important for the more than 300 women and men that work in their facilities and aboard their vessels.

Atlantic Capes was also featured in a producer spotlight video recently released by the Global Seafood Alliance.

WATCH VIDEO HERE





# PEOPLE

At US Foods, we strive to positively impact the lives of our associates and the communities in which we operate. We are committed to fostering an inclusive and dynamic workplace in which our associates can grow and thrive. Initiatives that support this work include enhancing training and benefits, growing our diversity and inclusion (D&I) efforts, maintaining a safe workplace and investing in our communities through community giving and volunteerism.

## OUR ASSOCIATES AND COMMUNITIES

Our Compensation and Human Capital Committee provides oversight of succession and our human capital management strategy, which includes talent acquisition, D&I, associate engagement and retention, associate safety and leadership development. This committee regularly reviews our progress on these topics, such as quarterly updates on our D&I efforts and annual reviews of our talent and leadership matters.

## ENGAGING AND DYNAMIC WORKPLACE

#### RECRUITING TOP TALENT

To identify and attract top talent, our Talent Acquisition team works with hiring managers to understand the requirements of open positions across the company and place the most qualified candidates, whether internal or external, offering competitive compensation, benefits packages and opportunities for career growth and development.



#### LEARNING AND DEVELOPMENT

US Foods invests in our associates to help them reach their full potential, which is critical to our success. Through training, mentoring and on-the-job development, we enable our associates to learn and grow while optimizing their skills. Our development programming is designed to support associates at all levels and ranges from live workshops to online remote learning resources, featuring courses taught by leading internal and external industry experts.

Additionally, designed for new people managers and high-potential leaders, our leadership development programs strengthen leadership capabilities and provide networking opportunities with leaders across the organization, both in the classroom and on the job. These programs include:

- Aspire to Grow: Accelerates the leadership readiness of high potential talent across all functional areas
- Aspire to Lead: Develops leadership skills of director and VP-level leaders over a nine-month program
- Executive Coaching: Supports senior leaders with transitions into new roles
- Executive Leadership Council (ELC) Mid-Level Manager Symposium: Develops Black leaders across functional areas
- Gateway to Leadership: Supports first-time managers in successfully making the transition from individual contributor to manager
- Hispanic Alliance for Career Enhancement (HACE) – Emerging Latino Leaders Program (ELLP): Develops Latino leaders across functional areas

- Learning Partners: Develops diverse talent and provides exposure to D&I challenges through a two-way learning experience
- Market VP: Accelerates readiness of talent for Area President role for internal and external associates
- STEPS for Managers: Onboards newly hired or promoted sales managers for local and national sales
- WIN Mentor Program: Connects established mentors with mentees to foster networking, personal growth and career development
- Women Foodservice Forum (WFF): Accelerates the development of women through a year-long experience
- Women in Leadership Series: Provides senior-level women various opportunities to develop skills



#### **Aspire to Lead Development Program**

Aspire to Lead is our high-potential leadership development program which spans nine months. The program includes leadership and skill assessments, coaching and classroom-based learning with internal and external thought leaders. Made up of director and VP-level leaders, every participant is nominated based on their high performance and potential to take on broader roles within US Foods. In 2022, we graduated 27 associates from the Aspire to Lead program.

A large component of Aspire to Lead is being assigned to a cross-functional Business Issue Project Team made up of four to six associates. Each group examines a specific organizational challenge. The teams spend about five months developing recommendations to address the challenge and present their findings to the ELT and select members of the Senior Leadership Team as a culmination of the program. Topics range from onboarding customers to safety to market strategy.

Additional training and development programs include:

- · Disrupting Bias Training
- E-Cademy online learning resources
- Leadership Foundations for Sales Managers and Supply Chain Supervisors
- Sales Readiness
- Warehouse Selector Onboarding



#### **ASSOCIATE ENGAGEMENT**

We are committed to promoting an open feedback environment consistent with our "Speak Up" Cultural Belief and have several programs to encourage associates to provide feedback and concerns anytime throughout the year. To enhance two-way dialogue between associates and our ELT, we host quarterly townhall meetings, during which associates across the country are invited to raise questions and concerns directly to leadership and have them addressed in real time. Associates can also utilize US Foods' 24/7 Check-In Line to report concerns. Our internal social media tool, Yammer, also offers associates an opportunity to engage with leaders, share successes and ask questions on their minds.

An additional example of our open feedback channels is our associate engagement surveys. Led by our Culture and Engagement team, we conduct an annual Associate Engagement Survey and regular pulse surveys to provide important feedback that enables us to understand and enhance our associates' experiences. In 2022, 70% of associates responded to these surveys. We achieved an employee promoter score (EPS) of 23, up 10 points from our prior full-company survey and above the benchmark of 15. The EPS measures the net number of people who recommend US Foods as a good place to work.

#### **Associate Benefits**

Our approach to benefits is founded on a wholeperson perspective. This means we recognize that associates have interests, needs and commitments outside of the workplace, and we are committed to providing compensation and benefits to support them across multiple aspects of life. Our associate



benefits are available to all full-time US Foods associates and promote physical, mental, social and financial well-being. Some of our benefits include:

- · Medical and dental plans
- 401(k) and employee stock purchase plan (ESPP) at 15% discount for all associates, including part-time
- Voluntary vision and critical illness protection
- Tuition reimbursement
- Associate assistance programs for all associates, including part-time

- Two-week paid family parental leave for all eligible associates
- Adoption and surrogacy assistance
- Childcare management services, including resources through the associate assistance program
- Innovative, no-cost wellness programs, including more than 10 digital programs focused on helping associates with various healthcare challenges
- Hybrid and remote working opportunities for office-based associates

### **DIVERSITY AND INCLUSION**

At US Foods, we believe that we perform at our best by connecting with associates, customers, suppliers and communities in ways that embrace diversity and inclusion. We are committed to fostering an environment that is engaging and inclusive, developing diverse talent at all career levels and offering products and services to support business growth in diverse communities. These efforts are led by our Chief Human Resources Officer with strategic oversight from our D&I Steering Team, composed of US Foods executive leaders and our D&I council, with associates across multiple departments and job levels.

We have developed a range of programs to foster a culture of inclusion, such as our interactive Disrupting Bias Training and our Respectful Workplace Training. To inform our D&I strategy, we have an Inclusion Index in our annual Associate Engagement Survey. The Index measures perceptions of inclusion and helps us better understand the experiences of different groups. In 2022, we used the Inclusion Index to assess authenticity, belonging and opportunity, which were all at or above benchmarked scores. According to the Index results, 71% of associates feel there is equal opportunity for people to have a successful career at US Foods, regardless of their differences or backgrounds, and feel they can voice their concerns to their manager or US Foods leader without fear of retaliation.



#### SPOTLIGHT ON

#### CRAIN'S CHICAGO BUSINESS MOST NOTABLE LIST HONORS



Alyson Margulies, SVP, Talent Management and Diversity & Inclusion – 2022 List of Most Notable Executives in HR and Diversity, Equity and Inclusion

Alyson Margulies made the *Crain's Chicago Business* 2022 Most Notable Executives in HR and
Diversity, Equity and Inclusion, which recognizes
leaders who are making significant contributions
to advancing equality in the workplace.

Alyson is responsible for end-to-end talent management, including succession planning, learning and development, culture and engagement and assessments. She fostered the continued growth of our first Employee Resource Groups and expanded them to the field. Under her leadership, her team also created and implemented our Learning Partners Program, a two-way mentoring program between senior leaders and diverse top talent. Further, she developed our first publicly reported diverse-leadership representation goal, along with additional diversity metrics to enable transparency and accountability.



Matthew Williams, Diversity & Inclusion
Program Manager – 2022 List of Most
Notable Leaders in Community Development

Matthew Williams was named to the *Crain's Chicago Business* 2022 List of the Most Notable Leaders in Community Development, which recognizes leaders who work overtime to ensure healthy and vibrant communities in the Chicago area by assisting people in underserved areas.

Matthew has spent the last 15-plus years mentoring young men on the South and West side of Chicago. He believes the best way to improve underinvested communities is one person at a time, through lifelong involvement from youth to adulthood. Matthew invests significant time and resources toward his life's mission of helping young people achieve their goals through access, exposure and support that nurture their unique gifts. He has watched his mentees thrive and pursue their dreams at places such as the Juilliard School and United States Military Academy at West Point, as well as become entrepreneurs.



Terri Ahrens, Interim Associate General Counsel Litigation – 2022 List of Notable Nonprofit Board Leaders

Terri Ahrens was named to the *Crain's Chicago Business* 2022 List of Notable Nonprofit Board Leaders, which recognizes leaders who serve on a non-profit board and expertly apply their professional skills to boost the chosen organization's profile, finances and outreach.

Terri served as board president from 2016 to 2022 at Center for Disability and Elder Law (CDEL), which provides free legal services to Cook County's low-income seniors and people with disabilities. During her time as board president, CDEL navigated the pandemic without halting its services, moved offices, hired a new executive director, secured two PPP loans, expanded staff and doubled its budget. She also created a structure for CDEL's governing board and executive committee and raised the organization's profile by making connections within the Association of Corporate Counsel and connecting CDEL to new law firm partners who become donors and volunteers.

## OUR DIVERSITY AND INCLUSION STRATEGY AND ACTIONS

Creating a more inclusive work environment where everyone feels safe and valued and that their voice matters

- Assigned Bias Training eLearning to 10K+ associates, managers and leaders
- Introduced and conducted ten Power of Dialogue sessions that allow associates to engage in difficult conversations in a safe space facilitated by our D&I team to understand D&I awareness, readiness and opportunities
- Sponsored nine Employee Resource Groups that provide community and education across the organization; 11,000 associates attended more than 95 events

Increasing the diversity of our workforce and leaders by investing in programs to build a diverse talent pipeline and accelerate the development of diverse associates

- Onboarded five external talent-attraction partners (Fairygodboss, Women in Trucking, Professional Diversity Network, Disability Solutions, and Hispanic/Latino Professionals Association (HLPA))
- Expanded functional representation dashboards supported by action plans and regular reviews to ensure we have a holistic and innovative workforce representing the marketplace we serve

Supporting diverse communities and businesses through our Supplier Diversity program and by enhancing our outreach and sharing who we are and what we stand for

 Hosted D&I Regional Roundtable in partnership with the Multicultural Foodservice & Hospitality Alliance (MFHA) in which we accessed industry D&I data and the ELEVATE framework  Launched D&I training for Culinary & Restaurant Ops to embed D&I in customer and prospect meetings

In 2022, our Legal Department obtained Mansfield 2.0 Certification through Diversity Lab. The Mansfield Certification is the premiere way in-house legal departments demonstrate a commitment to diversity and inclusion by committing that at least 50% of the candidates considered for the legal department's top roles and outside counsel engagement are from historically underrepresented demographics (i.e., women, LGBTQ+, lawyers with disabilities and racial/ethnic minority lawyers).

#### **EMPLOYEE RESOURCE GROUPS**

Our company-sponsored Employee Resource Groups (ERGs) are associate-led communities that work to strengthen networking among colleagues, further personal and professional development and promote D&I. All ERGs are championed by an executive sponsor. Our ERGs are available at all US Foods locations across the country, enabling participation from our field and frontline associates. In 2022, we hosted our first ERG symposium with the intention to align and develop a robust strategicgrowth roadmap and execution plan with our ERG leadership and ELT sponsors. Our growing ERGs play a key role in amplifying the "You Matter" Cultural Belief at US Foods. Currently, more than 52% of our ERG membership comes from the engagement of our field associates. We have nine ERGs with more than 2.800 members. These FRGs hosted more than 95 events and had over 11,000 attendees. We also launched ten field Women in Network chapters of the National FRG.

#### Our ERGs include:



ABILITY & DISABILITY ALLIES PARTNERING TOGETHER



BLACK RESOURCE FOR INCLUSION, DIVERSITY, GROWTH & EMPOWERMENT



COLLECTIVE ASIAN NETWORK



HISPANIC ORGANIZATION FOR LEADERSHIP ADVANCEMENT



LINKING INFORMATION, NETWORKING & KNOWLEDGE



MULTIGENERATIONAL EMPOWERMENT RESOURCE GROUP FOR EMPLOYEES



**PRIDE ALLIANCE** 



THOSE WHO SERVE



WOMEN IN NETWORK

#### LEARNING AND DEVELOPMENT TO FOSTER A DIVERSE WORK ENVIRONMENT

Our leadership development programs are designed to develop inclusive leadership skills to support team building, collaboration and decision making. We provide Bias Training eLearning to all levels of associates and an interactive Bias Workshop for our people leaders and mid-level individual contributor associates.

#### LEADERSHIP DIVERSITY GOAL

Through our D&I programs, we have been working to increase diversity among our director-level and above leadership. In 2021, we set a goal to fill 40% of our new or open leadership roles with diverse candidates each year and subsequently enhanced our hiring process to further diversify our candidate slates. In conjunction with other complementary initiatives, we exceeded our goal with 47% of new or open leadership roles being filled by women or people of color in 2022. We believe our development programs and improved hiring strategies leave us well-positioned to continue expanding our workforce and leadership diversity.

Our Women in Leadership program aims to expand senior women's networks and build their skills. It is aligned with our commitment to developing and increasing diverse representation in our leadership. The program's learning and leadership development opportunities include panel discussions with key female leaders from the Board and external thought leaders from Kellogg School of Management at Northwestern University and monthly smallgroup connections. More than 88 senior women participated in the program in 2022.

56% OF OUR ASSOCIATES ARE WOMEN OR PEOPLE OF **COLOR AS OF JANUARY 1ST** 2023, UP FROM 54% AS OF JANUARY 2022

47%

OF OUR NEW OR OPEN LEADERSHIP ROLES WERE FILLED BY WOMEN OR PEOPLE OF COLOR IN 2022



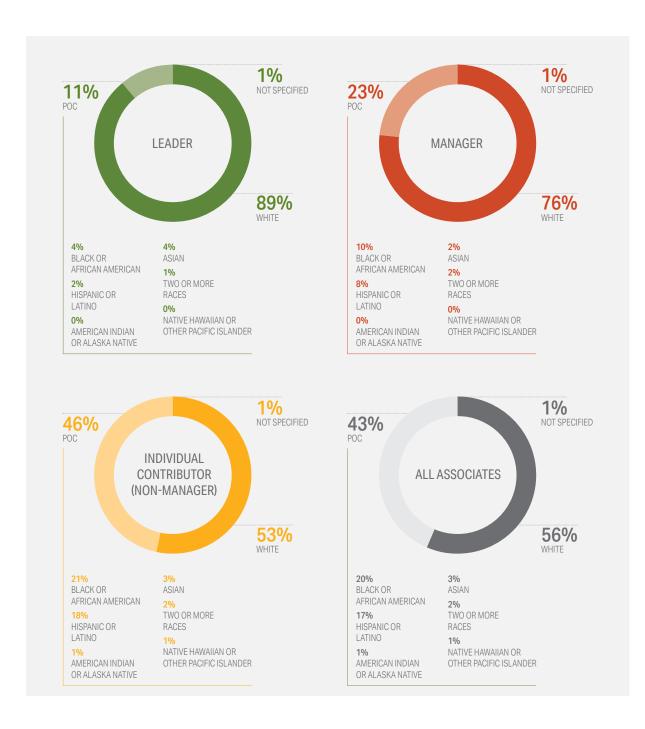


#### **Learning Partners Program**

The Learning Partners Program is our internal diversity mentoring program and offers one-on-one mentoring relationships between a diverse leader and a Senior Leadership Team member. The goal of these partnerships is to facilitate learning for both the mentor and mentee, with each party bringing their diverse background and an open mind to the table. We had 72 pairings for the 2021–2022 cohort, out of which 92% of mentors and 91% of mentees reported a positive experience according to an internal survey.







#### Military Recruiting

At US Foods, we proudly hire veterans, guards and reservists across all our locations and at every level of the company. As of December 31, 2022, 6% of associates identify as veterans. A partnership with the Hire Purpose recruiting platform helps us to promote open roles to transitioning service members, veterans and military spouses.



SPOTLIGHT ON

## CRAIN'S CHICAGO BUSINESS LIST – DAVID WORKS



David Works, Executive Vice President and Chief Human Resources Officer, was recognized by *Crain's Chicago Business* as a 2022 notable military veteran and senior-level executive who has contributed to advancing issues that affect veterans

by serving as a role model for veterans and demonstrating leadership via his senior-level support. He has also served as the ELT sponsor of our Those Who Serve employee resource group, helping to recruit, support and develop military associates.

## SUPPLIER DIVERSITY

We seek to contribute to a more equitable and inclusive future through the way we support our local communities. By increasing the diversity of our suppliers, we are enhancing our product offerings and supporting economic growth among diverse businesses and populations.

\$2.4B+ SPENT WITH 2,600+ SMALL BUSINESSES ACROSS THE U.S.<sup>14</sup>

\$723M SPENT WITH NEARLY 500 CERTIFIED DIVERSE SUPPLIERS 14,15

#### SUPPLIER DIVERSITY EFFORTS

We strive to source our products from a competitive and diverse supplier base to continue to grow our economic impact on diverse communities across the U.S. Our supplier diversity efforts are driven by a dedicated Supplier Diversity team that collaborates with various teams across the business, as well as customers and suppliers, to develop sourcing strategies and secure data to make informed choices. Since the development of the program in 2020, we have further enhanced our efforts, including assessing the economic impact of our small and diverse spend, adding supplier diversity standards to our Supply Chain Collaboration Policy and updating our vendor onboarding portal questionnaire to include business classification information.

Our US Foods Supplier Diversity Council is a crossfunctional team that works to increase the diversity of our supplier base. Council members engage with suppliers, gather customer perspectives and collaborate with industry groups to advance our supplier diversity sourcing strategy.

#### 2022 Supplier Diversity Highlights

- Hosted our first in-person Diverse Supplier
   Showcase, connecting diverse suppliers with our
   Category Management, Product Development
   and Sales teams
- Presented our first Diverse Supplier of the Year award to Cut Fruit Express at our 2022 Vendor Forum
- Onboarded a new minority- and woman-owned small-business supplier for data enrichment, economic impact and Tier 2 reporting and expanded the number of suppliers from which we request Tier 2 reporting
- Continued supporting our customers' supplier diversity spend reporting requests, increasing the number of reports by 75% compared to 2020
- Began disclosing direct, indirect and induced economic impact of our sourcing spend with small and diverse suppliers
- Collaborated with industry peers to host the first Women's Business Development Center (WBDC)
   Food and Beverage Industry event for womenowned business enterprises
- Expanded our Supplier Diversity program through the hiring of a Supplier Diversity Program Specialist to support increasing customer reporting needs



SPOTLIGHT ON

### WOMEN'S FOODSERVICE FORUM 2022 CHANGE MAKER – SHANTI STAPPAS

Our VP. National Sales West, Shanti Stappas, was named WFF's 2022 Change Maker. The Change Makers program helps build a strong pipeline of women leaders eager to propel their personal career advancement and champion the professional growth of others in the Food Industry. She was honored for her dedication to cultivating an environment that is inclusive for all by elevating women in their careers. One hundred women and female-identifying US Foods associates attended the annual WFF conference. More than 3,000 women

attend the conference each year, including representatives from across the foodservice industry.

# 1,200 US Foods women have participated in WFF since 2010

WFF provides 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. US Foods is proud to be a long-standing sponsor of the WFF Leadership Conference, contributing annually to the success of this initiative.

<sup>&</sup>lt;sup>14</sup> Figures include trade and indirect spend with Tier 1 suppliers.

Figure represents spend with certified diverse suppliers only; however, US Foods continues to track self-certification in support of customers' supplier diversity spend goals and reporting needs.

#### **Positive Economic Impact**

To have a better understanding of the economic impact of our Supplier Diversity program, we assess the direct, indirect and induced economic impact of our sourcing spend with small and diverse suppliers, and we are proud of the positive impact we are making.













To maximize the impact of our work, we are members of the following organizations that are focused on the support, development, and certification of diverse suppliers:

- Disability:IN, which is the leading nonprofit resource for business disability inclusion worldwide
- Food and Beverage Industry Group
- National Gay and Lesbian Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- National Veteran Business Development Council (NVBDC)
- Women's Business Development Center (WBDC)
- Women's Business Enterprise National Council (WBENC)

#### **TYPES OF IMPACT**



# Direct impact (US FOODS' PURCHASES)

OUR IMMEDIATE SPEND WITH SMALL AND DIVERSE SUPPLIERS



# Indirect impact (SUPPLY CHAIN)

SUPPLIERS WHO ALSO EMPLOY PEOPLE AND PURCHASE GOODS AND SERVICES FROM OTHER SUPPLIERS



# Induced impact (COMMUNITY IMPACT)

EMPLOYEES IN THE JOBS CREATED WITHIN THE SUPPLY CHAIN TO SATISFY US FOODS' PURCHASES SPEND MONEY IN THEIR COMMUNITIES, SUPPORTING ADDITIONAL JOBS AND WAGES

#### **ECONOMIC IMPACT**





32,785

TOTAL JOBS SUPPORTED FY 2022

\$1.92B

TOTAL WAGES FY 2022







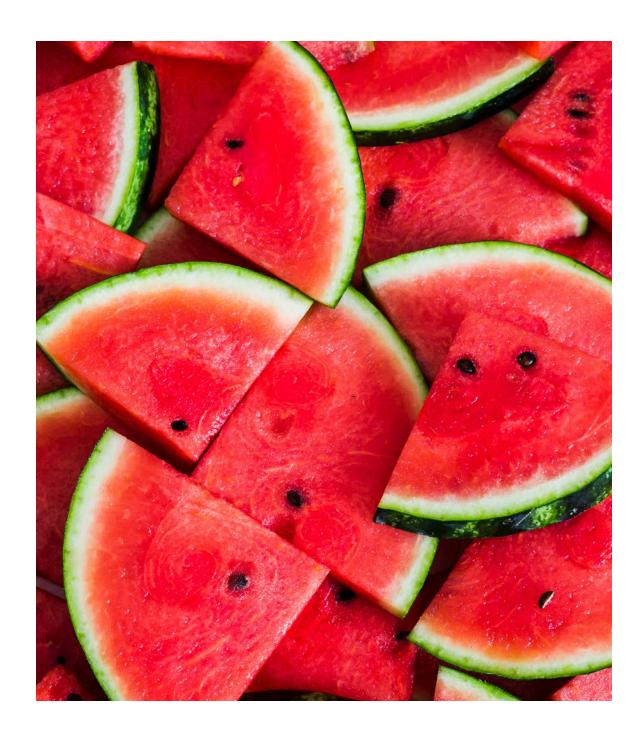
#### SPOTLIGHT ON

### CUT FRUIT EXPRESS – US FOODS' DIVERSE SUPPLIER OF THE YEAR

At our 2022 Vendor Forum, we recognized Cut Fruit Express as US Foods' first Diverse Supplier of the Year. Through the delivery of innovative value-added produce and an ability to fulfill "Just in Time" orders, Cut Fruit Express has allowed us to support our customers with fresh and reliable deliveries. It is a certified minority-owned supplier and has created programs to assist their employees and communities in achieving a better quality of life. Examples include a house-buying assistance program and a tuition assistance program.

"I am honored that Cut Fruit Express received the Diverse Supplier of the Year award from US Foods! It's a huge honor and a reflection of the hard work and dedication that we put into serving our customers and communities. Our partnership with US Foods is something I take great pride in, knowing that we share common values of diversity, inclusion, and corporate social responsibility."

Lawford Baxter,
President at Cut
Fruit Express









SPOTLIGHT ON

Q&A WITH LISA WEHRMAN, DIRECTOR, SUPPLIER DIVERSITY

# Tell us about your roles and responsibilities at US Foods

In leading US Foods' Supplier Diversity program, I support our Sales team by helping our customers understand how we can play a part in meeting their diverse- and small-business spend goals. I am also a partner to our internal Procurement teams by connecting them with diverse suppliers and small businesses that can impact our sourcing strategies. Externally, I work with our membership organizations, such as the NMSDC, WBENC, NGLCC, NVBDC, WBDC and Disability: IN to engage in database searches and networking opportunities

to identify diverse suppliers that could fulfill our US Foods sourcing needs.

# How has supplier diversity evolved at US Foods since your program began in 2020, and where do you see it heading in the future?

US Foods has a commitment to diversity and is continuing to build a Supplier Diversity program that enhances our network of vendor partnerships with small businesses and companies that are owned and operated by a diverse spectrum of people, consisting of women, minorities, veterans, LGBT+ and individuals with disabilities.

Since the launch of our program in 2020, we expanded our diversity definition for suppliers to include veterans, LGBT+ and individuals with disabilities; we joined five additional membership organizations to expand our supplier network; and we have been tracking and expanding the scope of our Tier 2 reporting, along with understanding our economic impact on jobs and wages across the U.S.

In 2022, US Foods spent \$723M with nearly 500 certified diverse suppliers and over \$2.4B with over 2,600 small businesses. This is an increase of 87%+ in spend with diverse suppliers and 84%+ in spend with small

businesses since 2020. Moving forward, we will continue to focus on growing the economic impact of our Supplier Diversity program through expanding the scope of the program within US Foods and increasing our spend with Diverse Suppliers, prioritizing Diverse Supplier development and supporting our customers' Supplier Diversity program goals. I am proud of US Foods and the teams that I work with across the organization, who understand not only that this work has a positive impact on the resilience and strength of our supply chain, but also that it helps to support the communities we serve.

# **ASSOCIATE SAFETY**

We are committed to providing our associates, customers, business partners and the members of the public with a safe and hazard-free environment. Through our Get Home Safe campaign, we seek to continuously drive a safety culture built on education, awareness and associate engagement. Our SVP, Environment, Health and Safety, has day-to-day responsibility for safety, and our Compensation and Human Capital Committee provides ultimate oversight for associate safety.

#### Safety in Our Facilities

Our Safety team is composed of professionals who receive annual training and first responders focused on improving safety engagement and performance throughout our field operations. Our Safety Performance teams, composed of warehouse and transportation leaders and associates, help identify safety solutions, execute safety routines and monitor metrics to gauge improvement over time.

#### Safety in Our Fleet

We employ rigorous practices and advanced technology to increase the safety of the

>7,770 DRIVERS WHO OPERATE OUR TRUCK FLEET.

Our Driver Safety Program (DSP) is designed to consistently set safety expectations for associates who operate our vehicles, while providing an accountability model to help them return home safely at the end of each shift. Additionally, we utilize third-party technology to monitor our drivers' motor

vehicle records and identify safe and coachable driving behaviors. As we add new trucks to our fleet, we are increasingly turning to those with advanced driver assistance systems that offer safety mechanisms, such as anticipating traffic patterns, reducing speeds, activating braking action or autoresuming cruise control, as needed. Some of our fleet technologies include:

- Bendix Wingman Fusion collision mitigation technology
- Detroit Assurance® 5.0 driver assistance systems
- Lytx® DriveCam®
- SambaSafety®
- · Safety-enhanced driver uniforms

#### **Driver Skills Course**

By leveraging Continuous Improvement (CI) principles, US Foods' associates address safety needs with greater efficiency and share best practices across the network. We have in place a company-wide driver skills course specifically intended for use by new hires and drivers who have been involved in accidents or incidents. While on the course, drivers are accompanied by trainers who provide real-time coaching and feedback to help them hone their professional skills in a controlled environment.

In 2022, six US Foods drivers were named to the International Foodservice Distribution Association 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.





# **COMMUNITY ENGAGEMENT**

As a national foodservice distributor, we are uniquely positioned to make a meaningful difference in our communities by donating our time and resources. We are privileged to be able to give back in the place where we live and work, harnessing the power of food to empower people with nourishment and opportunity. To that end, our community involvement programs and partnerships fall within four strategic focus areas where we can make the greatest positive impact, including hunger relief, culinary education for underserved students, disaster relief and associate engagement.

#### **Hunger Relief**

As a Feeding America Leadership Partner, we provide year-round support to food banks and other hunger-fighting nonprofits across the country in the form of financial contributions and donations of product. Since 2007, US Foods has donated approximately 165 million pounds of product to aid community hunger relief efforts. We are continuing to implement donation best practices and introduce new guidelines to help strengthen our relationships with regional food banks, promote consistent donation processes and improve food waste diversion efficiency. This work is supplemented by our annual associate engagement campaigns, during which our associates generously volunteer their time and make personal donations to support our collective mission to fight hunger.

~\$13M OF PRODUCT DONATED IN 2022

\$13M of product is the equivalent of six million meals or more than 265 truckloads of product.



#### **Culinary Education**

Our signature US Foods Scholars program addresses two pressing needs: providing economic opportunity to underserved students and helping tackle the talent shortage facing the foodservice industry. By supporting the next generation of culinary and hospitality talent, we aim to strengthen our industry and set both our customers and our scholars up for success.

The program offers individual scholarship awards of \$20,000 in financial support, as well as exclusive professional development opportunities to outstanding students seeking to pursue careers in the culinary arts or hospitality industry. In partnership with the Careers through Culinary Arts Program (C-CAP) and Scholarship America, we identify deserving students across the country to be named US Foods Scholars. Since the program's inception, we have welcomed 67 scholars, awarding more than \$1.3M in scholarship funding. In 2022, we named 18 new US Foods Scholars, approximately 95% of which were racially or gender diverse. Moving forward, we are exploring new US Foods Scholars programming to provide additional mentorship and professional skill-building opportunities to support scholars as they transition from school to their careers of choice.

#### **Disaster Relief**

US Foods is proud to partner with both the American Red Cross and community food banks to aid critical disaster relief operations across the country. In 2022, US Foods donated \$100,000 to the Red Cross to provide support in the aftermath of Hurricane lan, which devastated communities across Florida, South Carolina and North Carolina. Our local teams also acted quickly to provide food, supplies and logistics support to help restaurants, first responders and affected members of their communities.

~\$3M IN CASH AND PRODUCT DONATED TO SUPPORT DISASTER RELIEF EFFORTS SINCE 2017

Since 2017, US Foods has donated a total of approximately \$3 million to support nationwide disaster relief efforts and has been an annual Heroes Breakfast event sponsor for the American Red Cross of Chicago & Northern Illinois.

#### **Associate Community Engagement**

We encourage our associates to participate in community engagement and charitable giving initiatives through three major company-wide campaigns. They include a week-long "Spring into Service" campaign in which associates coordinate and participate in various service events in their local communities; a Hunger Action Month campaign in support of the nationwide initiative spearheaded by Feeding America; and a month-long "Giving Gratitude" holiday campaign to generate donations to fight food insecurity. As a result of these activities, more than 400,000 meals were donated to organizations around the country working to end hunger in 2022.



#### SPOTLIGHT ON

#### **ASSOCIATE ENGAGEMENT CAMPAIGNS**

#### **Spring into Service**

Spring into Service invites associates and leaders to celebrate the start of spring by participating in an annual week of service to support food insecure individuals and families throughout the communities in which we operate.

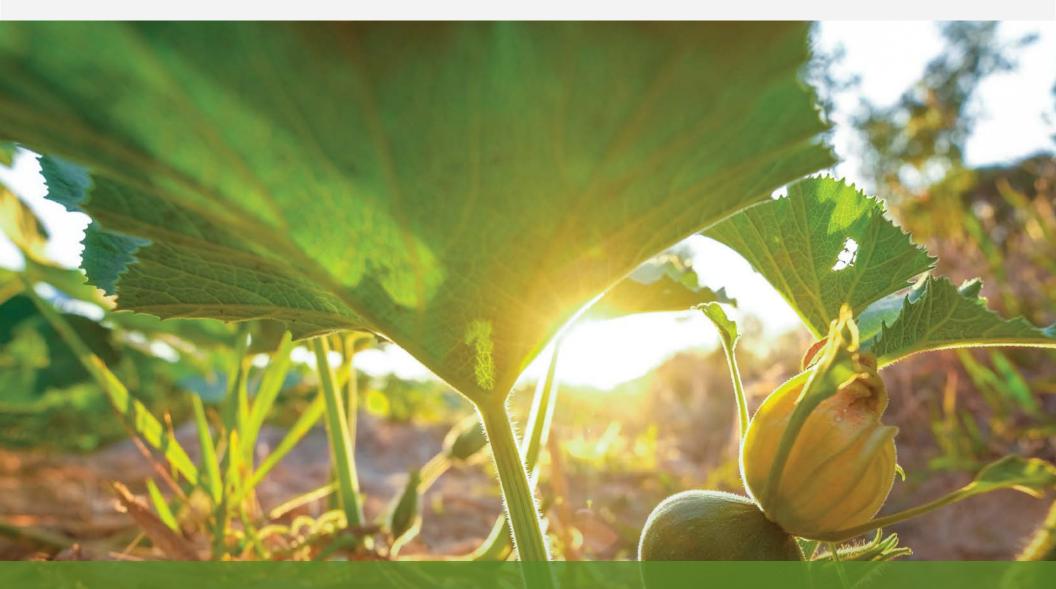
#### **Hunger Action Month**

In 2022, US Foods teams across the country came together to fight hunger by contributing to our national Hunger Action Month Food Drive, resulting in the donation of

over 8,000 grocery items worth approximately \$22,000 to Feeding America—the equivalent of more than 6,800 pounds of food or nearly 6,000 meals.

#### #GivingGratitude

In 2022, we generated a total donation of more than \$30,000 to Feeding America to help community food banks meet rising demand through our #GivingGratitude initiative.



# PLANET

At US Foods, responsibility begins with our products and continues into the operation of our facilities and fleet. We are committed to monitoring, measuring and minimizing our environmental impact, promoting compliance with applicable regulations and increasing the resilience and sustainability of our operations.

# REDUCING OUR ENVIRONMENTAL FOOTPRINT

We incorporate environmental considerations into our operational strategy. Day-to-day oversight of our environmental programs and initiatives is shared across numerous functions, with ultimate oversight from the Nominating and Corporate Governance Committee (NCG) of the Board of Directors. We provide relevant facilities and fleet training to associates. We have in place corrective actions and procedures to stimulate continual improvement. We conduct regular internal and external environmental audits to promote compliance and performance.

# OUR SCIENCE-BASED CLIMATE TARGETS

In December 2022, US Foods received Science-Based Targets initiative (SBTi) approval for our GHG emissions reduction targets. US Foods is committed to reducing absolute Scope 1 and Scope 2 GHG emissions 32.5% by 2032 from a 2019 base year. This target is in line with a well-below 2°C trajectory. To address Scope 3 emissions, US Foods also set a goal that 67% of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.

#### **Taking Action to Achieve our Climate Goals**

At US Foods, we are dedicated to reducing our environmental footprint, as well as creating environmental awareness in our industry. We continue to advance projects to improve the efficiency of our fleet and facilities, making progress toward our Scope 1 and 2 emissions-reduction target. Our Scope 3 emissions, generated by our supply-chain activities, made up nearly 96% of our total emissions in 2019. While Scope 3 emissions are a challenging area to tackle, we are focused on our opportunity to increase our impact by engaging with suppliers to set their own science-based targets.

#### **OUR SCIENCE-BASED CLIMATE TARGETS**



32.5%

REDUCTION IN ABSOLUTE SCOPE 1 AND SCOPE 2 GHG EMISSIONS BY 2032 FROM A 2019 BASE YEAR

67%

OF US FOODS SUPPLIERS BY EMISSIONS COVERING PURCHASED GOODS AND SERVICES WILL HAVE SCIENCE-BASED TARGETS BY 2027

#### **SCOPE 1 REDUCTION INITIATIVES**

- Optimizing routing to reduce miles driven
- Deploying new vehicle technologies and alternative fuel vehicles, including electric vehicles
- Using alternative, lower-emissions fuels for vehicles

#### **SCOPE 2 REDUCTION INITIATIVES**

- Investing in renewable energy such as solar array installations
- Accelerating the adoption of energyefficient equipment and technologies

#### **SCOPE 3 REDUCTION INITIATIVES**

 Collaborating with our suppliers to encourage them to set science-based targets and to support them in their climate change actions



<sup>&</sup>lt;sup>16</sup> US Foods intends to publish its 2022 Scope 3 emissions data in our next report.

# **OUR FLEET**

We work continuously to improve transportation efficiency and reduce the environmental footprint of our fleet through our holistic fleet strategy, undertaking programs and initiatives that are both business-positive and sustainable. As we work to reduce our Scope 1 emissions, we maintain our focus on further leveraging opportunities to optimize routing, enhance fleet technology and transition to alternative fuel sources, including electric vehicles.

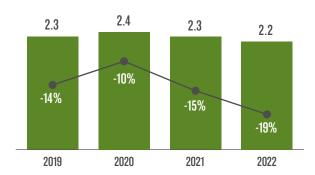
In 2022, US Foods emitted 722,370 MtCO<sub>2</sub>e Scope 1 and 2 emissions, a 22% reduction since 2015.<sup>17</sup> US Foods' GHG emissions reduction targets, which received SBTi approval in December 2022, use a base year of 2019. Aligned with these targets, US Foods will report future emissions against the 2019 base year.

13%

SCOPE 1 AND 2 EMISSIONS REDUCTION SINCE 2019

#### **SCOPE 1 AND SCOPE 2**

EMISSIONS INTENSITY PER CASE DELIVERED (LB CO.ºE/CASE)



PERCENT REDUCED AGAINST 2015 BASELINE IN EMISSIONS INTENSITY PER CASE DELIVERED<sup>18</sup>



#### LEVERAGING ALTERNATIVE FUELS

We believe there is considerable opportunity to decarbonize our operations through adopting alternative fuel vehicles. As fleet technology continues to evolve, we have integrated a variety of alternative fuel initiatives into our fleet. We are taking a deliberate approach to build out infrastructure at our facilities and to adopt electric and compressed natural gas (CNG) vehicles across our operations. These vehicles help reduce truck emissions and overall fuel costs, and the new CNG engines are EPA-certified to have 90% lower smog-forming NOx emissions than current standards.<sup>19</sup>

- <sup>17</sup> In January 2022, the US EPA-issued updated eGRID emissions factors for purchased energy consumed from January 2020 forward. As per GHG Protocol guidance, US Foods applied these updated emissions factors to purchased energy consumption occurring during the 2020 reporting period. This update resulted in a change to the 2020 Scope 2 emissions totals US Foods previously reported.
- <sup>18</sup> Emissions intensity measured as pounds of CO<sub>2</sub>e per case delivered. Includes the Food Group and Smart Foodservice acquisitions.
- <sup>19</sup> Certified by Cummins: The B6.7N, L9N, ISX12N have been EPA/CARB certified to 0.02qm NOX which is 90% below the EPA 0.2 qm regulation.

# Initiatives to use alternative fuels in our fleet include:

- Launched infrastructure enhancement at one facility to support 30 battery-electric trucks and charging stations in 2023
- Took first delivery of our order of 40 electric semi-tractors
- Implemented smart charging stations to minimize grid impact
- Began evaluation of eTractors, eYard tractors, eVans, eTrailers, eStraight trucks and additional facilities to operate electric vehicles and serve our customers with clean vehicle technologies
- Kicked off renewable natural gas (RNG) fleet conversion for use in our 75 CNG tractors at two sites after adding 27 additional CNG tractors to the fleet in 2022

Additional initiatives aimed at leveraging alternative fuels include our renewable diesel (RD) conversions. RD fuel is a sustainable alternative to traditional diesel with a more than 65% lower carbon intensity rating.<sup>20</sup> US Foods is one of the early adopters of RD fuel use within the foodservice industry. In 2022, we converted all vehicles to RD at our Corona, Livermore, La Mirada and Sacramento facilities.

#### **Electrifying Our Fleet**

In 2022, we received our first battery-electric powered Freightliner® eCascadia® trucks at our La Mirada, California distribution center. This is part of US Foods' plans to add 30 electric trucks to our La Mirada fleet in 2023. To help achieve this milestone, US Foods received support from South Coast Air Quality Management District, EPA's Targeted Airshed Grant Program and California Air Resources Board's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, part of California Climate Investments, a statewide initiative

that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment — particularly in disadvantaged communities. Additional support was also secured from California Energy Commission's EnergIIZE Commercial Vehicles Project, Southern California Edison's Charge Ready Transport Program, and NextEra Energy Resources, LLC.

#### Renewable Natural Gas Fleet

In addition to growing our CNG fleet, we have converted our Buda, Texas, CNG fleet to Renewable Natural Gas (RNG) fuel. We also have plans in place to use RNG fuel in the new CNG trucks planned for our new Sacramento facility. Unlike CNG, RNG fuel is a carbon-neutral biogas produced from the decomposition of organic matter.

<sup>&</sup>lt;sup>20</sup> Based on California Air Resources Board's life-cycle analysis of carbon intensities using the CA-GREET model.





SPOTLIGHT ON

# KEN MARKO, SENIOR MANAGER, FLEET SUSTAINABILITY

# Tell us about your roles and responsibilities at US Foods.

As Senior Manager, Fleet Sustainability at US Foods, I focus on developing and managing fleet sustainability initiatives to achieve our sustainability goals, including to reduce absolute Scope 1 and Scope 2 GHG emissions by 32.5% by 2032. This includes developing strategic plans for evaluating and implementing zero- and near-zero emissions vehicle technology into the US Foods fleet, developing capital funding project proposals, supporting a site-selection process and developing infrastructure projects that enable fleet electrification.

# How has fleet sustainability evolved at US Foods, and where do you see it heading in the future?

There are several exciting projects underway, including implementing 30 battery electric trucks and charging stations in 2023. The Fleet Sustainability team is developing a roadmap for future projects in which we are looking at various technologies to achieve fleet sustainability goals. This is an exciting time in the industry and at US Foods, as we strive to improve air quality today and for future generations in the communities we serve.

#### **OPTIMIZING ROUTING**

In 2022, we continued to achieve a reduction in miles driven versus our 2019 baseline by optimizing our truck routing and rightsizing our vehicles by route type to save fuel and reduce our carbon emissions. Our SVP, Transportation and Logistics, and VP, Routing, provide oversight to our mileage reduction and routing initiatives. We maximize our routing efficiency through:

- Utilizing an enterprise-wide approach to better align our customers and routes, resulting in reduced miles and improved service
- Designing and implementing a new routing system

#### **VEHICLE ENHANCEMENTS**

We regularly seek avenues to enhance the performance of vehicles in our fleet. Initiatives to amplify freight transportation efficiency include:

- Aerodynamic design and low-RPM engines to reduce fuel usage and emissions
- Real-time engine-performance monitoring and fuel-economy reporting systems
- Telematics technology to reduce pre-cooling times and fuel usage through temperature zone improvements for refrigerated trailers

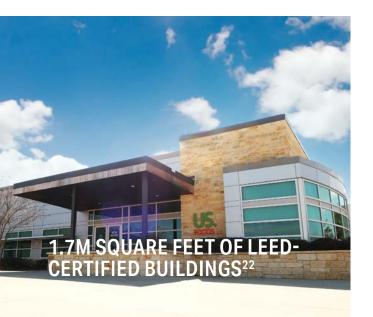
We are a member of the ACT Fleet Forum, a members-only network bringing together the industry's leading fleet operators to share and gain insight into the rapidly evolving field of clean commercial transportation. As part of this community, we participate in fleet-to-fleet knowledge-sharing centered on emerging technologies, implementation strategies and best practices.



## **OUR FACILITIES**

Through our operational impact strategy, we implement programs and initiatives that support the needs of our business while contributing to the reduction of energy usage, the transition to renewable resources and the adoption of more efficient equipment and technologies throughout our facilities. As part of this strategy and to reduce Scope 2 emissions, US Foods currently operates three Leadership in Energy and Environmental Design (LEED) facilities certified at the Silver level for Building Design and Construction. Two additional locations in Marrero, Louisiana and Sacramento, California opened in 2022, and we expect these new locations will go through the final LEED review process and be certified at the Silver level in 2023.

**10%** REDUCTION IN ENERGY INTENSITY ACROSS THE BUSINESS SINCE 2015<sup>21</sup>



#### ENERGY EFFICIENCY

#### **Renewable Energy Adoption**

- Generating 12.4 million kilowatt hours (kWh) of electricity in 2022 from our active solar projects, which includes an 8.4-megawatt solar array in Perth Amboy, New Jersey — one of the largest rooftop installations in the state
- Replacing existing solar arrays with larger and more efficient installations at our La Mirada, California, Livermore, California, and Phoenix, Arizona facilities
- Adding battery storage as part of our solar installation projects at La Mirada, California and Livermore, California
- Partnering with a third party to monitor and maximize renewable energy use
- · Assessing facilities for future solar locations

#### **Refrigeration Solutions**

- Retrofitting and replacing r22 Freon-based refrigeration systems with non- and lower-ozonedepleting substances, including ammonia
- Adopting energy-efficient refrigeration equipment

#### **LED Lighting Retrofit**

- Completed 14 LED lighting projects in 2022, including 10 projects at US Foods warehouses and 4 projects at Chef'Stores
- Installing LED for new build or retrofit projects
- Equipping all new facilities with LED and motion sensors to reduce electricity usage



#### SPOTLIGHT ON

# MOST ENVIRONMENTALLY SUSTAINABLE DISTRIBUTION FACILITY TO DATE

In June 2022, we opened the company's 70th distribution facility, located in Sacramento, California. The new 355,000 square-foot, state-of-the-art distribution facility and customer engagement training center reflects a variety of sustainable building and fleet initiatives undertaken by US Foods, making it the most environmentally sustainable distribution facility the company has built to date. The facility enables us to service our growing Northern California customer base more efficiently, with significant room for expansion. Key sustainability highlights include:

- A forthcoming Silver Leadership in Energy and Environmental Design (LEED) certification for Building Design and Construction
- Solar array installations expected to generate 40 to 50% of the building's energy needs
- Energy-saving LED lighting, environmentally optimized HVAC systems, refrigeration systems that do not utilize water for evaporative cooling
- Water saving landscaping
- Fleet of 27 CNG trucks fueled by renewable natural gas, a carbon-neutral biogas produced from the decomposition of organic matter
- Onsite fueling station that provides renewable diesel to the facility's fleet

<sup>&</sup>lt;sup>21</sup> Measured in kilowatt hours per case shipped.

<sup>&</sup>lt;sup>22</sup> 550,000 square feet of LEED-certified buildings are based on two projects completed in 2022 that we expect to go through the final LEED review process in 2023.



#### **Real-Time Energy Use Monitoring**

US Foods began partnering with Cascade Energy in 2015 to track electricity usage in facilities through real-time monitoring, resulting in cumulative energy savings of 318 million kilowatt hours (kWh) since 2015. This is the equivalent of removing approximately 48,500 passenger cars from the road for one year.<sup>23</sup> This partnership has provided the ability to:

- Create predictive facility-level energy models and assess energy performance and potential savings
- Gain a better understanding of cold-storage energy usage based on anticipated conditions
- Receive energy efficiency training and participate in facility tune-ups for our field teams, which give opportunities to optimize refrigeration systems

- and operation and to identify energy efficiency projects for the future
- Identify potential energy savings of 5 to 23% through the tune-up process in 2022<sup>24</sup>

#### **WASTE DIVERSION**

- Partnering with a third party to explore expansion of waste diversion efforts and examine centralized waste reporting
- Collaborating with major food-security partners like Feeding America to convert excess food into meaningful assistance for Americans facing food insecurity
- Recycling of more than 67,000 gallons of used oil collected at participating US Foods facilities

#### **WATER SAVINGS**

Due to the nature of our business, our water usage is relatively limited and primarily used for refrigeration cooling cycles, vehicle washing and sanitization in our meat processing facilities. Despite our limited use, we strive to be efficient in our direct operations water use, including:

- Partnering with a third party to operate water-recycling programs across five distribution warehouses
- Reducing water use through not utilizing water for evaporative cooling in our new Sacramento facility's refrigeration systems
- Tracking and monitoring water usage across all locations

<sup>&</sup>lt;sup>23</sup> Source: EPA greenhouse gas equivalencies calculator

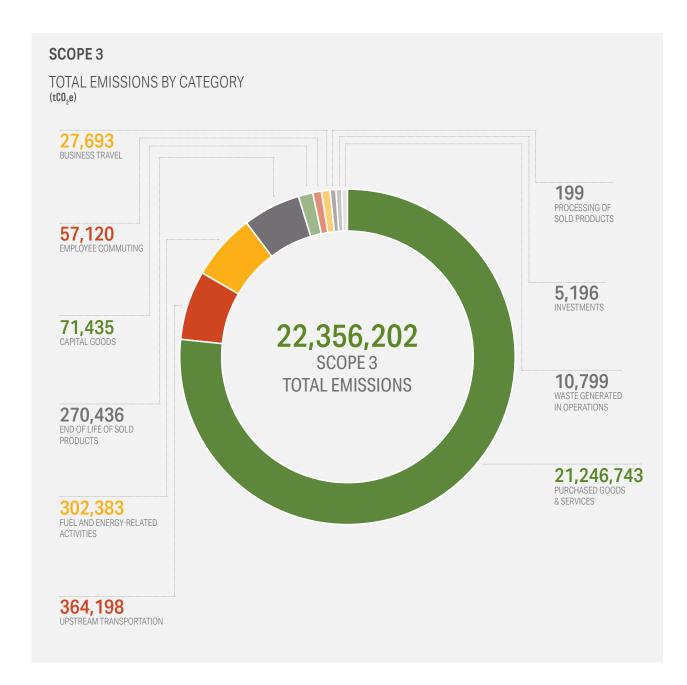
<sup>&</sup>lt;sup>24</sup> Weighted average = 11.2%

## **SUPPLY CHAIN**

We recognize that our greatest opportunity to reduce GHG emissions is in our supply chain. Scope 3 emissions comprised approximately 96% of all US Foods GHG emissions in 2019. This is why we have set a goal for 67% of suppliers by emissions covering purchased goods and services to have science-based targets by 2027.

To understand our Scope 3 emissions, we engaged a third-party consultant to help us quantify our Scope 3 emissions data. Scope 3 GHG emissions are all emissions indirectly impacted by US Foods, such as supply-chain purchases and upstream transportation. Through a hybrid calculation approach, we collected primary activity data for some Scope 3 categories to conduct a full Scope 3 accounting. We then calculated the remaining Scope 3 emissions by gathering and inputting US Foods' spend data. As a result of this study, we are disclosing our 2019 Scope 3 emissions baseline for the first time.

To kick off our collaboration with our suppliers as part of our science-based target, we held introductory calls with several of US Foods' topemitting suppliers in 2022 to introduce our goal and understand their climate ambitions and progress. In 2023, we will further enhance our engagement to support them in their climate actions.





# GOVERNANCE AND INTEGRITY

At US Foods, we are committed to doing the right thing. Honesty and integrity are the foundation for how we work with each other, and with our customers, suppliers, communities, government officials and other stakeholders.

# **ETHICS AND COMPLIANCE**

The cornerstone of this commitment is our <u>Code</u> <u>of Conduct</u>, a public affirmation that we are committed to doing the right thing. The Code of Conduct is grounded in our Cultural Beliefs and the understanding that each of us plays an important role in operating with honesty and integrity.

#### TONE AT THE TOP

The Audit Committee of the Board of Directors oversees our Ethics and Compliance program, which is led by our GC. Both the Audit Committee and our Ethics Leadership Council (consisting of members of our ELT and chaired by our GC) receive quarterly updates on the Ethics and Compliance program, including Check-In Line report volumes and trends, resulting remedial actions and any significant matters. The Ethics and Compliance team, under our GC, is responsible for the day-to-day handling of reports of alleged misconduct, including logging

and tracking complaints, investigations, identifying policy violations, apprising appropriate stakeholders of findings and recommending appropriate remedial actions in coordination with human resources and individual managers and following up with individuals who raise concerns. Handling concerns promptly and appropriately is critical to preserving our associates' trust and protecting US Foods.

#### SPEAKING UP

Part of building a culture of integrity is creating an environment that encourages associates to speak up when something does not seem right. This message is proactively communicated through our Code of Conduct, Cultural Beliefs, website, intranet, on-site posters, training, emails and other notifications from our Ethics and Compliance and Human Resources teams. To foster a culture of speaking up, we prohibit retaliation against anyone

who raises questions or concerns in good faith. Our suppliers and their employees are also encouraged to speak up, and our Responsible Sourcing Policy and Supplier Code of Conduct requires our suppliers to have a no-retaliation policy to allow their employees to report their concerns to US Foods without fear of retaliation or reprisal.

There are a variety of ways to report a concern, including to any manager, any member of our Human Resources, Legal Department or Ethics and Compliance teams, our GC or to the US Foods Check-In Line, which was upgraded to a new system in 2022. The Check-In Line is an externally hosted hotline that is available to both internal and external parties and can be contacted anonymously, 24 hours a day, seven days a week, with translation services, if needed.

#### ASSOCIATE TRAINING

To reinforce our culture of integrity, we assign annual Code of Conduct training to all full-time and parttime associates, including management, as well as additional training in areas that are relevant to their duties and responsibilities. For example, US Foods associates in roles relating to our supply chain and operations are provided human trafficking training. This training is designed to help these associates better understand the issues of forced labor, create awareness of their responsibility to US Foods and society more broadly and to empower them to report human trafficking concerns. Associates are provided other relevant training — including anti-corruption, insider trading prevention, sexual harassment prevention or workplace violence prevention — as part of our Ethics and Compliance program.



# CYBERSECURITY AND DATA PRIVACY

At US Foods, we invest in a comprehensive data security program that applies a recognized framework, utilizes industry standard tools, relies on expert partners, connects associates across the organization and leverages communication to protect our systems and our data.

#### **GOVERNANCE**

Under the oversight of the Audit Committee of our Board of Directors, our cybersecurity function is managed by our Technology and Innovation team, led by our Executive Vice President, Chief Information and Digital Officer, who reports directly to our Chief Executive Officer, with support from the Internal Audit and Legal functions. Management provides an annual cybersecurity report to our Board of Directors and our Audit Committee, which includes a review of potential threats and vulnerabilities.

#### FRAMEWORK, POLICIES AND PROCEDURES

Our cybersecurity program is designed to protect the confidentiality, integrity and availability of critical assets and information, using a proactive and risk-based approach. We utilize an industry-recognized framework to reassess our cybersecurity program identifying strengths and areas of evolution. Our program is structured around five commonly defined stages (Identify, Protect, Detect, Recover and Respond) and is a comprehensive approach to information and cybersecurity risk management. Our policies, including our Information Security Policy and Privacy Policy, and procedures are designed to align with industry best practices and comply

with regulatory requirements. We align our payment processing policies and procedures with industry security standards, including the Payment Card Industry Data Security Standard. Throughout the year, we conduct targeted audits and assessments, using internal and external resources, of certain aspects of our information security systems.

# THREAT MANAGEMENT AND INCIDENT RESPONSE

Our comprehensive cybersecurity program leverages technology, third-party expertise and trained personnel to provide whole-enterprise governance, collaboration for 24-hour monitoring, threat detection and incident response and network, cloud and mobile security. We partner with security firms to manage our security incident and event management, identify external threats, perform penetration testing, complete security assessments and support incident response. These relationships are evaluated and benchmarked periodically to ensure quality resourcing to augment our internal staff and provide insight into emerging risks inside and outside the foodservice industry.

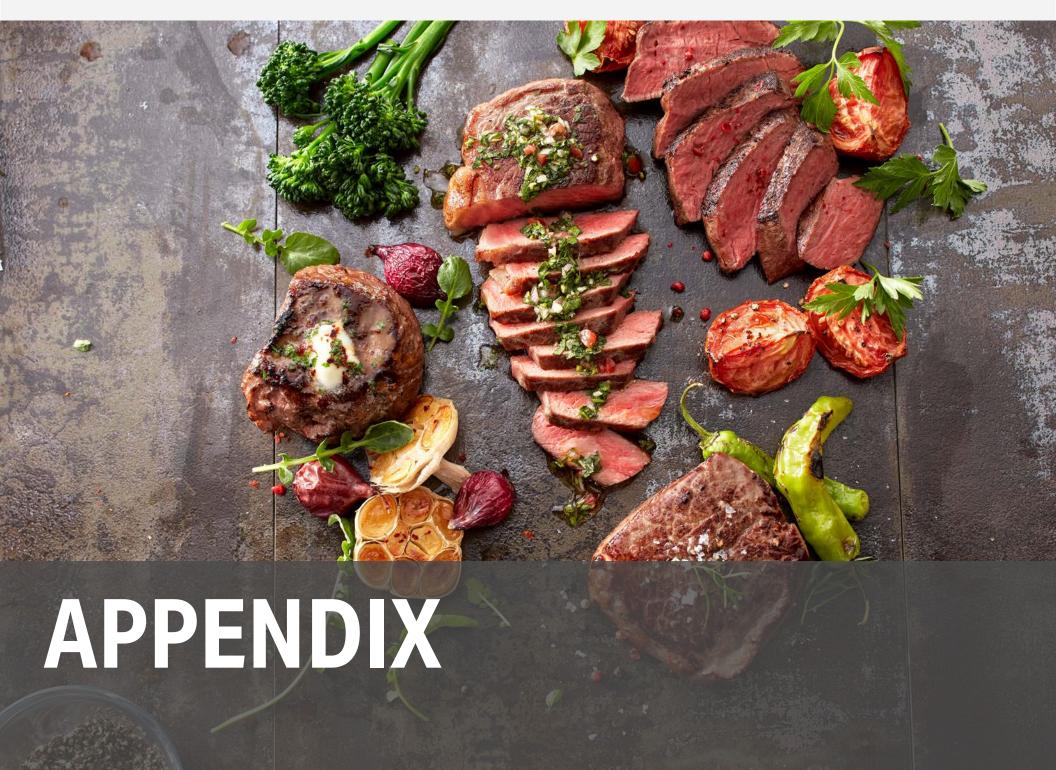
#### **PRIVACY POLICY**

Our Privacy and Security Policy, updated in January 2023, promotes transparency by disclosing how we collect data through our websites, through mobile applications and off-line, as well as our use of such information. We monitor and update our data collection practices and policy to conform with applicable data-privacy regulations and laws.

#### **ASSOCIATE TRAINING**

We provide all associates that have network access with annual data-security training. Our training and education programs include specialized training for associates handling confidential information, information security awareness training, periodic anti-phishing campaigns, one-click email-enabled phish alert reporting functionality and advisory emails on emerging threats.





# **SASB INDEX**

The below table provides data and information aligned with the SASB Food Retailers and Distributors guidelines.

Accounting Metric	Code	Disclosure
Fleet Fuel Management		
Fleet fuel consumed, percentage renewable	FB-FR-110a.1	1) 6,937,151 Gj 2) 4%
Air Emissions from Refrigeration		
Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	84,042 Mt CO <sub>2</sub> e
Percentage of refrigerants consumed with zero ozone-depleting potential	FB-FR-110b.2	99%
Average refrigerant emissions rate	FB-FR-110b.3	Not reported. For information on our programs, please see: Planet
Energy Management		
(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-FR-130a.1	1) 550,100 MWh 2) 100% 3) 0% US Foods generates on-site renewable energy of 12.4M kWh at our Albuquerque, Los Angeles, New York, Pheonix and San Francisco locations, but as we do not currently retain and retire the renewable energy credits associated with this energy, they are excluded from the scope of our renewable energy metrics.
Food Waste Management		
Amount of food waste generated; percentage diverted from the waste stream	FB-FR-150a.1	Not reported. For information on our waste management programs, please see: Products, Planet
Data Security		
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	FB-FR-230a.1	Not reported.
Description of approach to identifying and addressing data-security risks	FB-FR-230a.2	Management provides an annual cybersecurity report to our Board of Directors and/or our Audit Committee of our Board of Directors which includes a review of potential threats and vulnerabilities and our cybersecurity framework designed to protect confidentiality, integrity and availability of critical assets and information. For more details, please see: Governance and Integrity
Food Safety		
High-risk food safety violation rate	FB-FR-250a.1	Not reported. For information on our food safety programs, please see: <u>US Foods 2022 Form 10-K;</u> Overview; Products; Governance and Integrity
(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products	FB-FR-250a.2	Not reported. For information on our programs, please see: Products

Accounting Metric	Code	Disclosure
Product Health & Nutrition		
Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	Not reported.
Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	Our Well-Being pillar strives to provide options for our customers in these areas by offering a growing portfolio of Exclusive Brand products with simple ingredients, plant-forward attributes or positive nutrient claims. For information on our programs, please see: Products
Product Labeling & Marketing		
Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-FR-270a.1	Not reported.
Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	FB-FR-270a.2	US Foods discloses material legal and regulatory issues in its annual 10-K and quarterly 10-Qs
Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	FB-FR-270a.3	Not reported.
Labor Practices		
(1) Average hourly wage and (2) percentage of in-store and distribution-center employees earning minimum wage, by region	FB-FR-310a.1	Not reported.
Percentage of active workforce covered under collective bargaining agreements	FB-FR-310a.2	Not reported.
(1) Number of work stoppages and (2) total days idle	FB-FR-310a.3	Not reported.
Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination	FB-FR-310a.4	US Foods discloses material, legal and regulatory issues in its annual 10-K and quarterly 10-Qs
Management of Environmental & Social Impacts in the Supply Ch	ain	
Revenue from products third-party certified to environmental or social sustainability sourcing standard	FB-FR-430a.1	Not reported. For information on our programs, please see: Products
Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	FB-FR-430a.2	Not reported. For information on our programs, please see: Products
Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	At US Foods, we are committed to growing our portfolio of Exclusive Brand products that are responsibly sourced or contribute to waste reduction. The Serve Good program offers a portfolio of Exclusive Brand products that are developed with suppliers that are committed to responsible practices, and most items come with the reassurance of verification by third-party certifiers wherever they exist for a specific claim. For more information, please see: Products
Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	We have specific packaging standards for all EB items included in the Serve Good® program to ensure a holistic approach in providing more sustainable products. For information on our programs, please see: Products

Accounting Metric	Code	Disclosure
Activity Metric		
Number of (1) retail locations and (2) distribution centers	FB-FR-000.A	1) 86 2) 70 For more information, see: <u>US Foods 2022 Form 10-K</u>
Total area of (1) retail space and (2) distribution centers	FB-FR-000.B	1) 2,000,000 square feet 2) 19,000,000 square feet For more information, see: <u>US Foods 2022 Form 10-K</u>
Number of vehicles in commercial fleet	FB-FR-000.C	6,500
Ton miles travelled	FB-FR-000.D	Not reported.

## TCFD INDEX

At US Foods we are committed to providing transparency on our climate change risk management, governance and performance. A summary of our response to the TCFD-recommended disclosures is below. For more information on our climate strategy, please see our CDP response on our <u>website</u>.

#### CLIMATE CHANGE GOVERNANCE

#### a) Board Oversight

Our Board of Directors has ultimate oversight of environmental risks, including those related to climate change, and is responsible for reviewing and providing guidance on the company's climate change-related programs and policies as part of its wider sustainability oversight. Our Nominating and Corporate Governance Committee (NCG) of the Board of Directors, pursuant to its Charter, oversees the Company's CSR Program, including program strategy, areas of focus, goals and progress. This includes oversight of climate-related issues and risks. The NCG receives quarterly reports from management regarding the Company's CSR initiatives and accomplishments.

#### b) Management Oversight

Our General Counsel (GC), with support from our Associate General Counsel, Corporate & ESG and Corporate Secretary, leads a cross-functional CSR working group to advance our CSR objectives and provides managerial oversight of our strategic approach to mitigating environmental risks, including those related to climate change, and

has responsibility for assessing and managing climate-related risks and opportunities. This working group is composed of leaders and subject-matter experts from across the enterprise, including ESG, Supply Chain, Real Estate, Merchandising, Human Resources, Investor Relations, Legal and Communications. The GC reports directly to our Chief Executive Officer, and the CSR working group regularly works with our Executive Leadership Team to plan for and assess progress against environmental, social and governance commitments and priorities.

Managed by the Director of Corporate Social Responsibility, the CSR working group reports updates on a quarterly basis to the GC, who communicates those updates to the NCG Committee. Progress against our ESG initiatives, including those specifically related to climate change, is reported annually within the company's public-facing CSR Report, and on the company's website within the Corporate Social Responsibility section of the website.

#### **STRATEGY**

Climate-related risks and opportunities are primarily identified, assessed and addressed by our crossfunctional CSR working group. We do not believe climate-related risks pose a financially material risk to our business. However, we have identified climate change—related risks that may impact our business over the short-, medium- and long-term, which include the following:

Regulatory Risks: Increased compliance costs and expenses due to the impacts of climate change, as well as additional legal or regulatory requirements regarding climate change or designed to reduce or mitigate the effects of carbon dioxide and other GHG emissions on the environment, may impact our business. Compliance with evolving legal or regulatory requirements may require that we implement changes to our business operations and strategy, which would require us to devote substantial time and attention to these matters and cause us to incur additional costs. The effects of climate change, and legal or regulatory initiatives to address climate change, could have a long-term adverse impact on our business and results of operations.

Physical Risk: Some of our facilities and our customers' and suppliers' facilities are located in areas that may be subject to extreme, and occasionally prolonged, weather conditions caused by climate change, including hurricanes, tornadoes, blizzards and extreme cold. Extreme weather conditions may interrupt our operations in such areas. Furthermore, extreme weather conditions may disrupt critical infrastructure in the United States and interrupt or impede access to our customers' facilities, reduce the number of consumers who visit our customers' facilities, interrupt our suppliers' production or shipments or increase our suppliers' product costs, all of which could have an adverse effect on our business, financial condition and results of operations.

To manage our climate-related risks, our executive leadership and our Board of Directors monitor changing customer demand, regulatory requirements and other impacts to our business. We are focused on addressing our identified climate change-related risks.

#### **RISK MANAGEMENT**

Our senior leadership team and board of directors are focused on managing and mitigating various risks to our business and financial performance, including environmental risks. US Foods leverages an Enterprise Risk Management (ERM) process to identify, assess, prioritize, mitigate and monitor the Company's top enterprise-wide risks. Such risk-management topics are reviewed and discussed on a regular basis among our leadership team across the entire organization. Consideration of such risks is implemented as part of operating and investment decision-making process, in all aspects of the business.

For US Foods ESG, Supply Chain, Real Estate and Merchandising functional leaders and their teams that are responsible for identifying and managing strategies and initiatives within our CSR focus areas of Products and Planet, their individual performance factor is tied to the success of their ESG-related initiatives including climate-related initiatives.

To date, top risks identified within the ERM process do not include climate-related risks. However, should a climate-related issue emerge as a key risk within the ERM identification process, this risk would be monitored and managed within the ERM process. The Executive Leadership Team, which reports to the Chairman and Chief Executive Officer, is responsible for managing the ERM Process, and the Audit Committee of the Board of Directors is responsible for oversight.

#### **METRICS AND TARGETS**

#### **Metrics**

We monitor our Scope 1, 2 and 3 greenhouse gas (GHG) emissions (Scope 2 reporting is a location-based figure). Relatedly, we track our energy use and operational and fleet efficiency.

#### **Targets**

In December 2022, US Foods received Science-Based Targets initiative (SBTi) approval for our GHG emissions reduction targets. US Foods is committed to reducing absolute Scope 1 and Scope 2 GHG emissions 32.5% by 2032 from a 2019 base year. This target is in line with a well-below 2°C trajectory. To address Scope 3 emissions, US Foods also set a goal that 67% of its suppliers by emissions covering purchased goods and services will have science-based targets by 2027.

#### Data

- Scope 1 emissions (CY2022): 567,899 metric tons of CO<sub>2</sub>e
- Scope 2 emissions (CY2022): 154,471 metric tons of CO<sub>2</sub>e
- Scope 3 emissions (CY2019): 22,356,202 metric tons of CO<sub>2</sub>e

# **GRI INDEX**

#### **US FOODS REPORTING INITIATIVE STANDARDS**

#### **Statement of Use**

US Foods has reported the information cited in this GRI content index for the period January 2, 2022 to December 31, 2022 with reference to the GRI Standards.

#### GRI 1 used

GRI 1: Foundation 2021

<b>GRI Standard</b>	Title	GRI Standards Disclosure Title	Disclosure Location or Response
GRI 2: General Disclo	osures 2021		
THE ORGANIZATION	AND ITS REPORTING PRACTICES		
2-1	General Disclosures	Organizational details	US Foods Holding Company (USFD) <u>Rosemont, Illinois</u> <u>Our Locations</u>
2-2	General Disclosures	Entities included in the organization's sustainability reporting	Our Approach to CSR (pages 11-12)
2-3	General Disclosures	Reporting period, frequency and contact point	January 2, 2022 to December 31, 2022 Annual communications@usfoods.com
2-4	General Disclosures	Restatements of information	None
2-5	General Disclosures	External Assurance	US Foods 2022 CDP Response
ACTIVITIES AND WO	RKERS		
2-6	General Disclosures	Activities, value chain and other business relationships	Overview (page 4) Products (pages 13-27) <u>US Foods 2022 Form 10-K</u>
2-7	General Disclosures	Employees	People (page 35) <u>US Foods 2022 Form 10-K</u> Breakdown of employees by region unavailable at this time
2-8	General Disclosures	Workers who are not employees	From time to time US Foods engages contractors who are not employees in compliance with applicable national, state, and local laws and regulations and in compliance with our <u>Code of Conduct</u> . The total number of these workers varies and is not currently available.

GRI Standard	Title	GRI Standards Disclosure Title	Disclosure Location or Response
GOVERNANCE			
2-9	General Disclosures	Governance structure and composition	Overview (page 11) Governance and Integrity (pages 53-54) US Foods 2023 Proxy Statement US Foods Governance Documents US Foods Board of Directors US Foods Committee Composition
2-10	General Disclosures	Nomination and selection of the highest governance body	US Foods 2023 Proxy Statement US Foods Nominating and Corporate Governance Committee Charter
2-11	General Disclosures	Chair of the highest governance body	US Foods 2023 Proxy Statement US Foods Board of Directors
2-12	General Disclosures	Role of the highest governance body in overseeing the management of impacts	Our Approach to CSR (page 11) <u>US Foods 2023 Proxy Statement</u> <u>US Foods Nominating and Corporate Governance</u> <u>Committee Charter</u> <u>US Foods 2022 CDP Response</u>
2-13	General Disclosures	Delegation of responsibility for managing impacts	Our Approach to CSR (page 11)  US Foods 2023 Proxy Statement  US Foods Governance Documents  US Foods 2022 CDP Response
2-14	General Disclosures	Role of the highest governance body in sustainability reporting	Following our CSR Governance Structure, the Board of Directors has ultimate oversight over our sustainability reporting.
2-15	General Disclosures	Conflicts of interest	US Foods 2023 Proxy Statement
2-16	General Disclosures	Communication of critical concerns	Partially reported: Governance and Integrity (page 53) US Foods 2023 Proxy Statement
2-17	General Disclosures	Collective knowledge of the highest governance body	Overview (page 11) US Foods 2023 Proxy Statement
2-18	General Disclosures	Evaluation of the performance of the highest governance body	US Foods 2023 Proxy Statement
2-19	General Disclosures	Remuneration policies	US Foods 2023 Proxy Statement
2-20	General Disclosures	Process to determine remuneration	US Foods 2023 Proxy Statement
2-21	General Disclosures	Annual total compensation ratio	US Foods 2023 Proxy Statement
STRATEGY, POLICIES	S AND PRACTICES		
2-22	General Disclosures	Statement on sustainable development strategy	Overview (page 11)
2-23	General Disclosures	Policy commitments	Governance and Integrity (pages 52-54) usfoods.com/about-us-foods

GRI Standard	Title	GRI Standards Disclosure Title	Disclosure Location or Response
2-24	General Disclosures	Embedding policy commitments	Governance and Integrity (pages 52-54) <u>usfoods.com/about-us-foods</u>
2-25	General Disclosures	Process to remediate negative impacts	Governance and Integrity (pages 53-54) <u>US Foods Code of Conduct</u>
2-26	General Disclosures	Mechanisms for seeking advice and raising concerns	Governance and Integrity (pages 53-54) <u>US Foods Code of Conduct</u>
2-27	General Disclosures	Compliance with laws and regulations	No instances of non-compliance.
2-28	General Disclosures	Membership of associations	Products (pages 14-27) People (pages 29-44)
STAKEHOLDER ENG	AGEMENT		
2-29	General Disclosures	Approach to stakeholder engagement	Overview (pages 3-12) People (pages 4-27) <u>US Foods 2023 Proxy Statement</u> <u>US Foods 2022 CDP Response</u> Associates, communities, nonprofit partners, suppliers, customers, investors, regulators We engage with a variety of stakeholders based on their genuine interest in US Foods, our industry and their potential to impact our business, our employees and the communities where we live and work. Stakeholder interaction takes many forms, with the intent being to better understand stakeholder priorities and how they factor into our operational decisions.
2-30	General Disclosures	Collective bargaining agreements	US Foods 2022 Form 10-K
MATERIAL TOPICS			
GRI 3: MATERIAL TO	PICS 2021		
3-1	Material Topics	Process to determine material topics	Overview (pages 5-6; 11-12)
3-2	Material Topics	List of material topics	Overview (pages 5-6; 11-12)
3-3	Material Topics	Management of material topics	Overview (pages 5-6; 11-12)  The way we manage each identified material topic is covered in the various sections of the report.
TOPIC-SPECIFIC DIS	SCLOSURES: ECONOMIC		
GRI 201: ECONOMIC	PERFORMANCE 2016		
201-1	Economic Performance	Direct economic value generated and distributed	US Foods 2022 Form 10-K
201-2	Economic Performance	Financial implications and other risks and opportunities due to climate change	US Foods 2022 Form 10-K US Foods 2022 CDP Response
201-3	Economic Performance	Defined benefit plan obligations and other retirement plans	US Foods 2022 Form 10-K

GRI Standard	Title	GRI Standards Disclosure Title	Disclosure Location or Response		
GRI 203: INDIRECT ECONOMIC IMPACT 2016					
203-2	Indirect Economic Impact	Significant indirect economic impacts	People (pages 42-43)		
<b>GRI 204: PROCUREM</b>	ENT PRACTICES 2016				
204-1	Procurement Practices	Proportion of spending on local suppliers	Partially reported: Products (page 15)		
GRI 205: ANTI-CORR	UPTION 2016				
205-2	Anti-Corruption	Communication and training about anti-corruption policies and procedures	Partially reported: Governance and Integrity (page 53) US Foods Anti-Corruption Policy		
GRI 207: TAX 2019					
207-1	Tax	Approach to Tax	<u>US Foods 2022 Form 10-K</u> <u>US Foods 2022 CDP Response</u>		
TOPIC-SPECIFIC DIS	CLOSURES: ENVIRONMENTAL				
<b>GRI 301: MATERIALS</b>	2016				
301-1	Materials	Materials used by weight or volume	Partially reported: Products (pages 16-17)		
301-2	Materials	Recycled input materials used	Partially reported: <u>US Foods 2022 CDP Response</u>		
GRI 302: ENERGY 201	16				
302-1	Energy	Energy consumption within the organization	US Foods 2022 CDP Response		
302-3	Energy	Energy intensity	Partially reported: <u>US Foods 2022 CDP Response</u>		
302-4	Energy	Reduction of energy consumption	Planet (page 49) US Foods 2022 CDP Response		
302-5	Energy	Reductions in energy requirements of products and services	Partially reported: US Foods 2022 CDP Response		
GRI 303: WATER AND EFFLUENTS 2018					
303-1	Water	Interactions with water as a shared resource	Partially reported: Planet (page 50) US Foods 2022 CDP Response		
GRI 304: BIODIVERSI	GRI 304: BIODIVERSITY 2016				
304-2	Biodiversity	Significant impacts of activities, products and services on biodiversity	Products (pages 14-18; 26-27) <u>US Foods 2022 CDP Response</u>		
304-3	Biodiversity	Habitats protected or restored	Products (pages 14-18; 26-27)		

GRI Standard	Title	GRI Standards Disclosure Title	Disclosure Location or Response		
GRI 305: EMISSIONS	GRI 305: EMISSIONS 2016				
305-1	Emissions	Direct (Scope 1) GHG emissions	Planet (pages 45-46) <u>US Foods 2022 CDP Response</u>		
305-2	Emissions	Energy indirect (Scope 2) GHG emissions	Planet (pages 45-46) <u>US Foods 2022 CDP Response</u>		
305-3	Emissions	Other indirect (Scope 3) GHG emissions	Partially reported: Planet (page 51) <u>US Foods 2022 CDP Response</u>		
305-4	Emissions	GHG emissions intensity	Planet (page 46) <u>US Foods 2022 CDP Response</u>		
305-5	Emissions	Reduction of GHG emissions	Planet (pages 45-46; 51) <u>US Foods 2022 CDP Response</u>		
GRI 306: EFFLUENT	S AND WASTE 2016				
306-2	Effluents and Waste	Waste by type and disposal method	Partially reported: Products (pages 14; 16-17; 19-20) Planet (pages 50-51)		
GRI 308: SUPPLIER	ENVIRONMENTAL ASSESSMENT	2016			
308-1	Supplier Environmental Assessment	New suppliers that were screened using environmental criteria	Partially reported: Products (Palm Oil Policy) (page 25) Palm Oil Policy US Foods Responsible Sourcing and Supplier Code of Conduct US Foods 2022 CDP Response		
TOPIC-SPECIFIC DI	SCLOSURES: SOCIAL				
GRI 401: EMPLOYMI	ENT 2016				
401-2	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partially reported: People (page 31)		
401-3	Employment	Parental leave	Partially reported: People (page 31)		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018					
403-1	Occupational Health and Safety	Occupational health and safety management system	Partially reported: People (page 41)		
403-2	Occupational Health and Safety	Hazard identification, risk assessment and incident investigation	Partially reported: People (page 41)		
403-4	Occupational Health and Safety	Worker participation, consultation and communication on occupational health and safety	Partially reported: People (page 41)		
403-5	Occupational Health and Safety	Worker training on occupational health and safety	People (pages 29-30; 41)		

GRI Standard	Title	GRI Standards Disclosure Title	Disclosure Location or Response	
403-6	Occupational Health and Safety	Promotion of worker health	People (page 31)	
403-7	Occupational Health and Safety	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People (page 41)	
<b>GRI 404: TRAINING AN</b>	ND EDUCATION 2016			
404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs	Products (pages 14; 17; 22) People (pages 29-30; 33-34) Planet (pages 45; 49-50) Governance and Integrity (pages 53-54)	
<b>GRI 405: DIVERSITY A</b>	AND EQUAL OPPORTUNITY 2016			
405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	People (page 35) <u>US Foods 2023 Proxy Statement</u>	
GRI 406: NON-DISCRI	MINATION 2016			
406-1	Non-discrimination	Incidents of discrimination and corrective actions taken	Partially reported: <u>US Foods Prohibition Against Discrimination Harassment</u> <u>and Retaliation Policy</u>	
GRI 407: FREEDOM O	F ASSOCIATION AND COLLECTIVE	BARGAINING 2016		
407-1	Freedom of Association and Collective Bargaining	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Partially reported: <u>US Foods 2022 Form 10-K</u>	
<b>GRI 408: CHILD LABO</b>	R 2016			
408-1	Child Labor	Operations and suppliers at significant risk for incidents of child labor	Partially reported: <u>US Foods Responsible Sourcing and Supplier Code of Conduct</u>	
GRI 409: FORCED OR	COMPULSORY LABOR 2016			
409-1	Forced or Compulsory Labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Partially reported: <u>US Foods 2022 Form 10-K</u> <u>US Foods Responsible Sourcing and Supplier Code of Conduct</u>	
GRI 415: PUBLIC POLICY 2016				
415-1	Public Policy	Political contributions	Partially reported: <u>US Foods Anti-Corruption Policy</u>	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016				
416-1	Customer Health and Safety	Assessment of the health and safety impacts of product and service categories	Products (pages 18; 22-25) <u>US Foods 2022 Form 10-K</u>	
GRI 417: MARKETING AND LABELING 2016				
417-1	Marketing and Labeling	Requirements for product and service information and labeling	Products (pages 17; 22-23) US Foods 2022 Form 10-K	



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If you have any questions regarding this report, please contact us at esg@usfoods.com.

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