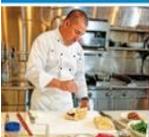


INTEGRITY



TRUST



HONESTY

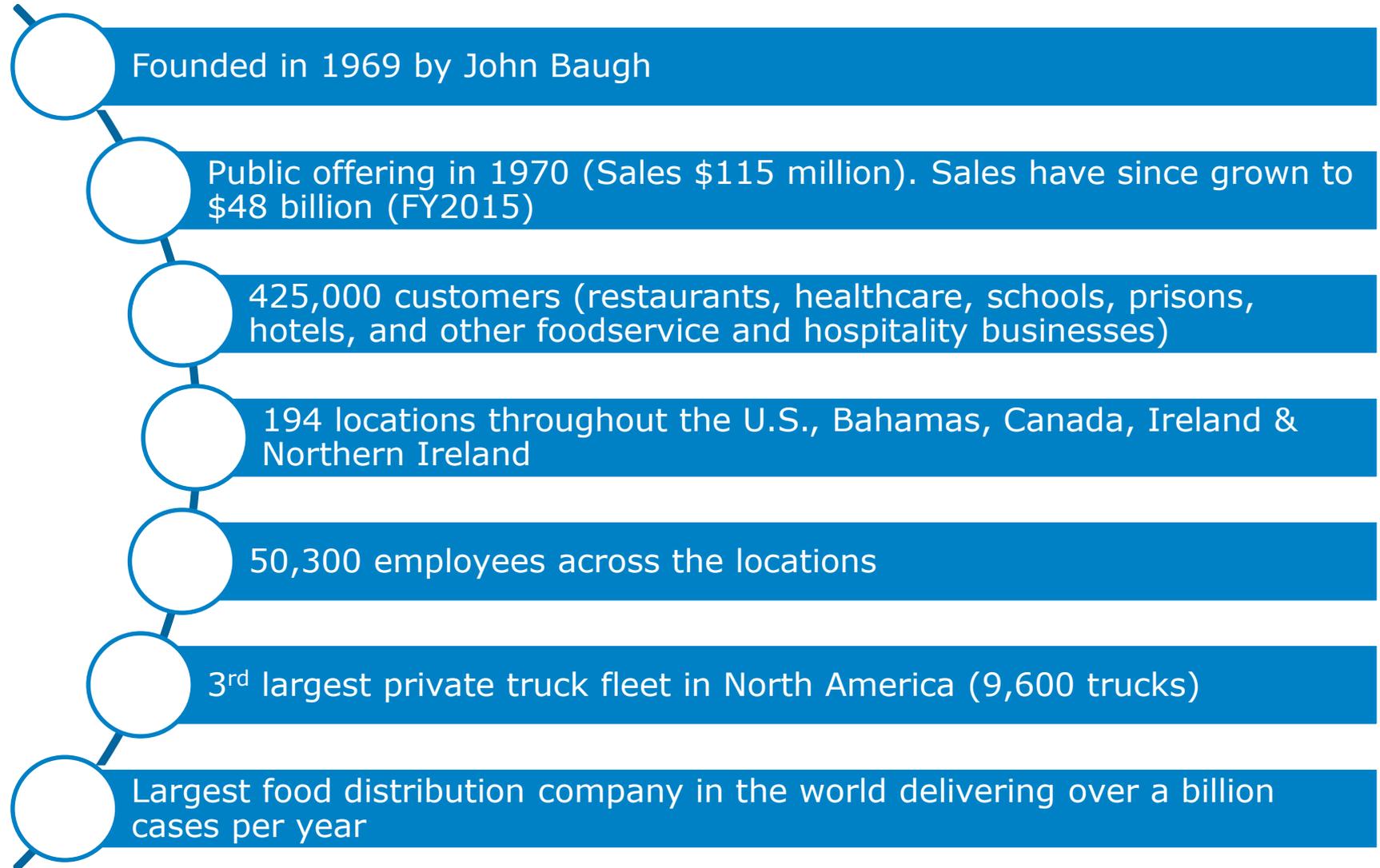


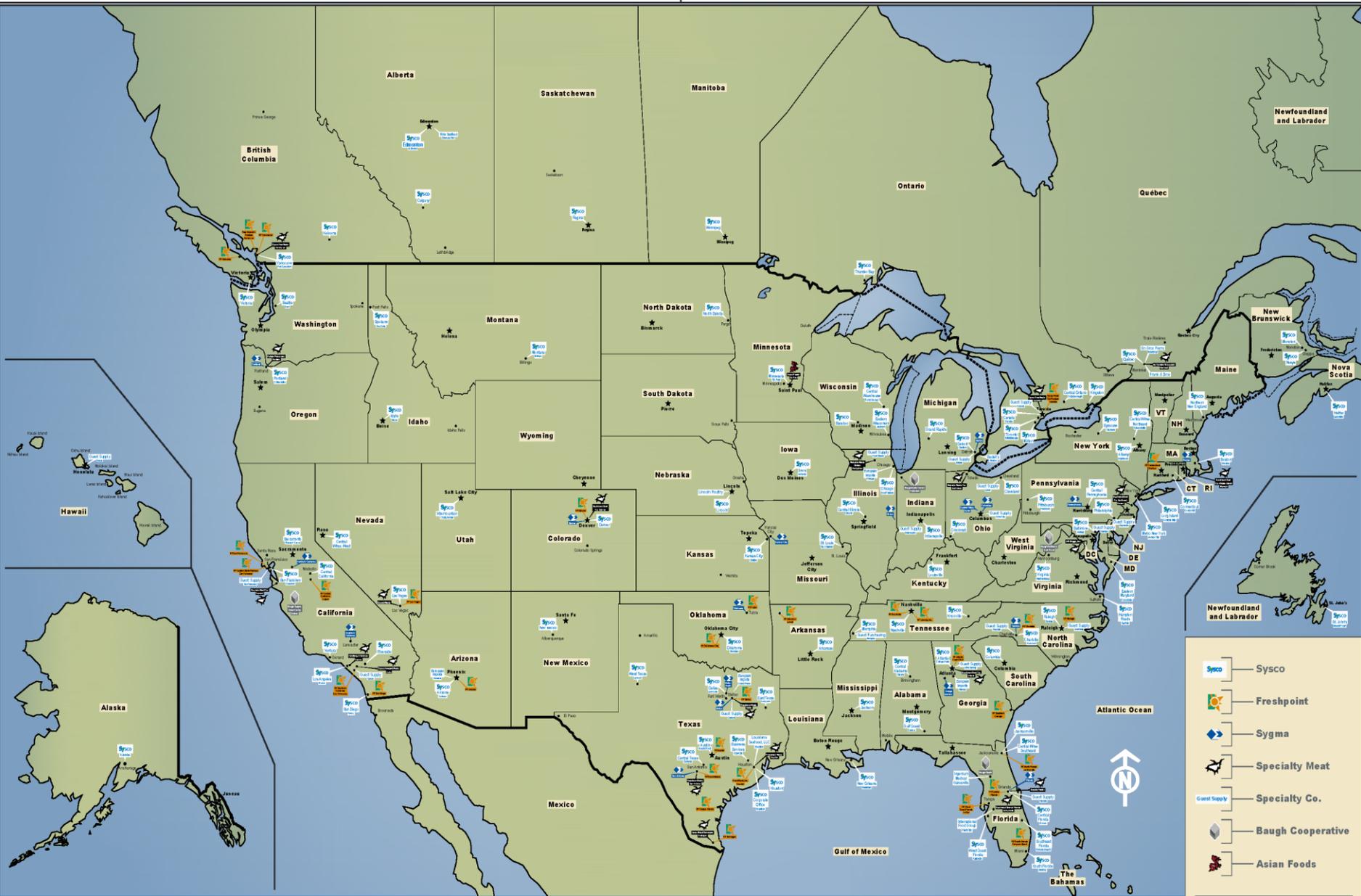
Distribution Food Safety

Agenda

- **Sysco Video & Quick Facts**
- **QA Department Responsibilities & Structure**
- **Distribution Risks & Challenges**
- **Distribution Food Safety Controls**
- **Cold Chain Management Systems**
- **GFSI (Global Food Safety Initiative) Lessons Learned**
- **SFTA (Safe Food Transportation Act) Key Impacts**

Quick Sysco Facts





North American Company Locations

-  Sysco
-  Freshpoint
-  Sygma
-  Specialty Meat
-  Specialty Co.
-  Baugh Cooperative
-  Asian Foods

Good things
come from
Sysco

Sysco Vision

To be our customers' most valued and trusted business partner

Food Safety Organization Design Purpose

Maintain an industry leading food safety organization where standardized risk management and compliance assure the safety of the food products we deliver

Food Safety Organization Design Principles

- **Accountability:** design an organization where accountability for food safety is clear at all levels
- **Consistent Execution:** design a consistent execution model that will enable scalable growth and innovation
- **Awareness and Training:** develop an organization where food safety training and awareness comes first for all associates

Food Safety

- **Dedicated QA staffing resources for Distribution, owned Food Processing facilities, Private Brand, and Regulatory Support**
- **Sysco utilizes risk based Food Safety Preventive Controls (ex. HARPC/HACCP) at every stage of the food production and distribution process to minimize risks in food safety.**

Product Quality

- **Sysco brand supplier and product approval process**
- **Detailed specifications to ensure consistent quality for each Sysco Brand product**
- **On-going monitoring and compliance processes**

Regulatory Compliance

- **Dedicated Sysco team to ensure requirements are met by:**
 - **Managing communications during market actions, including recalls**
 - **Directing deployment of regulatory requirements for OpCo's and Suppliers**

Field Food Safety Organizational Model

Model Optimizes alignment with Guiding Principles.
 Direct reporting relationship to Corporate Food Safety, dotted line relationship with OpCo



Pros and Cons	Pros		Cons			
	<ul style="list-style-type: none"> • Consistent focus and support around food safety responsibilities • Enhanced customer trust, confidence, and responsiveness • Standardized governance and overall accountability from FS Corporate 			<ul style="list-style-type: none"> • Localized accountability and responsibility difficult to define • Some decision making elevates toward the corporate level; defining and refining corporate vs. field roles is vital 		
Alignment with Org Design Principles	Overall Accountability		Consistent Execution		Awareness & Training	
	●		◐		◐	

Key
 ● Strong ◐ Weak

Distribution Challenges

- Vulnerabilities
 - Cross Docking
 - Shuttle Yards
 - Customer Will Call
 - Returns
- Supplier Quality Assurance Programs
- Food Safety Management Systems for Distributors



Distribution Challenges

- Associated risks
 - Temperature control
 - Cross contamination / Cross contact
- Unique food safety problems
 - Multiple temperature requirements on deliveries (frozen, refrigerated & ambient)
 - Multiple product types on deliveries including food and non-food items such as equipment, paper goods, and supplies, including cleaning supplies
 - Control of temperature during multi-stop delivery process



Inbound Product Integrity

Receiving

- Receive on a refrigerated dock $\leq 45^{\circ}\text{F}$
- Take minimum 3 product temperatures and/or review TTR for fact based decisions
- Inspect trailer interior for condition & cleanliness
- Inspect product for visible damage



Inbound Product Integrity

Put-Away

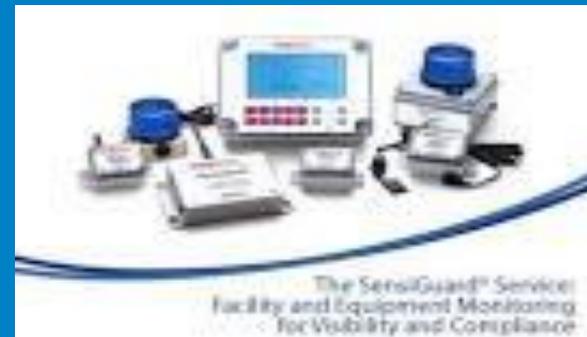
- Product is removed from cold dock and placed in designated temperature storage zone
- Product moved to storage as soon as possible after unloading



Temperature Integrity

Storage

- Refrigeration systems automatically monitor and record all temperature zones & docks
- Temperatures records can be readily accessed
- When a temperature is out of control limits, the facility maintenance team is automatically notified (24 x 7 x 365)



Outbound Product Integrity

Loading

- Trailers pre-cooled prior to loading
- Temperature sensitive product is loaded from temperature controlled loading dock
- Trailer refrigeration units are started and left running at set levels to ensure product integrity
- Driver checks temperatures for each compartment prior to departure



Trailers are 3 Temperature Compartment Capable



Outbound Product Integrity

Delivery

- Driver ensures proper refrigeration at delivery
- Insulated bulkheads are secured during and between deliveries
- Automated power switches ensure continued trailer refrigeration
- Refer units shut off automatically when door opens and restart when closed



Outbound Product Integrity

Delivery

- Driver ensures product in good condition
- Driver ensures that temperature sensitive products are moved directly from trailer to appropriate location or cold storage areas inside of customer's business



Outbound Product Integrity

Returns

- Returns of temperature sensitive items are typically limited to driver returns & product temperature must be checked prior to restocking
- All returns are evaluated for appropriate disposition



Prerequisite Programs

GMP's

- Sanitation SOP's
- Equipment Calibration
- Pest Control
- Glass & Brittle Control
- Allergen Control
- Personnel & Training Program
- Building & Facilities
- Customer Complaint Management



Regulatory Compliance - Recalls

Sysco Q.A. has developed a communications system to notify all involved of the details of any recall or market withdrawal ***as rapidly and efficiently as possible***



Sysco Q.A. has clear guidelines for communication between the recalling supplier and impacted OpCo's that minimize disruption to our customers

Instant Recall Capabilities

Includes communication, (E-mail to all OpCo's and text and phone alerts to affected OpCo's).

Includes automated phone calls to affected customers of U.S. Traditional OpCo's and status reports back to the OpCo.

Includes automated phone calls and status reports to affected customers of US Specialty OpCo's and Canadian OpCo's.

Gap Analysis & FSMA Compliance Date

Table 53.--Compliance Dates for the Requirements of Part 117 Other than the Requirements for a Supply-Chain Program (Subpart G)

Size of Business	Compliance Date
Qualified facility (including very small business) as defined in § 117.3	September 17, 2018, except that the compliance date for a facility to retain records to support its status as a qualified facility is January 1, 2016
Small business as defined in § 117.3	September 18, 2017
Businesses subject to the Pasteurized Milk Ordinance	September 17, 2018
All other businesses	September 19, 2016

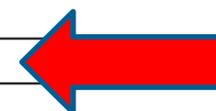


Table 54.--Compliance Dates for the Requirements of the Supply-Chain Program (Subpart G)

Situation	Compliance date:
A receiving facility is a small business and its supplier will not be subject to the human preventive controls rule or the produce safety rule	September 18, 2017
A receiving facility is a small business and its supplier is subject to the human preventive controls rule or the produce safety rule	The later of: September 18, 2017 or 6 months after the receiving facility's supplier of that raw material or other ingredient is required to comply with the applicable rule
A receiving facility is not a small business or a very small business and its supplier will not be subject to the human preventive controls rule or the produce safety rule	March 17, 2017
A receiving facility is not a small business or a very small business and its supplier will be subject to the human preventive controls rule or the produce safety rule	6 months after the receiving facility's supplier of that raw material or other ingredient is required to comply with the applicable rule

Benefits of Food Safety Certification vs. Warehouse Inspections

- Benchmarked audit standards focused on comprehensive key food safety elements of a properly functioning food safety system.
- Accreditation of the auditing companies helps assure auditor training and competence.
- Independence between standard owners and certification bodies (audit companies) decreases potential conflict of interest and increases confidence in the system.
- Demonstrates compliance with best Regulatory and Industry food safety practices.
- May reduce audit duplication.



Sysco – GFSI (BRC) Execution

- **Successfully completed 112 GFSI BRC audits at Broadline USA, Canada, SYGMA distribution facilities.**
- **Customers are accepting the GFSI audit in lieu of customer specific 2nd or 3rd party audits**
 - Reduces overall cost
 - Reduce audit days on site
 - Reduces number of unique standards to follow
 - More robust systems audit
 - Auditor qualifications are higher for GFSI
- **Bundling GFSI audits with Customer Audits/Addendums**
 - Two at once to reduce overall cost
 - Reduce audit days on site
 - Food Safety Managers executing programs not audits.



Safe Food Transportation Act (SFTA) – Impacts

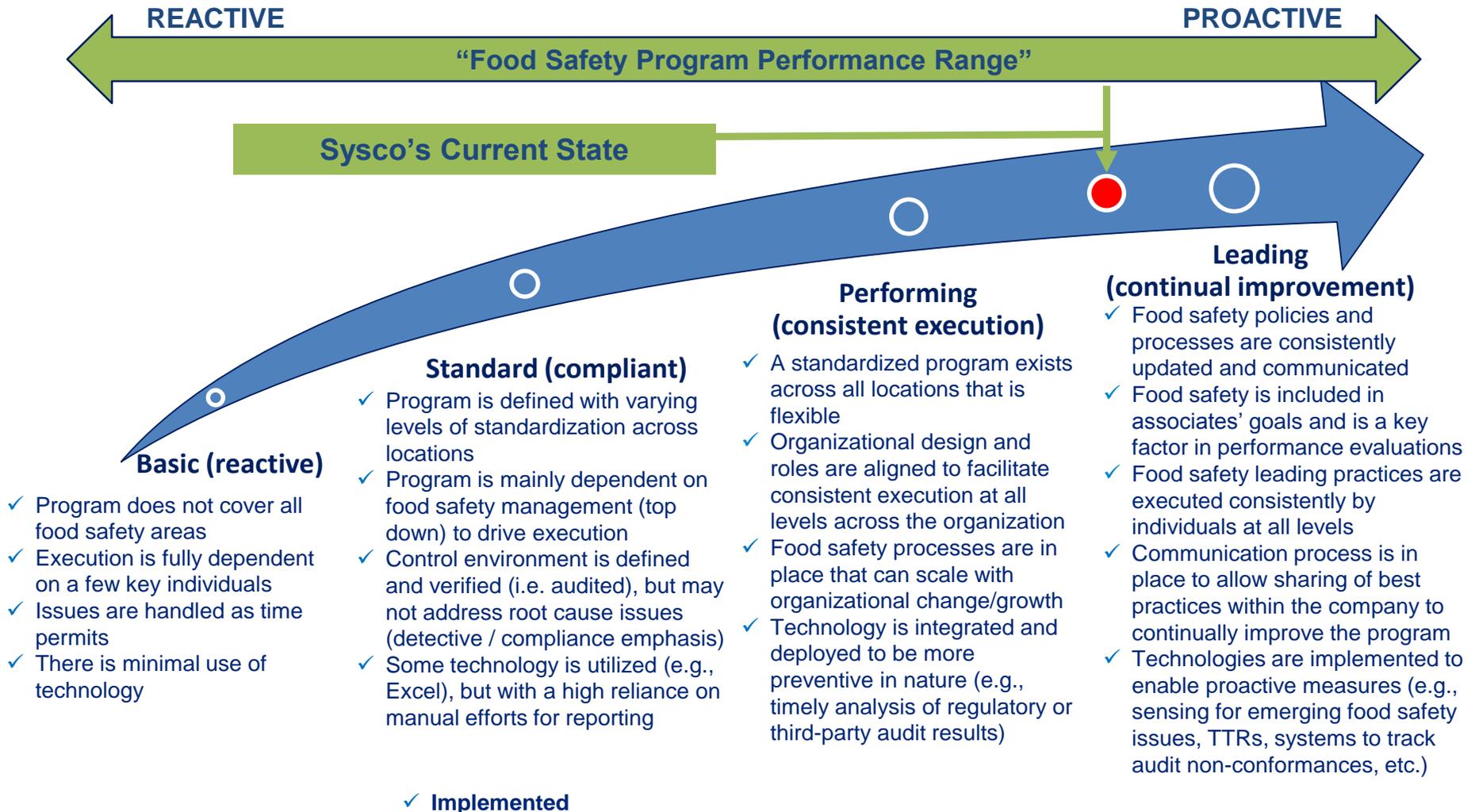
- Key Issues – Preventative Controls
- Temperature control
- Sanitation of transportation vehicles, pest control, and loading and unloading procedures
- Employee and customer training/education
- Appropriate packaging of food
- Good communications between all parties in the supply chain



■ Scope of final rule:

- For the **shipper**: rule has defined as the person who arranges for transportation of food within the US and that could be by carrier or multiple carriers.
- The **loader** will be the person that physically loads food onto a motor or a rail vehicle during transportation of that food.
- The **carrier** will be the person who physically moves food by rail motor in commerce within the US, that does not include persons who are acting as a parcel delivery service.
- The **receiver** would be any person who receives food at a point in the United States after transportation. It doesn't matter if that person is the final point of receipt of that food, it will be covered.

Maturity Model Assessment Holistic View



Thank You!

John Zimmermann

Regional Director, Food Safety

Sysco Quality Assurance

615-350-2389

zimmermann.john@corp.sysco.com