

**Sysco**

Locations: Texas (HQ)

Industries: Food and Staples Retailing

RISK LEVEL:**High Risk****DESCRIPTION:**

Sysco is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. SYSCO embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. Medium Risk

Sysco received a score of 100 on the 2025 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). The company promotes divisive sex and gender policies. Its Global Supplier Code of Conduct requires international vendors to include sexual orientation and gender identity in their nondiscrimination policy (3). However, Sysco has not canceled customers, suppliers, or vendors based on political views or religious beliefs (4).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk

Sysco's HRC 2025 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(2). The company does not discriminate against charitable organizations based on views or beliefs. Sysco's charitable giving focus areas are "grants and product donations for organizations that are fighting to end food insecurity and hunger in communities around the worlds" (3).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk

Sysco's HRC 2025 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). The company appears to prioritize diversity over merit in its recruitment. From its 2024 Diversity, Equity and Inclusion Report: "We will continue to enhance our recruitment and retention strategies to ensure we attract a diverse workforce and create an environment that makes them want to stay." The company appears to prioritize diversity over merit in its supply chain: "By nurturing new initiatives and

existing partnerships in FY2024, we continued to expand our diverse supplier spend and base" (3). The company appears to prioritize diversity over merit in its hiring and leadership composition. From its 2024 Corporate Governance and Nominating Committee Charter: "In identifying and considering candidates, the Committee will be mindful of the importance of a diversely composed Board, as well as the ability of each nominee to meet the time requirements of a Board position" (4). Sysco does not provide viewpoint protections for its employees (5).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression.

High Risk

Sysco's HRC 2025 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy. By doing so, the company risks dividing employees, alienating customers and harming shareholders (1)(2). Sysco signed an open letter endorsing the Equality Act, a contentious proposal to amend the 1964 Civil Rights Act by adding sexual orientation and so-called gender identity as protected categories. The legislation would, among other implications, grant biological men access to women-only spaces such as sports teams and public restrooms, and compel healthcare providers to deliver sex-denying healthcare (3). The company resisted pressure to issue a comment on the Texas election security law (4). Sysco's CEO Kevin Hourican is a member of the Business Roundtable, which supports stakeholder capitalism over traditional shareholder obligations (5). The company opposed various state and local legislation intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (6)(7). Sysco's CEO, Kevin P. Hourican, signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace, strategize on DEI programs/initiatives with other signatories, and engage boards of directors when developing and evaluating DEI strategies (8)(9). The company is aligned with the Paris Agreement, which entails a commitment to net zero carbon emissions by 2050 (10). The company supports DEI within its business practices, employing a DEI Officer and Council (11). The company supports ESG within its business practices. From its 2024 Sustainability Report: "Sysco's sustainability strategy is rooted in the findings of our 2021 materiality assessment, which pinpointed the most critical environmental, social and governance (ESG) topics according to our stakeholders' perspectives and decision-making priorities" (12).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression.

High Risk

Sysco's HRC 2025 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology. By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders (1)(2). Sysco is a corporate partner of the National LGBT Chamber of Commerce (3). Otherwise, there are no publicly known cases of the company using corporate funds to advance ideological causes, organizations, or policies (4).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes.

High Risk

Sysco's HRC 2025 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives. By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders (1)(2). The company has not used its PAC donations or lobbying for ideological purposes (3)(4)(5).

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