



WHEREAS: According to the Intergovernmental Panel on Climate Change, the window for limiting global warming to 1.5 degrees Celsius (“1.5°C”) is rapidly narrowing.¹ Failure to reach Net Zero by 2050 is projected to have severe economic consequences.² As a result, immediate and significant emissions reductions are required of all market sectors. Investor demand for science-aligned greenhouse gas (“GHG”) emission reductions reflects the reality that climate change poses risk to individual companies and systemic risk to investor portfolios.

Performance Food Group is the third-largest foodservice distributor in the United States.³ Foodservice distributors operate at the nexus of two high-emission sectors: transportation and agriculture.⁴ Transporting food products generates significant operational emissions. Production of food also generates significant emissions across a range of value chain activities from production and use of synthetic fertilizers to deforestation, carbon loss from soil management, and food waste and loss, among others.⁵

In its 10-K, Performance Food Group identifies climate-related regulatory risks and physical risks to its supply chains and operations.⁶ The Company, however, lags its major competitors in proactively addressing these risks. Performance Food Group’s two major competitors, Sysco and US Foods,⁷ have each disclosed their Scope 1, 2, and 3 emissions. Performance Food Group has yet to disclose its Scope 3 emissions, leaving investors with incomplete data on the Company’s climate impact. Since Scope 3 emissions represent 98% and 97% of total emissions from Sysco and US Foods,⁸ they are likely to make up a similar portion of Performance Food Group’s emissions.

Both Sysco and US Foods have set emissions reduction targets validated by the Science Based Targets initiative.⁹ Performance Food Group only targets a 15% intensity

¹ <https://www.ipcc.ch/assessment-report/ar6/>

² <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>

³ <https://www.morningstar.com/stocks/xnys/pfgc/quote>

⁴ <https://ourworldindata.org/emissions-by-sector>

⁵ https://www.ceres.org/sites/default/files/reports/2022-05/FF_TransitionPlaninFoodSector_FINAL_LR_May22.pdf

⁶ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001618673/8a21353c-53a7-4bb4-84b7-9934017a1b1c.pdf>

⁷ <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001618673/8a21353c-53a7-4bb4-84b7-9934017a1b1c.pdf>

⁸ <https://www.sysco.com/dam/Sysco/About/Corporate-Social-Responsibility/2022-Sustainability-Report.pdf>;
<https://www.usfoods.com/content/dam/usf/pdf/general/US-Foods-Greenhouse-Gas-Emissions-and-Targets.pdf>

⁹ <https://sciencebasedtargets.org/companies-taking-action>



reduction of its Scope 1 and 2 emissions by 2030,¹⁰ well short of the 50% absolute emissions reduction by 2030 necessary to align with a 1.5°C scenario.

By disclosing its Scope 3 emissions, setting science-based emissions reduction targets covering its full value chain, and disclosing a decarbonization plan, Performance Food Group can keep pace with competitors and provide investors with assurance that it is addressing the operational, supply chain, and regulatory risks associated with climate change.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how Performance Food Group intends to reduce its full Scope 1, 2, and 3 value chain greenhouse gas emissions in alignment with the Paris Agreement’s 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Company discretion, that the report include:

- Disclosure of all relevant Scope 3 emissions;
- A timeline for setting a 1.5°C-aligned Net Zero by 2050 target for the Company’s Scope 1, 2, and 3 greenhouse gas emissions, and 1.5°C-aligned interim goals;
- A climate transition plan to achieve such goals; and
- A commitment to report annually on progress in meeting its reduction goals.

¹⁰ https://www.pfgc.com/-/media/PFGC/Files/ESG_CSR-Report-2022.pdf?la=en&hash=A9B1F82CFA0286196E854221D860A97D