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Sysco®

Tier II Business Case: Reducing Enterprise Risk Through Compliance Investment

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Executive Summary

Sysco is one of the largest foodservice distribution companies in the world, with hundreds of facilities across the U.S. and Canada and a workforce exceeding 57,000 employees. Operating at this scale creates increasing complexity in maintaining environmental compliance and reporting accuracy, particularly as state and federal regulations continue to grow in scope, frequency, and scrutiny. Managing EPCRA and broader regulatory obligations across a large, distributed footprint with a lean EHS team further amplifies this challenge.

While current processes have supported ongoing operations, the volume of facilities, chemical inventories, and evolving reporting requirements makes it difficult to maintain consistent visibility, accuracy, and scalability. Manual workflows for Tier II reporting, chemical tracking, site changes, and regulatory communications demand significant administrative effort, increasing the likelihood of errors and limiting the team's capacity to focus on higher-risk compliance areas. At the same time, the expanding complexity of regulatory frameworks across jurisdictions adds another layer of difficulty in ensuring timely and accurate compliance.

This creates enterprise-wide exposure:

This disconnect between existing processes and the level of centralized oversight required introduces enterprise-wide risk. A missed filing or delayed response to a regulatory inquiry can lead to financial penalties, reputational damage, and operational disruption, with the impact magnified by Sysco's scale and regulatory exposure.

Encamp provides a cost-effective path forward:

Encamp delivers the infrastructure, automation, and expertise needed to establish control and scale compliance - without the needs to add headcount.

Encamp provides a scalable path forward:

Encamp's pilot is designed to demonstrate measurable value by improving the accuracy, visibility, and efficiency of Tier II reporting—an area that represents a significant multi-million dollar risk. With hundreds of facilities and constantly changing inventories, even small errors can lead to substantial exposure through fines, delays, and incident risk. By streamlining data collection, automating workflows, and centralizing regulatory information, the pilot reduces manual effort, delivers time savings for EHS teams, and enables higher-value compliance and risk management without adding headcount.

By replacing manual, consultant-driven processes with a centralized platform, Encamp automates Tier II reporting and fee payments while ensuring accuracy, auditability, and real-time visibility. This eliminates common issues like returned mailings and late fees and transforms compliance into a scalable, defensible system that reduces financial and operational risk.

Business Impact

- Reclaim **400+ hours annually** to focus on higher-value EHS priorities
- Reduce Tier II non-compliance risk across **20 pilot sites**
- Eliminate manual data handling and streamline reporting and mailings
- Mitigate federal EPCRA compliance exposure (~**\$59,000/year per site** based on federal penalty thresholds)

By investing in Encamp, Sysco can transition from reactive compliance management to a proactive, scalable program that supports both operational growth and regulatory confidence.

Tier II / HMBP Time Savings Estimate

Creating **Business Continuity** with Encamp. A repeatable process year over year.

Encamp streamlines environmental compliance for Sysco facilities by automating inventory assessments, facility data management, and Tier II report submissions across all required state portals. Through integrated handling of mailings and fee payments, Encamp minimizes the risk of violations, prevents late filings, and delivers more accurate and efficient compliance outcomes.

Internal Team:

Typical Tier II effort per site annually:

- Data collection / chemical inventory: **6–10 hours**
- Threshold calculations + validation: **3–5 hours**
- Report preparation + submission: **3–5 hours**
- Follow-ups / corrections / agency comms: **2–4 hours**

Total per site: **estimated 14–24 hours**

For **20 sites**: estimated **280–480 total hours annually**

vs

With Encamp:

- Centralized data + auto-calculations
- Pre-built reporting workflows
- Reduced back-and-forth + fewer errors

Estimated effort per site:

- Oversight + validation only: **1–4 hours**

For **20 sites**: estimated 20-80 total hours **annually**

For a 20-site pilot, Encamp can reduce Tier II reporting effort by approximately 280–480 hours annually, representing a ~71%–96% reduction—freeing up the EHS team to focus on higher-risk compliance areas instead of administrative reporting.

Financial Risk Exposure

Tier II is not a reporting problem—it's a financial risk problem. A modern platform turns compliance into a controlled, auditable system and materially reduces enterprise risk.

EPCRA Violations

Tier II penalties are typically driven by reporting compliance gaps rather than operational issues, including:

- Missing or late Tier II submissions
- Incorrect chemical quantities or thresholds
- Failure to submit to all required entities (SERC, LEPC, fire dept.)
- Inconsistent reporting across programs

Key Implication: Minimal operational risk doesn't mean minimal regulatory risk—administrative gaps alone can still lead to significant penalties.

Financial Exposure

- **Per-day** penalties:
 - Up to **~\$174,985 per day per violation** for Tier II reporting failures
- **Six-figure** enforcement is common:
 - EPA routinely issues **six-figure penalties** for reporting failures
- Real-world example (2025):
 - ~\$279K penalty for inaccurate/missing EPCRA reporting

Key Implication: Even a single missed report across multiple days or chemicals can quickly escalate into multi-hundred-thousand-dollar exposure.

Tier II Compliance Program

Support & Training

- Assigned Customer Success Manager (CSM)
- Standing bi-monthly strategic account meeting
- Access to in-app chat, knowledge base, and customer webinars
- Tailored app training for all users (live and on-demand)
- Bulk update (contacts, facilities, deliverables)
- Contact and chemical consolidation
- EPCRA regulatory training (live and on-demand)
- Report workflow design and support for assignees and reviewers

Guided Compliance Management

- Regulatory liaison support
- Bulk download of deliverables
- Unlimited users
- State portal concierge (account setup, update, inactivation)
- Data validation and conformance services
- Facility-level cost allocation deliverable
- Annual custom deliverables*
- Document and data transfers

Per Facility Services

- **1 x EPCRA 312 Tier II** report per location with applicable mailings and fees processed*
- **1 x Negative Declaration** per location that does not exceed a reporting threshold
- **3 x EPCRA 312 revision** per subscribed location, with applicable mailings and fees processed*
- **3 x EPCRA 311 initial notification** with applicable mailing and fees processed
- **1 x Closure/Exempt Notification.**

Tier II Compliance Investment

Sysco Pilot Scope:

- ✓ 20 pilot locations
- ✓ Chemical inventory management
- ✓ Tier II report submittals
- ✓ Platform subscription with tasks, calendar, & document management
- ✓ Built to scale seamlessly across all Sysco footprint in the US

| Billing Frequency | Product | Unit Cost | Facility Count | Total |
|--------------------------------|----------------------------------|-----------|-----------------|-----------------|
| Annual | Tier II Subscription & Reporting | \$500 | 20 site minimum | \$10,000 |
| <i>One-Time</i> | <i>Program Implementation</i> | | \$50 per site | <i>\$1,000</i> |
| Total Investment Year 1 | | | | \$11,000 |
| Ongoing Investment | | | | \$10,000 |

**Filing fees will be billed for reimbursement with 7% markup*

ENCAMP



Turn your environmental compliance program into an ESG differentiator

Encamp plants a tree on behalf of our customers for each compliance report you file through our system. Each year you'll receive a certificate for your tree plantings and information on the positive environmental impact you're driving.

60k+

trees planted since 2019

670

tons of carbon sequestered in 2022

1.2k

tons of carbon sequestered to date

22k

tons of projected carbon sequestration over life of trees

What Encamp Customers Say



"We're going from we estimate 830 work hours down to 185 during the reporting season. That's 600 hours that can be spent on more value add tasks."

- Allison LeBrun, Environmental Professional



"We have a lot more time to refine our compliance strategy and delve deeper into our customers' inventories"

- Margarita Kruffy, Senior Director Environmental Services



"I work with a lot of different kinds of vendors and consultants, but Encamp is in a league of its own with its quality and service."

- Andrew Kavanaugh, EHS Manager



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Thank you

