

## Module: Introduction

## Page: Introduction

## 0.1

## Introduction

Please give a general description and introduction to your organization.

Darden Restaurants, Inc, the world's largest full-service restaurant company owns and operates 1,800 restaurants that generate more than \$7 billion in annual sales. We are headquartered in Orlando, Florida, and employ approximately 18,000 people. Darden is recognized for a culture that rewards caring for and responding to people. Our restaurant brands - Red Lobster, Olive Garden, Long Horn Steakhouse, The Capital Grille, Bahama Breeze and Seasons 52 – reflect the rich diversity of those who dine with us. Our brands are built on deep insights into what our guests want.

## 0.2

## Reporting Year

Please state the start and end date of the year for which you are reporting data.

Enter Periods that will be disclosed

Sun 01 Jun 2008 - Sun 31 May 2009

## 0.3

Are you participating in the Walmart Sustainability Assessment?

No

## 0.4

## Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors, the corresponding sector modules will be marked as default options to your information request.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see [www.cdproject.net/cdp-questionnaire](http://www.cdproject.net/cdp-questionnaire).

## 0.5

## Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country

United States of America

Canada

0.6 Please select if you wish to complete a shorter information request.

## Further Information

## Module: Governance

## Page: Governance

1.1 Where is the highest level of responsibility for climate change within your company?

Board committee or other executive body

## 1.1a

Please specify who is responsible.

Other: Audit Committee of the Board of Directors

## 1.2 What is the mechanism by which the board committee or other executive body reviews the company's progress and status regarding climate change?

Our Director of Sustainability is responsible for the coordination and management of sustainability issues including climate change. The Director of Sustainability provides regular updates and receives input from senior management, generally on a quarterly basis. The reporting forums include the Sustainability Leadership Council (officer level leadership) and the Public Responsibility Committee (part of the Board of Directors).

Energy and climate change are critical issues that affect Darden's employees, guests, communities, supply chain and, indeed, the future of our business.

We work hard to use energy and water efficiently at our 1,800 Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze and Seasons 52 restaurants. This reduces our climate footprint, saves money and enhances our competitiveness. But our interest in this area goes well beyond operational efficiency.

We see energy, climate change and water resources as interlinked issues and the responsibility for these issues is woven throughout the expanse of our company and organizational layers. We have a team that addresses these issues composed of Brand Presidents, SVPs, VPs, senior directors and directors, which regularly identify opportunities, lay out strategies and develop budgets to address these opportunities. The budgets and strategies are cascaded to operating companies for implementation. Implementation is primarily handled through facilities or operations groups supported by directors of operations in the field and supported by Green Teams in the individual restaurants.

Energy, climate change and water are also important issues to our 170,000-plus employees, whose commitment and passion is the basis for our relationship with our guests, and ultimately our success. Our employees want to know that Darden cares and that we are taking meaningful action on environmental challenges. We've tapped this enthusiasm by forming Green Teams at all our restaurants, through which some 10,000 employees are helping us cut energy and water use.

## 1.4 Do you provide incentives for the management of climate change issues, including the attainment of greenhouse gas (GHG) targets?

Yes

## 1.5 Please complete the table.

Who is entitled to benefit from those incentives?	The type of incentives
Energy managers	Monetary reward
Environment/sustainability managers	Recognition (non-monetary)
Energy managers	Recognition (non-monetary)
Environment/sustainability managers	Monetary reward

## Further Information

### Module: Risks and Opportunities

### Page: Risks & Opportunities Identification Process

## 2.1 Describe your company's process for identifying significant risks and/or opportunities from climate change and assessing the degree to which they could affect your business, including the financial implications.

Darden manages for the long-term financial sustainability of our business. We look for ways to position our restaurants and brands to succeed even in difficult times.

The basic ingredients for our business come from healthy oceans and healthy agricultural ecosystems. Studies predict that climate change will affect oceans and land-based agriculture in part by influencing weather patterns and the availability of water, which raises the risk of supply disruptions. These changes – along with increasing regulation of greenhouse gas emissions – have the potential to increase the costs of food and energy inputs to our business.

We're taking a resource-focused approach to our sustainability strategy to reduce risks and harness opportunities related to energy and climate change by:

- Setting goals to reduce our per-restaurant energy and water use by 15 percent by 2015 and, long term, to send no waste to landfills.
- Reducing energy and water use in our restaurants and support operations. For example, we've upgraded to energy-efficient lighting in all our kitchens; and restaurants that implement the full suite of water-saving measures we've rolled out are estimated to cut their water use by 700,000 gallons per year.

- Collaborating with others in our value chain that are committed to finding energy-, water- and waste-reduction opportunities while maintaining an unwavering focus on food safety.

Some of these actions are recent and just beginning to show results, but they build on our heritage and values. For the future of our business as well as the future of the planet, our vision is to create a more sustainable business model along with a more secure and healthy food supply.

The primary mechanism for identifying climate risks and opportunities lies within the responsibility of our Director of Sustainability through working with Supply Chain Directors. However, some issues are identified through outside parties (suppliers, other companies, etc) but are filtered to our Sustainability Department. Subject matter experts are then involved in evaluating the potential risk or opportunity and if the area of interest is deemed significant, the issue is raised to the appropriate senior level executives. Significance is generally determined via a consensus of interested parties.

#### Further Information

### Page: Regulatory Risks

#### 3.1 Do current and/or anticipated regulatory requirements related to climate change present significant risks to your company?

No

#### 3.7 Please explain why you do not consider your company to be exposed to significant regulatory risks - current and/or anticipated.

While we expect some impact from carbon regulations we do not consider these risks to be significant. Darden is not likely to have the carbon footprints of its facilities (largest location has just over 1000 tons CO<sub>2</sub>e of scope 1 and 2 emissions, average location is 600 tons CO<sub>2</sub>e) directly regulated by climate change policy, though we recognize that there are some potential indirect impacts from climate regulations. As an owner and operator of more than 1,800 restaurant locations, Darden relies on energy, transportation, agricultural products, and refrigerants, among other inputs, that are likely to be regulated. Therefore, as the cost of carbon emissions are internalized into various products and services, there are likely to be price changes to these key business inputs.

To begin to understand its regulatory risk, Darden has performed an extensive global (United States and Canada) evaluation of its carbon footprint, energy usage and costs. Specific to Darden US locations, there are currently no federal carbon regulations on electricity generation that would internalize the cost of carbon emissions into each unit of electricity produced. However, with federal legislation likely and implementation of corresponding regulations within the near future, electricity customers in regions within the U.S. that primarily rely on coal or other carbon-intensive fuels for electricity generation are likely to see a cost increase. Preliminary analyses of future trends project electricity cost increases in these regions to be 10-40 percent, suggesting that the cost impact for Darden could have the same impact as fluctuating food input prices.

To understand the broader regulatory risks to its supplied goods, Darden has begun to map out the layers of carbon emissions within its supply chain, with a focus on food products. While this analysis is ongoing, preliminary research suggests the carbon footprint of Darden's supply chain is likely to be significantly higher (possibly orders of magnitude greater) than Darden's Scope 1 and Scope 2 corporate carbon footprint.

Though the direct impact of regulations is not considered a material risk at this time, we will continue to monitor the pending legislation and adjust our strategy accordingly. As a precaution, we are already making investments in energy efficiency to mitigate the impact of energy cost increases over time. Additionally, to better prepare for the impacts of carbon regulations, Darden is investigating lower carbon options for food sourcing, including waste practices, fuel usage, and transportation distances and modes.

#### Further Information

### Page: Physical Risks

#### 4.1 Do current and/or anticipated physical impacts of climate change present significant risks to your company?

Yes

#### Do you want to answer using:

The table below

#### 4.2A

#### What are the current and/or anticipated significant physical risks, and their associated countries/regions and timescales?

Risk	Region/Country	Timescale in Years	Comment
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Changes in precipitation patterns	United States of America	11 -- 20	
Changes in frequency of extreme weather events	United States of America	11 -- 20	
Induced changes in natural resources	United States of America	11 -- 20	
Induced changes in supply chain and/or customers	United States of America	11 -- 20	

### 4.3

#### Describe the ways in which the identified risks affect or could affect your business and your value chain.

##### Changes in precipitation patterns

Given Darden is a major purchaser of produce, changes in precipitation patterns can have significant impacts on crops yields, and therefore quality, availability, and cost of supplied produce. Having to change geographies for growing certain crops, can potentially create a disruption in supply and require significant adaptations to purchasing strategies.

##### Changes in frequency of extreme weather events

With more than 1,800 locations in the U.S., Darden's facilities are subject to extreme weather events, such as hurricanes and other phenomena. To the extent that there is an increased frequency or severity of these phenomena are attributable to climate change, they pose a risk to business continuity in areas of operation such as the Atlantic Coast and Gulf Coast of the U.S.

##### Induced changes in supply chain and/or customers

Climate change also poses physical risks to Darden's supply chain. The increased frequency and severity of droughts around the world is one physical aspect of climate change that will have significant impacts on the agriculture and food supply chains Darden depends upon. Losses of crops or livestock from extreme weather phenomena, such as storms or droughts, represent a business continuity risk for Darden's supply chain. In fact, historically, drought has been one of the largest contributing factors for food cost increases.

Each of these physical risks validates Darden's strategy of reducing its own carbon footprint to mitigate human impacts on climate change. Additionally, because of its particularly severe exposure to physical risks, Darden is actively involved in collaborative dialogue within the agriculture and food processing industry to identify a comprehensive strategy to reduce carbon emissions throughout the food value chain.

##### Induced changes in natural resources

In addition to the regulatory and physical risks from climate change that can impact Darden's operations and supply chain, the company is very focused on how climate change is affecting fisheries, specifically the oceans. Many climate forecasts show changes to ocean currents and acidification of the oceans, threatening fish stocks as well as traditional fisheries. Given the importance of seafood for Darden's restaurants, each of these dynamics create risks for logistics, possibly food quality and safety, and ultimately costs.

### 4.4 Are there financial implications associated with the identified risks ?

Yes

### 4.5 Please describe them.

Food inputs are a significant portion of our annual purchases (\$3B annual spend, ~1500 suppliers, 35 countries, 3300 SKUs), therefore small changes to the costs of these goods could have significant impact to our business. However we are unable to precisely predict the financial implications of these future changes and are continually monitoring the potential implications.

The financial and business continuity risks of future climate impacts on fisheries and oceans are also not known with precision; however, research is currently being conducted by industry and academic scientists. To promote more scientific understanding of this topic, Darden is funding key research initiatives on climate change and its impact on marine ecosystems through the Darden Foundation.

### 4.6 Describe any actions the company has taken or plans to take to manage or adapt to the risks that have been identified, including the cost of those actions.

Darden has already taken initiatives to protect key assets from extreme weather phenomena. We have hurricane teams in place to track storms and prepare operations for potential impacts from these storms to protect assets, minimize damage, and reduce downtime.

Additionally, as part of Darden's new corporate headquarters building in Orlando, Florida, the corporate data center is designed withstand the most severe hurricanes and is able to generate its own power, should grid electricity not be available following a serve storm. These preparations benefit Darden comparatively to corporate peers not addressing these risks.

Moreover, physical changes from climate change such as rainfall, drought, and severe weather pose threats to the agriculture infrastructure. Darden is already engaged with produce suppliers to determine how adaptation strategies to various climate scenarios can be integrated into long-term planning.

Our Sustainability Director is on the advisory committee of the Ocean Health Index which we financially support. This group is addressing multiple ocean-related climate risks including the acidification of ocean waters. To promote more scientific understanding of this topic, Darden is also funding key research initiatives on climate change and its impact on marine ecosystems through the Darden Foundation.

**Further Information****Page: Other risks****5.1****Does climate change present other significant risks - current and/or anticipated - for your company?**

Yes

**Do you want to answer using:**

The table below

**5.2A****What are the current and/or anticipated other significant risks, and their associated countries/regions and timescales?**

Risk	Region/Country	Timescale in Years	Comment
Reputational risks	United States of America	0 -- 5	

**5.3 Describe the ways in which the identified risks affect or could affect your business and your value chain.****Recruitment and retention of employees**

One of the stakeholder groups most eager to see corporate sustainability performance are the employees themselves. We have strategically addressed the risk of losing good employees and not being able to recruit exceptional talent based on our understanding of the importance of climate change issues throughout our company. The rollout of sustainability initiatives as well as directly engaging employees for ideas and feedback has created a real benefit that directly mitigates this risk.

**Reputational risks**

Darden has also recognized the public relations and "license to operate" risk for a company that does not have a comprehensive corporate sustainability and carbon management program. The message that we can share with our customers about the environmental benefits of our program, addresses this risk and directly impacts the value of the dining experience. Improved environmental and energy performance means Darden can pass along savings to our customers at a time when cost savings matters most.

**5.4 Are there financial implications associated with the identified risks?**

Yes

**5.5****Please describe them.**

The financial implication of not being able to recruit and retain quality staff results in increased expenses associated with the training of new employees to replace those lost and additional inefficiencies from not employing top-notch recruits.

Losing market share, decreased stock price, and loss of brand equity are all part of the financial implications of the reputational risk for Darden Restaurants.

**5.6****Describe any actions the company has taken or plans to take to manage or adapt to the other risks that have been identified, including the costs of those actions.**

Darden has disclosed our sustainability platform through multiple venues, including sustainability presentations for campus recruiting, investor relations sustainability summaries, and becoming the first restaurant company to be part of The Sustainability Consortium which meets regularly and discloses actions and strategies via press releases and websites.

From a cost perspective, we have integrated campus presentations and investor summaries into our ongoing operations so that they have minimal cost but similar to other companies. There was a membership fee paid to join The Sustainability Consortium. Additionally, all of these actions require inputs of time from our staff, creating some cost as well.

**Further Information****Page: Regulatory Opportunities**

**6.1****Do current and/or anticipated regulatory requirements related to climate change present significant opportunities for your company?**

No

**6.7****Explain why you do not consider your company to be presented with significant opportunities - current and/or anticipated.**

From a direct regulatory perspective, Darden's locations have small direct (scope 1 emissions) footprints and are not expected to be regulated. To the extent that Darden's energy efficiency and supply chain strategies successfully de-carbonize aspects of business operations, it effectively insulates the company from the cost implications of carbon regulations. This early preparation for a carbon-constrained economy could prove to be a valuable business advantage for Darden, given how carbon emissions are uniquely layered within the food and agriculture supply chain when considering the roles of livestock, feed crops, and fertilizers.

In addition to the unlikelihood of direct regulations on Darden's operations, key aspects of the supply chain are also not targeted by existing or drafted climate change regulations. For example, agriculture is regularly referenced as a source of carbon offsets, rather than carbon emissions caps. Therefore, even with 35 countries as sources within Darden's supply chain, direct regulations on its supply chain are not as likely as other industries' supply chains.

However, even with regulatory uncertainty, and possibly small direct impacts, Darden remains committed to lowering energy use, finding transportation efficiencies, improving packaging, and finding lower-carbon agriculture and fishery practices will reduce cost and create higher quality products over the long-term. To this end, Darden is committed to continuing to find innovations both within its operations and supply chain for reducing carbon emissions. Moreover, evolving to a lower-carbon supply chain could prove to be a decisive cost-advantage to Darden's restaurants when carbon is internalized into the cost of goods and services.

**Further Information****Page: Physical Opportunities****7.1 Do current and/or anticipated physical impacts of climate change present significant opportunities for your company?**

No

**7.7****Explain why you do not consider your company to be presented with significant opportunities - current and/or anticipated.**

With over 1800 locations in both the US and Canada, our broad operations footprint provides us with a potential advantage over other food service from potential physical risks attributable to climate change, concluding that the advantage is a "significant" does not seem appropriate. In any competitive industry, there are winners and losers. However, we believe our ability to "win" is directly connected to meeting quality expectations of our guests and providing the best value. Costs related to physical changes to the environment will likely have a similar impact across the industry and may occur gradually enough to allow for the marketplace to react.

In spite of Darden's deeming that physical impacts associated with climate change are not "significant" advantages, the company can utilize existing business continuity functions and recent analyses to enhance our preparedness. For example, Darden already has hurricane teams track storms and prepare operations for potentially damaging impacts from these storms to minimize damage and downtime. Additionally, as part of Darden's new corporate headquarters building in Orlando, Fla., the corporate data center is designed to withstand even the most severe hurricanes and is able to generate its own power, should grid electricity not be available following a severe storm. To study supply chain impacts, Darden has begun to study the environmental impacts of its supply chain and evaluate the supply chain from a climate change perspective.

To summarize, there is very little rationale or accurate calculations available for a food company to claim an opportunity associated with significant physical impacts from climate change. All companies in our business will have their operations, supply chains, and customers impacted. Clearly, avoided climate change is a strong business preference to adapting to it. While we believe our scale and geographic distribution is a potential unique advantage for physical changes, we do not believe it is appropriate to signal an advantage associated with physical changes from climate shifts.

**Further Information****Page: Other Opportunities****8.1 Does climate change present other significant opportunities - current and/or anticipated - for your company?**

Yes

**Do you want to answer using:**

The table below

**8.2A What are the current and/or anticipated other significant opportunities and their associated countries/regions and timescales?**

Opportunities	Region/Country	Timescale in Years	Comment
Increased efficiency of goods and services	United States of America	0 -- 5	
Reputational opportunities and increased ability to attract and retain talent	United States of America	0 -- 5	
Financial opportunities	United States of America	0 -- 5	

**8.3****Describe the ways in which the identified opportunities affect or could affect your business and your value chain.**

Energy and climate change are critical issues that affect Darden's employees, guests, communities, supply chain and, indeed, the future of our business.

**Increased efficiency of goods and services**

Darden already has significant initiatives underway to reduce energy and water use in our restaurants and support operations. For example, we've upgraded to energy-efficient lighting in all our kitchens; and restaurants that implement the full suite of water-saving measures we've rolled out are estimated to cut their water use by 700,000 gallons per year. As the climate change and sustainability issues continue to receive more attention, our company is well-positioned to illustrate successes and comprehensive plans for continued improvements.

**Reputational opportunities and increased ability to attract and retain talent**

One of the stakeholder groups most eager to see corporate sustainability performance are the employees themselves. The rollout of sustainability initiatives as well as directly engaging employees for ideas and feedback has already created real benefits that are likely to continue to yield employee pride that enhances performance and better guest experience. Moreover, Darden expects both employee recruitment and retention benefits from its climate change and sustainability initiatives.

Darden has also recognized the public relations and "license to operate" benefits of a comprehensive corporate sustainability with a carbon management program. Darden can share with its customers not only the environmental benefits of our program, but also the impact it has on the value of the dining experience. Improved environmental and energy performance means Darden can pass along savings to our customers at a time when cost savings matters most.

**Supply Chain**

Darden considers carbon management a new perspective for evaluating the company's operations and finding new ways to improve. Along these lines, there are numerous opportunities in the supply chain to use a carbon perspective to find new cost reduction and other improvements. Darden has found willing collaborators in the agriculture and food service value chain equally committed to finding carbon reduction opportunities. With these partnerships expected to formalize into coalitions in the near future and there could be broad support to re-align the industry towards operating effectively in a carbon-constrained economy.

**8.4 Are there financial implications associated with the identified opportunities?**

Yes

**8.5****Please describe them.**

Clearly, there are significant financial benefits from the opportunities associated with Darden's carbon management and broader sustainability initiatives. Through Darden's energy management and other sustainability initiatives, the company will save operational costs through energy, water, and waste savings. Early analysis of the operational initiatives have revealed a preliminary impact on energy, water, and waste costs that indicates the program is having a quick impact and future savings are likely to be considerably larger.

Darden's sustainability and carbon management programs also impact the company's ability to attract and retain talented employees. Like any company, the value of the company is as good as the employees that represent it. Increasingly, recruiting top employees has required addressing sustainability performance in open and transparent ways. Because of our growing sustainability program, Darden stands to benefit from improved recruiting and retention of top employees.

Through its broadening sustainability and carbon management initiatives, Darden is beginning to evaluate and engage its supply chain from a sustainability perspective. To the extent supply chain engagement, can yield efficiency findings, much like Darden's own energy management program, there could be cost implications that are potentially an order of magnitude more impactful on costs than even Darden's efficiency gains for its own operational efficiency improvements.

**8.6 Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.**

To take advantage of other opportunities associated with carbon management and sustainable performance, Darden has already taken actions and plans to take additional actions to exploit opportunities.

#### Increased efficiency of goods and services

Darden has created an energy, water, and waste teams to coordinate sustainability initiatives and objectives within Darden's operations. They are a cross-functional team that has designed strategy, communicate objectives and results, identify project budgets, and implement operational enhancements.

Darden already has significant initiatives underway to reduce energy and water use in our restaurants and support operations. For example, we've upgraded to energy-efficient lighting in all our kitchens, there are reinforced thermostat settings, new restaurant remodeling and refreshment, as well as other energy and water management initiatives. As the climate change and sustainability issues continue to receive more attention, our company is well-positioned to illustrate successes and comprehensive plans for continued improvements.

For both carbon and energy management, the work Darden has completed to date, and the projects in the pipeline for the coming years present distinct advantages to our business in differentiating our products, our business, and our restaurant concepts from others in the marketplace. Already, customer-facing organizations such as Climate Counts ([www.climatecounts.org](http://www.climatecounts.org)) have recognized Darden's progress, ranking Darden near the top of all food services companies it evaluates.

#### Reputational opportunities and increased ability to attract and retain talent

Taking a multi-stakeholder approach by engaging with partners to complete these projects has had a positive impact on our reputation and we intend to harness the power of our brands and our partnerships to fully leverage this distinction in the marketplace.

Our communities also benefit from our success. Each year, we contribute millions of dollars to charitable organizations that help individuals in need; we also fund projects that seek to improve the sustainability of global resources.

As part of Darden's on-campus recruiting, the company now includes highlights of its commitment to sustainability and progress made to date.

In 2010, Darden released its first sustainability report and website dedicated to communicating the company's sustainability performance. As a result, the company is able to more effectively distribute key corporate sustainability efforts to a broad array of stakeholder groups including, guests, employees, suppliers, government, and investors.

As part of its growing sustainability and carbon management program, Darden employees have formed numerous "Greenteams". Greenteams are location-specific teams of Darden employees that find opportunities to reinforce corporate sustainability initiatives, and help communicate sustainability objectives to guests.

#### Supply Chain.

Darden has already begun to analyze its supply chain from a carbon perspective and is looking at options for both efficiencies and environmental improvements. As part of Darden's annual supply chain meeting, sustainability was labeled as a "key objective" helping to clearly communicate the strategic value of an on-going focus on sustainability within the supply chain. Additionally, Darden now has a Supply Chain Sustainability Council, consisting of senior leadership of buyers for all key supply chain categories, providing additional leadership and focus on sustainability opportunities within the supply chain.

## Further Information

### Module: Strategy

### Page: Strategy

#### 9.1

**Please describe how your overall group business strategy links with actions taken on risks and opportunities (identified in questions 3 to 8), including any emissions reduction targets or achievements, public policy engagement and external communications.**

Energy and climate change are critical issues that affect Darden's employees, guests, communities, supply chain and, indeed, the future of our business.

We work hard to use energy and water efficiently at our 1,800 Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze and Seasons 52 restaurants. This reduces our climate footprint, saves money and enhances our competitiveness. But our interest in this area goes well beyond operational efficiency.

We see energy, climate change and water resources as interlinked issues. The basic ingredients for our business come from healthy oceans and healthy agricultural ecosystems. Studies predict that climate change will affect oceans and land-based agriculture in part by influencing weather patterns and the availability of water, which raises the risk of supply disruptions. These changes – along with increasing regulation of greenhouse gas emissions – have the potential to increase the costs of food and energy inputs to our business.

Energy, climate change and water are also important issues to our 180,000-plus employees, whose commitment and passion is the basis for our

relationship with our guests, and ultimately our success. Our employees want to know that Darden cares and that we are taking meaningful action on environmental challenges. We've tapped this enthusiasm by forming Green Teams at all our restaurants, through which some 10,000 employees are helping us cut energy and water use.

We're taking a resource-focused approach to our sustainability strategy to reduce risks and harness opportunities related to energy and climate change by:

- Setting goals to reduce our per-restaurant energy and water use by 15 percent by 2015 and, long term, to send no waste to landfills.
- Reducing energy and water use in our restaurants and support operations. For example, we've upgraded to energy-efficient lighting in all our kitchens; and restaurants that implement the full suite of water-saving measures we've rolled out are estimated to cut their water use by 700,000 gallons per year.
- Collaborating with others in our value chain who are committed to finding energy-, water- and waste-reduction opportunities while maintaining an unwavering focus on food safety.

Some of these actions are recent and just beginning to show results, but they build on our heritage and values. For the future of our business as well as the future of the planet, our vision is to create a more sustainable business model along with a more secure and healthy food supply.

## Further Information

### Page: Strategy - Targets

#### 9.2

Do you have a current emissions reduction target?

Yes

#### 9.6

Please complete the table. (If you have a current emissions reduction target or have a recently completed target)

Target Type	Value of Target	Unit	Base year	Emissions in base year (metric tonnes CO2-e)	Target Year	GHGs and GHG sources to which the target applies	Target met?	Comment
Intensity target	15.00	% reduction from base year	2006	1008517.00000	2015	Scope 1 + 2	Target ongoing	

## Further Information

### Page: Strategy - Emission Reduction Activities

#### 9.7

Is question 9.7 relevant for your company?

Yes

#### 9.7

Please use the table below to describe your company's actions to reduce its GHG emissions.

1. Actions - please describe	2. Annual energy saving	3. Annual energy savings - number	4. Annual energy saving - units	5. Annual emission reduction in metric tonnes CO2-e	6. Reduction - achieved or anticipated	7. Investment - number	8. Investment - currency	9. Monetary savings - number	10. Monetary savings - currency	11. Monetary savings	12. Timescale of actions & associated investments (if relevant)
	Anticipated										

#### 9.9

Please provide any other information you consider necessary to describe your emission reduction activities.

In 2009, we committed to decreasing our energy consumption by 15% per restaurant by 2015, using our 2006 consumption as a baseline.

To meet this goal, Darden has implemented numerous energy-reduction initiatives. For example, we switched the incandescent bulbs in our restaurant kitchens to more-efficient compact fluorescent bulbs, adjusted thermostat settings and altered our cooking equipment power-up schedules. We're also looking into high-efficiency lighting for our dining rooms. We've established employee Green Teams to help us implement these initiatives and to tap the creative ideas of our employees. We have also committed to incorporating sustainability features in all of our new buildings.

Darden's restaurants – like all restaurants – require energy to operate every day. We use electricity, natural gas and/or propane to power our lighting, refrigerators, freezers, water heaters, dishwashers, heating and air conditioning units, and all manner of cooking equipment. In addition, the food and goods delivered to our restaurants by trucks and other vehicles also require energy to run.

Because energy is an expensive resource, it makes sense to look for ways to save money by using less. After all, energy prices are volatile and, over time, seem destined to rise as greater demands are placed on limited supplies of fossil fuels. For Darden, reducing energy use contributes to our long-term economic sustainability and competitiveness.

By taking steps to improve our energy efficiency now, we will be well-prepared to operate in an economy in which greenhouse gases are regulated and energy costs are higher. This issue has also spurred us to have important conversations with some of our agricultural suppliers about how to adapt in the long term. And, we hope and expect that our sustainability efforts will help us communicate to our stakeholders – including our employees and our guests – that we are doing our part to cut energy use and reduce greenhouse gas emissions.

#### 9.10

**Do you engage with policy makers on possible responses to climate change including taxation, regulation and carbon trading?**

Yes

#### 9.11

**Please describe.**

As part of our overall outreach and relationship building with members of Congress sustainability is a key part of our message. We have engaged lawmakers to support efficient and renewable energy sources that provide sustainable, long-term solutions. We have urged policy makers to evaluate food to fuel mandates in order to fully assess their overall impacts and to partner with government in an effort to collaborate on the development of sustainable energy solutions. Additionally, during deliberations in the recent economic stimulus package, we discussed the inclusion of energy efficiency tax credits.

#### Further Information

### Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

#### Page: Emissions Boundary - (1 Jun 2008 - 31 May 2009)

#### 10.1

**Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.**

Companies over which operational control is exercised

#### 10.2

**Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions within this boundary which are not included in your disclosure?**

No

#### Further Information

#### Page: Methodology - (1 Jun 2008 - 31 May 2009)

#### 11.1a

**Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions and/or describe the procedure you have used (in the text box in 11.1b below).**

**Please select the published methodologies that you use.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**11.1b****Please describe the procedure that you use.**

Darden utilized publically available emissions sources and guidance from the World Resources Institute's GHG Protocol. Additionally, Darden retained ClearCarbon ([www.clearcarboninc.com](http://www.clearcarboninc.com)) to help coordinate and execute our GHG inventory process.

Electricity and all onsite fuel data are contained in a utility management system. All transport fuel data and business travel data are maintained in spreadsheets. These data were consolidated and uploaded into a centralized SQL Server database, and appropriate unit conversions and emission factors were applied to arrive at total emissions by source and site. Activity data were not collected for refrigerant recharge amounts.

As with any corporate inventory, there is usually a small amount of activity data that is missing or not accessible. The data for Darden's 2008 inventory was the most complete set of actual activity data to date and required much less estimation than the previous years. Below, the areas in our 2006 – 2009 inventories where assumptions were made are detailed in order to calculate a complete and accurate GHG footprint.

Onsite fuel and electricity usages for almost all restaurants are kept in a utility management system for Darden. For those locations whose utilities are not kept by the utility management system or where invoice gaps exist, estimations of the utility usages were made. After analyzing the usages of the locations in the utility management system it was confirmed that the restaurants had a normally distributed usage intensity pattern about the mean for both electricity and onsite fuels. This allowed the application of average intensities, based on square footage, of electricity and onsite fuel to estimate where necessary.

Darden does not currently track the refrigerant recharge amounts at any of their locations. It is known that each restaurant uses refrigeration equipment and therefore assumptions were made to estimate the emissions associated with this source across all restaurant locations. The equipment types, average leak rates, and refrigerant capacities for each prototypical restaurant were used to determine the amount and type of refrigerants leaked.

**11.2****Please also provide the names of and links to any calculation tools used.****Please select the calculation tools used.**

Other: ClearCarbon internal emissions calculation database

**11.3****Please give the global warming potentials you have applied and their origin.**

Gas	Reference	GWP
Carbon dioxide	IPCC Second Assessment Report (SAR - 100 year)	1
Methane	IPCC Second Assessment Report (SAR - 100 year)	21
Nitrous oxide	IPCC Second Assessment Report (SAR - 100 year)	310
HFC-125	IPCC Second Assessment Report (SAR - 100 year)	2800
HFC-134a	IPCC Second Assessment Report (SAR - 100 year)	1300
HFC-143a	IPCC Second Assessment Report (SAR - 100 year)	3800

**11.4****Please give the emission factors you have applied and their origin.**

Fuel/Material	Emission Factor	Unit	Reference
Liquefied petroleum gas (LPG)	13.48	lb CO <sub>2</sub> -e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009.
Natural gas	117.69	lb CO <sub>2</sub> -e per million BTU	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009.
Jet kerosene	21.32	lb CO <sub>2</sub> -e per gallon	EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources. May 2008.
Gas/Diesel oil	22.40	lb CO <sub>2</sub> -e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009.
Motor gasoline	19.56	lb CO <sub>2</sub> -e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009.

**Further Information**

**12.1**  
Please give your total gross global Scope 1 GHG emissions in metric tonnes of CO2-e.

349647

¿  
Is question 12.2 relevant to your company?

Yes

**12.2**  
Please break down your total gross global Scope 1 emissions in metric tonnes CO2-e by country/region.

Country	Scope 1 Metric tonnes CO2-e
United States of America	341945
Canada	7702

**12.4**  
Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 1 emissions by business division. (Only data for the current reporting year requested.)

Business Division	Scope 1 Metric tonnes CO2-e
Corporate	7611
LongHorn	38256
Olive Garden	168981
Red Lobster	122039
Specialty Restaurant Group	12761

**12.5**  
Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 1 emissions by facility. (Only data for the current reporting year requested.)

Facilities	Scope 1 Metric tonnes CO2-e
------------	-----------------------------

¿  
Is question 12.6 relevant to your company?

Yes

**12.6**  
Please break down your total gross global Scope 1 emissions by GHG type. (Only data for the current reporting year requested.)

GHG Type	Scope 1 Emissions (Metric tonnes)	Scope 1 Emissions (Metric tonnes CO2-e)
CO2	331986.15	331986
CH4	29.18	613
N20	0.75	233
HFCs	5.55	16815
PFCs	0.00	0

¿  
Is question 12.8 relevant to your company?

Yes

**12.8**  
Please give the total amount of fuel in MWh that your organization has consumed during the reporting year.

1815310

¿  
Is question 12.10 relevant to your company?

Yes

**12.10**

Please complete the table by breaking down the total figure by fuel type.

Fuels	MWh
Jet kerosene	10377.00
Liquefied petroleum gas (LPG)	11529.00
Gas/Diesel oil	89.00
Motor gasoline	18862.00
Natural gas	1774453.00

**12.12**

Please estimate the level of uncertainty of the total gross global Scope 1 figure that you have supplied in answer to question 12.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints	Of Scope 1 emissions, 8.1% were estimated. The following describe the specific breakdown of the estimations along with the portion of Scope 1 emissions for each source. 24.5% of LPG usage data was estimated based on cost, but represented less than 1% of Scope 1 emissions. 3.4% of Natural gas data was estimated based on cost or usage at the same location or similar locations and natural gas represented the majority- over 90%-of Scope 1 emissions. 100% of refrigerant data were estimated but the refrigerant emissions accounted for less than 5% of Scope 1 emissions. The resulting uncertainty from these parameter uncertainties was found by attributing a margin of error to each estimation type, multiplying the margin of error by the percentage of scope emissions that were estimated, and aggregating the uncertainties based on their weighted influence over the scope emissions. Margin of error was either calculated from GHG estimating guidance documents or based on professional judgment. We have not included uncertainty associated with publically available emissions factors (e.g., US EPA eGrid) as we believe that this uncertainty is inherent in many corporate GHG inventories and is not specific to our corporate GHG inventory initiative nor does it differentiate our resulting emissions.

**Further Information**

**Page: Emissions Scope 2 - (1 Jun 2008 - 31 May 2009)**

**13.1**

Please give your total gross global Scope 2 GHG emissions in metric tonnes of CO2-e.

750789

¿

Is question 13.2 relevant to your company?

Yes

**13.2**

Please break down your total gross global Scope 2 emissions in metric tonnes of CO2-e by country/region.

Country	Metric tonnes CO2-e
Canada	7698
United States of America	743091

**13.4**

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 2 emissions by business division. (Only data for the current reporting year requested.)

Business division name	Metric tonnes CO2-e
Corporate	10803
LongHorn	96574
Olive Garden	321398
Red Lobster	288133
Specialty Restaurant Group	33881

13.5

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 2 emissions by facility. (Only data for the current reporting year requested.)

Facility name	Metric tonnes CO2-e
---------------	---------------------

¿  
Is question 13.6 relevant to your company?

Yes

13.6

How much electricity, heat, steam, and cooling in MWh has your organization purchased for its own consumption during the reporting year?

Please supply data for these energy types.	MWh
Electricity	1240518
Steam	1444

13.8

Please estimate the level of uncertainty of the total gross global Scope 2 figure that you have supplied in answer to question 13.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Uncertainty range	Main sources of uncertainty in your data	Please expand on the uncertainty in your data.
Less than or equal to 2%	Assumptions Extrapolation Metering/ Measurement Constraints	Of Scope 2 emissions, 3.2% were estimated. This electricity data was estimated based on cost data, on provided data from the same location to fill a gap in usage data, or from similar locations normalized on square footage of the location. The resulting uncertainty from these parameter uncertainties was found by attributing a margin of error to each estimation type, multiplying the margin of error by the percentage of scope emissions that were estimated, and aggregating the uncertainties based on their weighted influence over the scope emissions. Margin of error was either calculated from GHG estimating guidance documents or based on professional judgment. We have not included uncertainty associated with publically available emissions factors (e.g., US EPA eGrid) as we believe that this uncertainty is inherent in many corporate GHG inventories and is not specific to our corporate GHG inventory initiative nor does it differentiate our resulting emissions.

Further Information

Page: Emissions Scope 2 Contractual

14.1

Do you consider that the grid average factors used to report Scope 2 emissions in question 13 reflect the contractual arrangements you have with electricity suppliers?

Yes

14.4

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

Further Information

Page: Emissions Scope 3

¿  
Is question 15.1 relevant to your company?

Yes

## 15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization.

Sources of Scope 3 emissions	Metric tonnes of CO2-e	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions.
Business travel	5610	The calculation of Darden's business air travel emissions was made using EPA passenger mile emissions factors and flight data from Darden's corporate travel management system. Each flight leg was assigned the appropriate emission factor based on the distance of the flight. The flight distance was multiplied by the following provided emission factors to arrive at the Scope 3 business air travel emissions. Short-Haul (<300 miles)- 0.28 kg CO2e/ passenger-mile Medium-Haul (>=300 miles and <700 miles)- 0.232 kg CO2e/ passenger-mile Long-Haul (>700 miles)- 0.188 kg CO2e/ passenger-mile From EPA Climate Leaders Optional Emissions from Employee Commuting, Business Travel and Product Transport (June 2008).	

## Further Information

Page: Emissions 7

## 16.1

Does the use of your goods and/or services enable GHG emissions to be avoided by a third party?

No

¿ Is question 17.1 relevant to your company?

No

## 17.2

Please explain why not.

Darden does not use biomass/biofuels.

## Further Information

Page: Emissions 8

## 18.1a

Please describe a financial intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

If you do not consider a financial intensity measurement to be relevant to your company, select "Not relevant" in column 5 and explain why in column 6.

Figure for Scope 1 and Scope 2 emissions	GHG units	Multiple of currency unit	Currency unit	Financial intensity metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
152.00	Metric tonnes CO2-e	Million	USD(\$)	Revenue	

**18.1b**

Please describe an activity-related intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

Oil and gas sector companies are also asked to report activity-related intensity metrics in answer to table O&G1.3.

If you do not consider an activity-related intensity measurement to be relevant to your company, select "Not relevant" in column 3 and explain why in column 4.

Figure for Scope 1 and Scope 2 emissions	GHG units	Activity-related metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
621.00	Metric tonnes CO2-e	Other: Per location	

**19.1**

Do the absolute emissions (Scope 1 and Scope 2 combined) for the reporting year vary significantly compared to the previous year?

No

**20.1A**

Please complete the following table indicating the percentage of reported emissions that have been verified/assured and attach the relevant statement.

Scope 1 (Q12.1)	Scope 2 (Q13.1)	Scope 3 (Q15.1)
Not verified	Not verified	Not verified

**20.1B**

I have attached an external verification statement that covers the following scopes:

**Further Information****Page: Emissions 9 Trading****21.1**

Do you participate in any emission trading schemes?

No, we don't participate nor do we currently anticipate participating in any emissions trading scheme within the next two years.

**21.4**

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

**Further Information****Module: Climate Change Communications****Page: Communications 1****22.1**

Have you published information about your company's response to climate change/GHG emissions in other places than in your CDP response?

Yes

**22.2**

In your Annual Reports or other mainstream filing? (If so, please attach your latest publication(s).)

No

**22.3**

**Through voluntary communications such as CSR reports? (If so, please attach your latest publication(s).)**

Yes

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**Further Information**

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**Attachments**

[https://www.cdproject.net/Sites/2010/22/4322/Investor CDP 2010/Shared Documents/Attachments/InvestorCDP2010/Communications/Darden\\_CDP 2010 22.3 attachment.doc](https://www.cdproject.net/Sites/2010/22/4322/Investor%20CDP%202010/Shared%20Documents/Attachments/InvestorCDP2010/Communications/Darden_CDP_2010_22.3_attachment.doc)

Carbon Disclosure Project