

**Module: Introduction****Page: Introduction****0.1****Introduction**

Please give a general description and introduction to your organization

Darden Restaurants, Inc., (NYSE: DRI), the world's largest full-service restaurant company, owns and operates more than 2,100 restaurants that generate over \$8.5 billion in annual sales. Headquartered in Orlando, Fla., and employing more than 200,000 people, Darden is recognized for a culture that rewards caring for and responding to people. In 2013, Darden was named to the FORTUNE "100 Best Companies to Work For" list for the third year in a row and is the only full-service restaurant company to ever appear on the list. Our restaurant brands – Red Lobster, Olive Garden, LongHorn Steakhouse, Bahama Breeze, Seasons 52, The Capital Grille, Eddie V's and Yard House – 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.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Wed 01 Jun 2011 - Thu 31 May 2012

**0.3****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

**0.4****Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

**0.6****Modules**

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

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email [respond@cdproject.net](mailto:respond@cdproject.net).

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 <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

**Module: Management [Investor]****Page: 1. Governance****1.1**

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

Individual/Sub-set of the Board or other committee appointed by the Board

**1.1a**

Please identify the position of the individual or name of the committee with this responsibility

Given the role of sustainability in our business, matters previously handled by the Public Responsibility Committee (sustainability strategy and performance, government relations and philanthropy and community affairs) are now handled at the full Board level. Darden has amended the Board's Corporate Governance Guidelines and governance section of our website to reflect this change. Sustainability-related issues are brought to the Board of Directors' attention by the Chairman and CEO.

Our Senior VP of Government and Community Affairs and Manager of Sustainability are responsible for the coordination and management of sustainability issues including climate change and report directly to the full Board of Directors. The SVP of Government and Community Affairs 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 Board of Directors.

Darden views 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. Governance for our sustainability strategy and commitments resides at three levels: Board of Directors, Executive Leadership and Senior Management. The Sustainability Leadership Council (SLC) consists of the senior executives from each of the major business units, including operations, finance, marketing, supply chain, government affairs, human resources and business development. The SLC meets three to four times a year, advising on sustainability strategy, championing implementation in their divisions or brands and providing accountability for performance toward meeting sustainability goals and objectives. This group regularly evaluates the most material citizenship issues at Darden, approves strategies to address these opportunities, and dedicates resources to demonstrate meaningful progress. The strategies and budgets are cascaded to senior management in the operating companies for implementation. Implementation is primarily handled through supply chain, 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 200,000-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 is taking meaningful action on environmental challenges. Since 2009, we've tapped this enthusiasm by supporting Safety & Sustainability Teams at all our restaurants, through which approximately 10,000 employees are helping us reduce energy, water and waste.

## 1.2

**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

### 1.2a

**Please complete the table**

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Facility managers	Monetary reward	Energy, water, and waste reduction tied to performance reviews. Their performance is critical to Darden corporate goal fulfillment for energy and water objectives.
Other: Environment/sustainability managers	Monetary reward	Energy, water, and waste reduction tied to performance reviews. Their performance is critical to Darden corporate goal fulfillment for energy and water objectives.
Process operation managers	Monetary reward	Energy, water, and waste reduction tied to performance reviews. Their performance is critical to Darden corporate goal fulfillment for energy and water objectives.
Chief Executive Officer (CEO)	Monetary reward	Energy, water, and waste reduction tied to performance reviews. They perform key roles for assessing goal targets and dedicating resources and investments.
All employees	Recognition (non-monetary)	Proposing new ideas related to sustainability; communicating and implementing sustainability processes. As many energy saving opportunities are behavioral in our restaurant operations, engaging employees has resulted in new ideas for efficient operations, helping Darden towards its water and energy reduction goals.

**Page: 2. Strategy**

## 2.1

**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

### 2.1a

**Please provide further details**

i. Each year management conducts the Enterprise Risk Assessment (ERA) facilitated by Internal Audit and reviewed with the Audit Committee and full Board. The types of risks considered include, but are not limited to, food safety, workplace practices, public policy, information technology, weather-related disasters, integration of acquisitions, talent management, commodity prices, and broad macroeconomic shifts. Our threshold for evaluating materiality and the related criteria are considered a business confidential process at Darden. If a material risk is identified, however, it is reported to executive leadership and the Board of Directors, on an as needed basis just as any other potential corporate risk would be reported.

In our latest 10K filed for FY2012, Darden identified several issues regarding climate change and/or environmental issues. We noted, for example, that we had we have seen an increasing focus by U.S. and overseas governmental authorities on environmental matters, such as climate change, the reduction of greenhouse gases and water consumption (Page 16). Such legislative or regulatory initiatives could result in future increases in the cost of our raw materials, taxes and utilities. We also noted that the price and availability of key food products could be impacted by interruptions to the availability of gas, electric, water or other utilities. Some climatologists predict that the long-term effects of climate change may result in more severe, volatile weather (Page 20). We also note that unfavorable publicity, or failure to respond effectively to adverse publicity, could harm our reputation and adversely impact our guest counts and sales. Such negative publicity could result, among other things, from health concerns including food safety and environmental disasters (Page 15).

ii. & iii. Darden's risk and opportunity evaluation as it relates to climate change and more broadly sustainability matters includes brand reputation, weather related risks, supply chain impacts, and potential consumer preference shifts. The Manager of Sustainability works through cross functional teams which include legal, government affairs, supply chain, operations, design, facilities, and tax to identify potential risks at a corporate and an asset level.

iv. Annually Darden conducts an Enterprise Risk Assessment (ERA).

v. The Sustainability Leadership Council (SLC) reviews risks and opportunities each year to determine the most material and assigns resources accordingly. Our threshold for evaluating materiality and the related criteria are considered a business confidential process at Darden. However, from a general perspective the company reviews the significance of each risk based on its potential impact, likelihood, the ability to impact, and time frame.

vi. If a material risk is identified by the SLC, it is reported to executive leadership and the Board of Directors, on an as needed basis just as any other potential corporate risk would be reported. Additionally, Darden already publicly releases related risk information. For example, certain environmental risks are included in the company 10-K filing.

## 2.2

**Is climate change integrated into your business strategy?**

Yes

### 2.2a

**Please describe the process and outcomes**

i. Our business strategy for incorporating climate change is similar to other issues that have potential to impact multiple aspects of Darden's business operations. Specifically for climate change, the strategy is influenced by members of cross functional teams soliciting inputs from the various sources that those teams interact with (e.g., facilities department interacting with individual facility managers, government affairs dealing with state and federal regulators, the design team working with green building councils (USGBC), and supply chain buyers collaborating with non-governmental organizations and local regulators). We then leverage these internal teams to perform outreach with external, third-party sources, learning about emerging issues and opportunities, soliciting best practices and insights on specific strategies, and creating step-wise implementation plans to address climate change concerns and other citizenship issues.

ii. We have considered the following aspects and influences of climate change with regards to our corporate strategy: cost implications related to fluctuating utility prices and regulatory changes, reputational impacts, and with a longer term view in mind, the physical and economic impacts on our global supply chain.

iii. Specific to the short term strategy, Darden is focused on the cost implications associated with regulatory change and fluctuating utility costs. For example, reducing energy usage allows Darden the opportunity to be insulated from price increases. In the absence of federal legislation (e.g., cap and trade, carbon tax) there still are important regulatory dynamics such as states with renewable energy portfolio standards which can materially change the electricity costs within those states. Therefore, Darden has established a target to reduce its per restaurant energy use by 15% by 2015 (in aggregate) to ensure aggressive and holistic protection against cost fluctuations. Additionally, Darden sees a reputational opportunity associated with its proactive approach to energy management and other sustainability initiatives. Therefore, Darden has an employee engagement program and a comprehensive, publicly-available, corporate sustainability report to share the company's progress and solicit ideas for enhancements ([www.darden.com/sustainability](http://www.darden.com/sustainability)).

iv. Over the long-term, climate change has the potential of creating more variability in operating costs and sourcing. Through price, availability, and potential shifts in demand for certain food products, significant dynamics may occur due to on-going regulatory as well as potential physical changes associated with climate change. For example, in FY12, Darden made continued investments to launch the world's first sustainable lobster aquaculture park in Malaysia, designed to produce safe and healthy proteins for the Asia-Pacific market. This long-term investment will address the challenges many wild harvest lobster fisheries face from overfishing, mis-management, and climate change.

v. While the specific risk and opportunity are not precisely known, Darden is analyzing supply chain and operations to understand the magnitude of risk and opportunity. We feel that incorporating these aspects of climate change into our business strategy leads to us operating more efficiently and therefore garners us strategic advantage through facilitation of margin expansion and protecting our license to operate in communities which is part of our growth strategy. Put simply, the business decisions that are influenced by climate change result in driving efficiency in our operations and sourcing. To that end, our sustainability goals have been set to address these influences: we have set goals to reduce our per-restaurant energy and water use by 15 percent by 2015 and have established a long term goal to send no waste to landfills. Against a 2008 baseline, Darden has already reduced energy use by 12% per restaurant restaurant since 2008 (by the end of FY12).

vi. During the past year (FY12), Darden made increased investments related to climate change. In the restaurants, we increased capital investments by more than 300% for LED lighting replacements, more water efficient pasta cookers, and testing new irrigation systems. Return on these projects is anticipated to be more than twice the investments. One example is a substantial investment in restaurant lighting by updating over 400 restaurant locations to LEDs. This capital decision had reduced energy use and carbon emissions as part of the evaluation process.

**2.3**

**Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)**

Trade associations  
Other

**2.3b Are you on the Board of any trade associations or provide funding beyond membership?**

Yes

**2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation**

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to influence the position?
National Restaurant Association	Mixed	The National Restaurant Association has not taken position on climate change (www.restaurant.org). However, the National Restaurant Association encourages Congress and federal agencies to re-examine federal policies that are driving up food prices. The corn-ethanol mandate in the renewable fuel standard has had a major impact on food prices. The RFS, created by Congress in the Energy Policy Act of 2005, requires that a certain volume of ethanol be blended into gasoline. The mandate helped shift more than 40 percent of U.S. corn crops to ethanol production instead of food or livestock feed in 2012. The corn-ethanol mandate came on top of an historic 2012 drought that had already put tremendous pressure on corn prices.	Darden continues to support the NRA and other groups efforts to re-examine the renewable fuel standard in the nation's energy policy. We also share information with the NRA's Conserve program regarding our energy, water and waste reduction in the restaurants.

**2.3g**

**Please provide details of the other engagement activities that you undertake**

As part of our overall outreach and relationship building with key stakeholders, Darden regularly meets with members of Congress and federal agencies to address sustainability and related issues, participates in a host of collaborative working groups, and provides support for on-going work related to policy engagement impacting climate change.

- We participate in the Department of Energy and Environmental Protection Agency's Better Building Association Food Service Team to establish Energy Star standards for restaurants. We are providing council and information about our restaurants to inform this new benchmark for our industry.
- We regularly provide input at the request of policy makers at U.S. government agencies, including NOAA, the Environmental Protection Agency, and USDA. 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.
- We engage lawmakers to support more efficient and renewable energy sources that can provide long-term solutions. Engaging lawmakers on energy efficiency and renewable energy intends to create a secure, cost-effective, and reliable power supply. We have also used our own performance in these discussions, citing our energy efficiency and solar power achievements.
- We are on the leadership team of the Food Waste Resource Alliance, a joint effort of the Food Marketing Institute, the Grocers Manufacturing Association, and the National Restaurant Association. This alliance is working to reduce the 40% of food that goes to waste and ends up as methane in landfills by reallocating it to feed humans or animals, provide energy, or be used as agricultural supplements. We participate in regular meetings, contribute best practices, and learn from other companies lessons that we can apply at Darden.
- Darden is a founding member of The Sustainability Consortium (TSC) ([www.sustainabilityconsortium.org](http://www.sustainabilityconsortium.org)) and currently serves as on the Retail and Food, Beverage & Agriculture Working Groups. TSC is a multi-stakeholder collaboration bringing together companies, academics, NGOs and government agencies, whose vision is "to advance science to drive a new generation of innovative products and supply networks that address environmental, social and economic imperatives. The goal is to better understand the energy, carbon, and water footprint of the foods we buy and develop a uniform life cycle analysis and approach to address potential hot spots.

**2.3h**

**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Darden's Office of Sustainability leads all climate change activity throughout the enterprise. The Manager of Sustainability works with various departments, including government affairs, supply chain, development, and facilities to drive engagement with various groups. We regularly evaluate our engagements and determine if we are aligned to the organizations and work that align to our corporate goals.

**Page: 3. Targets and Initiatives**

**3.1**

**Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?**

Intensity target

**3.1b**

**Please provide details of your intensity target**

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
1	Scope 1+2	96%	15%	Other: kWh per restaurant	2008	1024407	2015	Darden set an energy based target because our footprint is ~95% comprised of facility energy emissions and because of the direct relationship of reporting kWh metrics in our performance reviews. This targets is only against the Scope 1 & 2 emissions attributed to restaurants.

**3.1c**

**Please also indicate what change in absolute emissions this intensity target reflects**

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
1	Increase	11			Based on the projected growth of restaurants from FY2008 to FY2015 and assuming a 15% decrease from FY2008 in MWh intensity in all restaurants. Percent change in absolute Scope 1 & 2 for restaurants only (assumed that other Scope 1 & 2 will remain fairly constant).

**3.1d**  
Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	57%	80%	% complete (emissions) is calculated by taking the percent change in MWh/restaurant intensity between FY2012 and FY2008 (noted as 12% reduction on a per restaurant basis). This percent change over 15% (goal) represents our progress in terms of % complete towards goal. The completion time is the timing between FY2008 and FY2015.

**3.2**  
Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

**3.3**  
Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

**3.3a**  
Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	
To be implemented*	3	
Implementation commenced*	3	
Implemented*	10	
Not to be implemented	2	

**3.3b**  
For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Other	Right size waste hauling services to reduce pick-ups, thereby reducing costs, fuel and CO2		300000	0	<1 year
Energy efficiency: Building services	Reconfigure the "dipper well" technology that went from a continuous flow of water to a heated well. Reduces water, but reduces energy by reducing the amount of heated water needed on demand.		500000	500000	1-3 years
Low carbon energy installation	Change from Incandescent and CFL lighting to LED lighting in approximately 750 restaurant's Front of House.		1000000	3400000	4-10 years
Energy efficiency: Building services	Programmable thermostats in select restaurants		0	300000	<1 year
Energy efficiency: Building fabric	We have completed and now utilize more new restaurant prototypes for Olive Garden, Red Lobster, LongHorn Steakhouse and Bahama Breeze, all aligned with the Leadership in Energy and Environmental Design (LEED) Certification standard (USGBC). We are unable to indicate the financial implications due to confidentiality.		0	0	1-3 years
Low carbon energy installation	We completed installation of the 1.1 MWh solar array at the Restaurant Support Center in Orlando, FL, with 4,000+ panels and able to produce 15% to 20% of the building's energy needs. More information at: <a href="https://www.youtube.com/watch?v=bzbZjCVcE6I">https://www.youtube.com/watch?v=bzbZjCVcE6I</a>		5600000	500000	4-10 years

**3.3c**  
What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	The Sustainable Buildings Working Group consists of members from Facilities, Development, Equipment Purchasing and Finance. We use our 15% goals to reduce energy and water along with traditional IRR cost savings model to drive investment in the above activities.
Employee engagement	Reduction activities that are behaviorally dependent (power up & power down, thermostats, water leaks, etc.) are supported by our restaurant Green Teams.
Dedicated budget for energy efficiency	The Sustainable Buildings Working Group is able to access capital to invest funds that meet our confidential investment criteria. They have delivered \$22 million in savings through sustainability initiatives to date.
Internal	

incentives/recognition programs	Members of the Sustainable Buildings Working Group have metrics in their performance review plan based on annual reductions.
Lower return on investment (ROI) specification	Darden made the decision to install 4,400+ solar panels at the Restaurant Support Center (HQ) at a cost of \$5.6 Million. The payback was estimated at 10 years, but was dependent on sunlight.

**Further Information**

Darden created educational videos for our employees to learn more about our environmental stewardship efforts:

- All Darden Earth Day Video: <http://youtu.be/A0AiUzeoYI0>
- Olive Garden Earth Day Video: <http://youtu.be/qEiGpKA0g3A>
- Red Lobster Earth Day Video: <http://youtu.be/LyVRc3FWciw>
- LongHorn Steakhouse Video: <http://youtu.be/pGXlrJ0ZlPU>

We also use posters to communicate our goals on energy, water and waste and share these with our restaurant Green Teams once a quarter. Attached is the Energy Efficiency poster from our Green Team meeting this past year.

**Attachments**

[https://www.cdproject.net/sites/2013/22/4322/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/Darden\\_Q3\\_Sustainability\\_Energy\\_Poster.jpg](https://www.cdproject.net/sites/2013/22/4322/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/Darden_Q3_Sustainability_Energy_Poster.jpg)

**Page: 4. Communication**

**4.1 Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)**

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	2012 Sustainability Response (pg. 31-39)	<a href="https://www.cdproject.net/sites/2013/22/4322/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/2012-gri-full.pdf">https://www.cdproject.net/sites/2013/22/4322/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/2012-gri-full.pdf</a>
In mainstream financial reports (complete)	2013 Analyst Meeting (Slide 136)	<a href="https://www.cdproject.net/sites/2013/22/4322/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/DRI%20Analysts%20Feb%202013%20Day%201.pdf">https://www.cdproject.net/sites/2013/22/4322/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/DRI Analysts Feb 2013 Day 1.pdf</a>
In mainstream financial reports (complete)	2012 10K (Page 12)	<a href="https://www.cdproject.net/sites/2013/22/4322/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/2012-10K.pdf">https://www.cdproject.net/sites/2013/22/4322/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/2012-10K.pdf</a>
In voluntary communications (complete)	DRI Fact Sheet - Promoting Sustainability	<a href="https://www.cdproject.net/sites/2013/22/4322/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/35185_DRI_Fact_Sheet%202013.pdf">https://www.cdproject.net/sites/2013/22/4322/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/35185_DRI_Fact_Sheet 2013.pdf</a>
In voluntary communications (complete)	<a href="http://www.darden.com/sustainability">www.darden.com/sustainability</a>	

**Module: Risks and Opportunities [Investor]**

**Page: 5. Climate Change Risks**

**5.1**

**Have you identified any climate change risks (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

**5.1a**

**Please describe your risks driven by changes in regulation**

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	International agreements	International agreements that limit carbon emissions have the potential to increase costs. Much like fuel and energy taxes and regulations, carbon emissions agreements can potentially increase costs of energy and other inputs that are "carbon-intensive". The ability of countries to efficiently reduce carbon emissions through the lowest marginal cost options will dictate the impact of operating costs for Darden and its 2,000+ suppliers.	Increased operational cost	6-10 years	Indirect (Supply chain)	About as likely as not	Low-medium
2	Fuel/energy taxes and regulations	- To date, energy taxes and regulations have increased operating costs for Darden suppliers. One example is the increase in food prices because of competing interests for crops formerly dedicated for food production to be used in the production of ethanol. - In the future, taxes and regulations that increase the price of energy has the potential to add operating costs if efficiencies in usage do not offset increased costs.	Increased operational cost	1-5 years	Indirect (Supply chain)	More likely than not	Medium
3	General environmental regulations, including planning	- Stormwater management and control - Land use requirements - Right to operate or development criteria	Increased capital cost	1-5 years	Direct	About as likely as not	Medium
4	General environmental regulations, including planning	- Stormwater management and control - Land use requirements - Right to operate or development criteria	Inability to do business	1-5 years	Direct	About as likely as not	Medium
	Carbon taxes	Carbon taxes place a price on the cost of carbon and drive its eventual reduction, but the tax could likely drive up direct and indirect costs of doing business.	Increased operational cost	1-5 years	Direct	More likely than not	Medium

**5.1b**

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions**

- International agreements: (i) Darden's \$3 billion supply chain sources over 2,000 products from 1,500 suppliers in 35 countries. Any climate change agreements could adversely affect pricing on food products. (ii) Darden has begun to assess the supply chain to assess where supply chain risk is greatest. (iii) These considerations are combined with several sustainability initiatives including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, additional investments will be considered.
- Fuel/energy taxes and regulations: (i) Darden's \$3 billion supply chain sources over 2,000 products from 1,500 suppliers in 35 countries. Taxes and regulations on fuel and energy could adversely affect pricing on food products. (ii) Darden has begun to assess the supply chain to assess where supply chain risk is greatest. (iii) These considerations are combined with several sustainability initiatives including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, additional investments will be considered.
- General environmental regulations, including planning: (i) In some circumstances where locations are potentially constrained by energy or water availability, state and local governments are requiring higher performance standards of businesses to conserve energy and water, and in some cases produce renewable and/or on-site power. (ii) Darden has designed four of its eight brand prototypes to LEED standards to conserve energy and water, and is piloting advanced energy management systems in Washington, California, Ohio and Florida. (iii) These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, Darden will consider additional investments.

## 5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Induced changes in natural resources	Climate change poses physical risks to Darden's supply chain through weather events that can result in induced changes to natural resources. For example 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. Additionally, 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.	Reduction/disruption in production capacity	>10 years	Indirect (Supply chain)	About as likely as not	Unknown
2	Change in precipitation extremes and droughts	Darden, through the annual Analyst Meeting (Feb 2012: <a href="http://investor.darden.com/files/doc_presentations/DR1%20Analysts%20Feb%202013%20Day%202.pdf">http://investor.darden.com/files/doc_presentations/DR1%20Analysts%20Feb%202013%20Day%202.pdf</a> ), has reported protein prices (such as beef and chicken) have to be correlated to drought conditions in key production locations. To the extent, any increased frequency of drought phenomenon occurs, there will be an enhanced risk of cost increases.	Increased operational cost	1-5 years	Indirect (Supply chain)	More likely than not	Medium

## 5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

- Induced changes in natural resources i. 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. ii. 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 Ocean Health Index ([www.oceanhealthindex.org](http://www.oceanhealthindex.org)). iii. These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, Darden will consider additional investments.
- Change in precipitation extremes and droughts i. Industry analyst reviews of input costs have already cited 8 to 10% beef cost increases, partly due to drought conditions in key production areas. Corn prices continue to be inflated due to Renewable Energy Standards supporting ethanol, driving feed costs higher and ultimately proteins higher. ii. Darden has begun to assess the supply chain to assess where supply chain risk is greatest through our support and participation in The Sustainability Consortium (Univ. of Arkansas and Arizona State Univ.). iii. These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, Darden will consider additional investments.

## 5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Reputation	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. 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.	Increased operational cost	1-5 years	Indirect (Supply chain)	More likely than not	Medium
2	Changing consumer behaviour	Over time, climate change could change the cost basis for land based proteins, potentially driving consumer behavior.	Reduced demand for goods/services	>10 years	Direct	About as likely as not	Low-medium

## 5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

- Reputation i. 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. ii. 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. In fact, when Darden conducted a sustainability survey for its employees in 2012, nearly 12,000 responded to the survey, demonstrating the importance of sustainability issues to our employees. 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 value matters most. 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. iii. There was a membership fee paid to join The Sustainability Consortium. Additionally, From a cost perspective, we have integrated campus presentations and investor summaries into our ongoing operations., All of these actions require inputs of time from our staff, creating some cost as well.
- Changing consumer behavior i. Potential financial risk is difficult to estimate with current information. However, extreme weather phenomenon have resulted in 1-2% changes in cost. Similar or more significant cost increases have the potential to dissuade consumers. ii. Darden has begun to assess the supply chain to assess where supply chain risk is greatest. iii. These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, Darden will consider additional investments.

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in other climate-related developments

#### 6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	International agreements	Because international agreements that limit carbon emissions have the potential to increase costs. Much like fuel and energy taxes and regulations, carbon emissions agreements can potentially increase costs of energy and other inputs that are "carbon-intensive". However, Darden's ability to reduce the carbon-intensity of its supply chain as well as operations can create a cost advantage relative to impacts on competitors.	Other: cost competitive advantage	6-10 years	Indirect (Supply chain)	About as likely as not	Low-medium
2	Fuel/energy taxes and regulations	To date, energy taxes and regulations have increased operating costs for Darden suppliers. One example is the increase in food prices because of competing interests for crops formerly dedicated for food production to be used in the production of ethanol. In the future, Darden's ability to reduce the carbon-intensity of its supply chain as well as operations can create a cost advantage relative to impacts on competitors.	Other: cost competitive advantage	6-10 years	Indirect (Supply chain)	About as likely as not	Low-medium
3	General environmental regulations, including planning	- Stormwater management and control - Land use requirements - Right to operate or development criteria	Other: Increased capital cost	1-5 years	Direct	About as likely as not	Medium

#### 6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

- International agreements: (i) Darden's \$3 billion supply chain sources over 2,000 products from 1,500 suppliers in 35 countries. Creating initiatives to make Darden's supply chain and operations less carbon-intensive can limit potential cost increases, given Darden a cost advantage on a large portion of its spending relative to competitors. (ii) Darden has begun to assess the supply chain to assess where supply chain risk is greatest. (iii) These considerations are combined with several sustainability initiatives including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the opportunities become more specific and well defined, additional investments will be considered.
- Fuel/energy taxes and regulations: (i) Darden's \$3 billion supply chain sources over 2,000 products from 1,500 suppliers in 35 countries. Taxes and regulations on fuel and energy could adversely affect pricing on food products. Creating initiatives to make Darden's supply chain and operations less carbon-intensive can limit potential cost increases, given Darden a cost advantage on a large portion of its spending relative to competitors. (ii) Darden has begun to assess the supply chain to assess where supply chain risk is greatest. (iii) These considerations are combined with several sustainability initiatives including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the opportunities become more specific and well defined, additional investments will be considered.
- General environmental regulations, including planning: (i) In some circumstances where locations are potentially constrained by energy or water availability, State and local governments are requiring higher performance standards of businesses to conserve energy and water, and in some cases produce renewable and/or on-site power. To the extent Darden can design and operate restaurants more efficiently than other brands, the company may have more success with locating restaurants and expediting the approval processes. (ii) Darden has designed four of its eight brand prototypes to LEED standards to conserve energy and water, and is piloting energy management systems in Ohio and Florida. (iii) These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the opportunities become more specific and well defined, additional investments will be considered.

#### 6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	Reputation	Reputational opportunities and the related increased ability to attract and retain talent is a tangible benefit. 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 guests 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 guests at a time when cost savings matters most.	Reduced operational costs	1-5 years	Direct	More likely than not	Medium
2	Changing consumer behaviour	While significant guest consumptions have shifted to some degree due to economic factors, the industry is yet to see major consumption patterns change attributable to climate change awareness or other sustainability matter. However, some most actively growing Darden concepts include those that are sustainability-themed in their menus (e.g., Seasons 52). This is an example of how Darden is addressing the potential shift of preference for healthy, environmentally-friendly menus. Some of the menu concepts include elements such as organic and local food sourcing, fresh ingredients, and smaller portion sizes.	Increased demand for existing products/services	1-5 years	Direct	About as likely as not	Low-medium

#### 6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

- Reputation i. 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. \$22 Million in cost savings have already been recognized with another \$8-\$10 Million by FY2015 anticipated for planned energy and water initiatives. ii. 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. 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 improvements. 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) have recognized Darden's progress, ranking Darden near the top of all food services companies it evaluates. 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. The updated report was launched in August 2012. 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 "Green Teams." Green Teams are location-specific teams of Darden employees that find opportunities to reinforce corporate sustainability initiatives, and help communicate sustainability objectives to guests. Darden has already begun to analyze its supply chain from a carbon perspective and is looking at options for both efficiencies and environmental improvements. 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. iii. These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, additional investments will be considered.

- Changing consumer behavior i. Shifts in consumer behavior can have significant impacts on revenues for any company. Darden has identified some consumer behavior shifts associated with economic conditions and reports these patterns in its investor analyst conference calls. In the last year, we have begun to see some shifts attributable to consumer perspectives on climate change or sustainability matters. ii. Darden is in an advantageous position of having a diverse range of restaurant concepts. These concepts allow Darden immediate feedback on customer behavior for a variety of demographics. Multiple concepts offer menu options that are "wellness" or "sustainability" themed. Gauging customer demand for these offerings can allow Darden quick feedback on where the company may leverage successes to other concepts. Darden also reviews opportunities for shifts in customer behavior and preferences by working with leading NGOs and universities on sustainability issues impacting agriculture and food. By working with these groups, Darden is on the forward edge of new research and information on these matters, allowing the company to understand opportunities and risks for certain food supplies as well as benefits associated with alternative production methods. Understanding these opportunities early in the research development cycle maximizes Darden's ability to offer menu options to guests that match their interests. iii. These considerations are combined with several sustainability investments including carbon, energy, water, and other environmental concerns that are part of a larger investment strategy. As the risks become more specific and well defined, additional investments will emerge.

**6.1h**

**Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure**

Looking at the next 10 years, with over 2,100 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 expectation 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.

**Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]**

**Page: 7. Emissions Methodology**

**7.1**

**Please provide your base year and base year emissions (Scopes 1 and 2)**

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Fri 01 Jun 2007 - Sat 31 May 2008	341700	718913

**7.2**

**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**

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**7.2a**

**If you have selected "Other", please provide details below**

**7.3**

**Please give the source for the global warming potentials you have used**

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
Other: HFC-134a	IPCC Second Assessment Report (SAR - 100 year)
Other: HFC-404a	IPCC Second Assessment Report (SAR - 100 year)

**7.4**

**Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data**

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity		Other: Varies	U.S. EPA eGRID2012 v1.0 (w/2009 data), IEA CO2 Emissions from Fuel Combustion (2012 Edition), Paris.
Propane	139.96471	lb CO2e per million BTU	EPA Climate Leaders Stationary Combustion - Commercial Sector
Natural gas	117.27697	lb CO2e per million BTU	EPA Climate Leaders Stationary Combustion - Commercial Sector
Jet kerosene	21.32258	lb CO2e per gallon	EPA Climate Leaders Mobile Combustion Sources

Diesel/Gas oil	22.37945	lb CO2e per gallon	EPA Climate Leaders Mobile Combustion; The Climate Registry
Motor gasoline	19.42527	lb CO2e per gallon	EPA Climate Leaders Mobile Combustion; The Climate Registry
Steam	146.36814	lb CO2e per gallon	EPA Climate Leaders Indirect Emissions
Cooling	146.36814	lb CO2e per gallon	EPA Climate Leaders Indirect Emissions

**Page: 8. Emissions Data - (1 Jun 2011 - 31 May 2012)**

**8.1**  
Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

**8.2**  
Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

347796

**8.3**  
Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

719949

**8.4**  
Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

**8.5**  
Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 5% but less than or equal to 10%	Data Gaps	Of Scope 1 emissions, 6.92% were estimated. The majority of these estimations were from propane and refrigerants, though these sources are only 6.3% of the entire inventory. The remaining estimations were associated with natural gas. The data gaps were filled using a combination of data from the same location, unit cost, energy intensity, or averages where appropriate and documented.	Less than or equal to 2%	Data Gaps	Of Scope 2 emissions, 1.01% were estimated. Gaps were mainly associated with Chilled water and Steam, though these are less than .2% of the overall inventory. Electric power consumption required some estimations to fill data gaps. These were filled based on historical data from the same site, energy intensity, or averages where appropriate.

**8.6**  
Please indicate the verification/assurance status that applies to your Scope 1 emissions

No third party verification or assurance

**8.7**  
Please indicate the verification/assurance status that applies to your Scope 2 emissions

No third party verification or assurance

**8.8**  
Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

**8.8a**  
Please provide the emissions in metric tonnes CO2

4

**Page: 9. Scope 1 Emissions Breakdown - (1 Jun 2011 - 31 May 2012)**

**9.1**  
Do you have Scope 1 emissions sources in more than one country?

Yes

**9.1a**  
Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
Canada	6376
United States of America	341420

**9.2**  
Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division  
By GHG type

**9.2a**

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Corporate/Operations	5244
LongHorn Steakhous	40898
Olive Garden	173981
Red Lobster	110944
Specialty Restaurant Group	16728

**9.2c**

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	326506
CH4	636
N2O	220
HFCs	20434

**Page: 10. Scope 2 Emissions Breakdown - (1 Jun 2011 - 31 May 2012)**

**10.1**

Do you have Scope 2 emissions sources in more than one country?

Yes

**10.1a**

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
Canada	3617	19401.12	
United States of America	716333	1291536.54	

**10.2**

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

**10.2a**

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
Corporate / Operations	7586
LongHorn Steakhouse	99870
Olive Garden	320750
Red Lobster	252753
Specialty Restaurant Group	38989

**Page: 11. Energy**

**11.1**

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

**11.2**

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	1791878
Electricity	1304777
Heat	0
Steam	4475
Cooling	1685

**11.3**

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Jet kerosene	12361
Propane	6880
Diesel/Gas oil	23
Motor gasoline	18253
Natural gas	1754361

**11.4**

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

**Basis for applying a low carbon emission factor MWh associated with low carbon electricity, heat, steam or cooling Comments**

**Page: 12. Emissions Performance**

**12.1**  
How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

**12.1a**  
Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities		Decrease	Energy efficiency activities have results in less energy use per restaurant and subsequently a lower emissions increase than would have been anticipated with Darden's overall growth.
Divestment			
Acquisitions		Increase	Darden acquired Eddie V's Prime Seafood in FY12, adding 10 restaurants across California, Arizona and Texas. We also announced the acquisition of YardHouse in FY12, but the deal didn't close until FY13. Neither were added into the FY12 reporting year since neither were closed before the fiscal year started.
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other		Increase	Absolute emissions increased due to the addition of approximately 100 restaurants in FY12.

**12.2**  
Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
133.48981	metric tonnes CO2e	unit total revenue	9	Decrease	This reduction was due to a significant increase in restaurants (100) while a decreasing impact from emission reduction activities.

**12.3**  
Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	metric tonnes CO2e	FTE employee			

**12.4**  
Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
535.47890	metric tonnes CO2e	Other: Restaurant	6	Decrease	This is the ration of the restaurant-only emissions divided by the number of restaurants in operation for the fiscal year. Our total number of stores have increased since last year but our total emissions have remained largely the same. Our data shows this is due to our increased efficiency in the restaurants.

**Page: 13. Emissions Trading**

**13.1**  
Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

**13.2**  
Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

**Page: 14. Scope 3 Emissions**

**14.1**  
Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services					
Capital goods					
Fuel-and-energy-related activities (not included in Scope 1 or 2)					
Upstream transportation and distribution					
Waste generated in operations					
Business travel	Relevant, calculated	9205	Calculated using raw data from suppliers. Airline and Rental Car emissions were calculated using The Climate Leaders Commuting, Business Travel, and Product Transport protocol. Airline emissions were calculated by multiplying the number of miles for short, medium, and long haul trips against their respective emission factors (Short Haul - 279.85 gCO2e/Mile, Med Haul - 231.85 gCO2e/mile, Long Haul - 187.85 gCO2e/mile). Rental car emissions were calculated using respective classifications of car and light duty truck emission factors multiplied by the number of miles for each vehicle classification using the emission factors outlined in the protocol (Car - 374.57 gCO2e/mile, Light-duty truck - 534.32 gCO2e/mile)	100%	
Employee commuting					
Upstream leased assets					
Investments					
Downstream transportation and distribution					
Processing of sold products					
Use of sold products					
End of life treatment of sold products					
Downstream leased assets					
Franchises					
Other (upstream)					
Other (downstream)					

**14.2**  
Please indicate the verification/assurance status that applies to your Scope 3 emissions

No third party verification or assurance

**14.3**  
Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

**14.3a**  
Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other: Increased airline travel mileage and first year of rental car emission reporting	26.65	Increase	

**14.4**  
Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

**14.4a**  
Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Darden began in earnest learning about our GHG emissions and discussing climate change strategies through the following:

- One-on-one meetings with key suppliers
  - Support and engagement within the Sustainability Consortium
  - Joining the Global Roundtable on Sustainable Beef
  - Partnering with the National Cattleman's Beef Association to support their life cycle analysis on beef produced in the U.S.
- In FY14, we will begin a baseline assessment on our most critical commodities.

**14.4b**

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
10	10%	

**14.4c**

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	We are currently using data to become increasingly educated about the hotspots in each of our commodities.

**Module: Sign Off**

**Page: Sign Off**

Please enter the name of the individual that has signed off (approved) the response and their job title

Brandon Tidwell  
Manager of Sustainability  
Darden Restaurants

**CDP**