

Module: Introduction**Page: Introduction**

CC0.1**Introduction**

Please give a general description and introduction to your organization.

Darden Restaurants, Inc., (NYSE: DRI) is a family of restaurants that features some of the most recognizable and successful brands in full-service dining, and served over 439 million meals in fiscal 2014. As of May 25, 2014, Darden operated through subsidiaries 2,207 restaurants in the United States and Canada that generated over 8.76 billion in annual sales. Our restaurant brands – 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. At the conclusion of fiscal 2014, Darden entered into an agreement to sell the Red Lobster brand and other assets and associated liabilities.

Headquartered in Orlando, Fla., and employing more than 150,000 people, Darden is recognized for a culture that rewards caring for and responding to people. In 2014, Darden was named to the FORTUNE “100 Best Companies to Work For” list.

CC0.2**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

Sat 01 Jun 2013 - Sat 31 May 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

United States of America

Canada

CC0.4

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(\$)

CC0.6

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 sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire. If you are in these sector groupings (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@cdp.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.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

Board or individual/sub-set of the Board or other committee appointed by the Board
(Alternate: Senior Manager/Officer)

CC1.1a

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

Governance for Darden's sustainability strategy and commitments resides at three levels: Chief Executive Officer (CEO), Vice President Government and Community Affairs, Executive Leadership and Senior Management.

Darden's Sustainability strategy is informed by senior executives from our brands and many business units, including operations, supply chain, government affairs, human resources, finance, and real estate and development. Key executives are convened on issue specific topics, advising on sustainability strategy, championing implementation in their divisions or brands and providing accountability for performance toward meeting sustainability goals and objectives.

Darden coordinates implementation of the sustainability strategy, external stakeholder engagement and communications through a Sustainability Office within Government & Community Affairs. Cross-functional teams are tasked with developing and implementing specific sustainability initiatives, including: 1) Sustainable Restaurants, including the company's public commitments to reduce energy, water, waste, as well as delivery of operational savings, and consists of representatives

from facilities management, operations, equipment purchasing, and finance; 2) The Supply Chain team focuses on the environmental, social, and animal welfare impacts across our \$2.6 billion supply chain, and includes members of purchasing, total quality (food safety), and supply chain (seafood and other proteins); and 3) The Communications team focuses on building internal and external awareness of Darden's sustainability goals. This team includes members from internal communications, external communications, interactive, and government and community affairs.

As Darden continues to evolve, so will our oversight of sustainability and climate change impacts.

CC1.2

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

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Facility managers	Monetary reward	Energy reduction project Efficiency project	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 reduction project Energy reduction target Efficiency project	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 reduction project Efficiency project	Energy, water, and waste reduction tied to performance reviews. Their performance is critical to Darden corporate goal fulfillment for energy and water objectives.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
All employees	Recognition (non-monetary)	Energy reduction project Efficiency project Behaviour change related indicator	Communicating and implementing sustainability processes. As many energy saving opportunities are behavioral in Darden restaurant operations, engaging employees has resulted in successful implementation of new ideas and processes for efficient operations, helping Darden achieve its water and energy reduction goals.

Further Information

Page: CC2. Strategy

CC2.1

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

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/sub-set of the Board or committee appointed by the Board	United States of America and Canada	1 to 3 years	Management conducts an annual Enterprise Risk Assessment (ERA) that is facilitated by Internal Audit and reviewed with the Audit Committee and full Board. The types of risks considered include, but are not limited to, strategic execution, food safety, workplace practices, public policy, cyber security, information technology, business continuity (including weather-related disasters), acquisition integration, talent management, commodity prices, and broad macroeconomic shifts. Darden's ERA process considers both pure and opportunistic risk evaluation as it relates to climate change and broader sustainability matters such as brand reputation, weather related impacts, supply chain factors, and potential consumer preference shifts.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Darden's ERA process, at a company level, includes consideration of an evolving enterprise risk library of potential enterprise risks (pure and opportunistic) that may impact the organization and its business units across strategic, operational, compliance, financial and IT reporting objectives. While factors such as likelihood and magnitude of impact are considered during our individual risk assessments, the full set of evaluation criteria is considered a business confidential process at Darden. If a material risk related to climate and weather changes is identified, however, it is reported to executive leadership, the Board of Directors and/or its Committees, on an as needed basis similar to other risk reporting. Additionally, Darden utilizes the findings from its ERA activities to update the risk related information in its ongoing public filings. For example, certain environmental risks are included in Darden's annual Form 10-K filing.

At an asset level, Darden evaluates the risks and opportunities to its restaurants in the context of state regulations in the absence of federal regulations. For instance, from an opportunity perspective, states with renewable energy portfolio standards can materially change the electricity and natural costs within those states.

CC2.1c

How do you prioritize the risks and opportunities identified?

Darden's reviews risks and opportunities each year for materiality and assigns resources to address mitigating actions accordingly. The Manager of Sustainability then works through cross functional teams that include legal, government affairs, supply chain, operations, design, facilities, and tax to identify potential risks at a corporate and an asset level.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment
--------------------------------------	-------------------------------------	---------

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i. How the business strategy has been influenced: Our process for incorporating climate change into our business strategy is similar to how we address 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 suppliers, 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, both for the short term and long term, to address climate change concerns and other citizenship issues, including energy conservation and water stewardship issues.

ii. What aspects of climate change have influenced the strategy: 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. The most important components of the short term strategy that have been influenced by climate change: 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 volatility. 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 and natural gas 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 (restaurant sustainability teams) and a comprehensive, publicly-available, corporate sustainability report to share the company's progress and solicit ideas for enhancements (www.darden.com/sustainability).

iv. The most important components of the long term strategy that have been influenced by climate change: Over the long-term, climate change has the potential of creating more variability in operating costs and food sourcing. Through price, availability, and potential shifts in demand for certain food ingredients, significant dynamics may occur due to on-going regulatory changes, as well as potential physical changes associated with climate change. For example, over the past several years, Darden has invested in several projects and processes such as irrigation installations, lighting retrofits, and building upgrades which will enable our brands to not only realize cost savings through greater efficiency, but also assist in hedging risks associated with availability of resources as a result of climate change. Additionally, in FY2014, Darden, in collaboration with the Walton Family Foundation (WFF), announced the launch of a Fishery Improvement Partnership (FIP) Fund, an innovative new investment model designed to help address overfishing – one of the biggest threats to the global seafood supply. Another component of responsible sourcing at Darden is our Supplier Code of Conduct, which outlines Darden's expectations in areas such as legal compliance; ethical business practices and anti-corruption; human rights and labor laws; and environment, health, and safety practices. Our Supplier Code was developed in FY2013 and, during FY2014, we rolled it out to an initial target group of suppliers, using a risk-based approach that included volume of spend and geographic location. By the end of FY2014, 100% of the suppliers in the initial group had provided affirmation that they read and understood the Code and agreed to adhere to its provisions. In FY15, we will continue rolling out the Code to other key suppliers.

v. How this is gaining you strategic advantage over your competitors: 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 licenses to operate in communities which are 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. Since FY2008 (our baseline year), Darden has reduced our per restaurant energy use by 12.5%. During the same period, our per restaurant water use has declined by 23.7%, including 10% in FY2014.

vi. What have been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy: Darden continues to make investments in energy efficiency and water conservation at the restaurant level. We continue to invest capital in energy and water efficient projects such as energy management systems, lighting replacements, appliances and cookers with greater water efficiency, and testing new irrigation systems. Based on financial projections, return on these projects is anticipated to be more than the initial capital investments over the life of the projects. One example is a substantial investment in restaurant lighting, including LED lighting replacements.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price of carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

CC2.3

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

Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
----------------------	--------------------	-----------------------	-------------------------------

CC2.3b

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

Yes

CC2.3c

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	Consistent	The National Restaurant Association (NRA, www.restaurant.org) is the largest foodservice trade association in the world, supporting nearly 500,000 restaurant businesses, and advocating for foodservice industry interests. The NRA has not taken a formal position on climate change, but does engage the industry in restaurant industry best practices. For example, the NRA's Conserve program is a resource to learn about environmental sustainability within the industry and offers best practices and training tools to help implement sustainable actions. The NRA is also a supporter of the Better Buildings Alliance, a U.S. Department of Energy effort to promote energy and water efficiency in U.S. commercial buildings through collaboration with building owners, operators, and managers.	In order to help position the food and beverage retail industry as leader in sustainability, Darden has shared information with the NRA's Conserve program regarding our energy, water, and waste reduction in our restaurants. The information provided by Darden helped to complete the ENERGY STAR Food Service Buildings Survey in 2014. This survey helps to establish standard energy, water, and waste metrics for the food and beverage industry and its facilities. This information will ultimately be used to assist restaurants to operate more efficiently, mitigating the causes of climate change.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

No

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

Darden provides funding for research to the Everglades Foundation, a 501(c)(3) non-profit dedicated to leading efforts to restore and protect the greater Everglades ecosystem. Much of Darden's contributions are dedicated to research on water management plan development as a response to the impacts of climate change including sea-level rise on the Everglades ecosystem.

The efforts of the Everglades Foundation align with Darden's commitment to effective water management programs to preserve natural systems and freshwater resources.

CC2.3g

Please provide details of the other engagement activities that you undertake

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

We participate in the Department of Energy's Better Buildings Alliance Food Service Team and the Environmental Protection Agency's Energy Star program to establish standards for restaurants. We are providing counsel and information about our restaurants to inform this new benchmark for the restaurant industry.

We educate lawmakers on effective business solutions around energy efficiency and renewable energy sources. We actively collaborate within the industry to help create a secure, cost-effective, and reliable power supply system and leverage our own performance and learning 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, providing energy, or being used as agricultural supplements. We participate in regular meetings, contribute best practices, and learn lessons that we can apply at Darden.

Darden also proactively collaborates with suppliers on challenges within food supply chains, especially around protein supply. We are members of the Global Roundtable of Sustainable Beef, and as of June 2015, a founding member of the US Roundtable of Sustainable Beef. We are also members of Business for Social

Responsibility and support efforts around sustainable procurement.

CC2.3h

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 dedicated Sustainability team leads all climate change activity throughout the enterprise. The Manager, Sustainability works with various departments, including government affairs, supply chain, development, and facilities to drive engagement with various groups. We regularly evaluate our engagements to ensure that these activities meet stated objectives and are aligned to our organization's corporate goals.

CC2.3i

Please explain why you do not engage with policy makers

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

Further Information

CC3.1

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

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
----	-------	-------------------------	----------------------------	-----------	--	-------------	---------

CC3.1b

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
Int1	Scope 1+2	95%	15%	Other: kWh per restaurant	2008	1024407	2015	Darden has set an energy-based target because our footprint is comprised of approximately 95% of facility energy emissions, and because of the direct relationship of reporting kWh metrics in our performance reviews. This target is only against the Scope 1+2 emissions attributed to restaurants and does not include data centers, offices, headquarters, etc.

CC3.1c

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
Int1	Increase	28.17			In FY2014, the average Darden restaurant reduced its Scope 1+2 GHG emissions by 16%. Darden opened approximately 70 restaurants in FY2014, and targets the opening of approximately 37 restaurants in FY2015. The % change anticipated in absolute Scope 1+2 emissions is assuming a 15% decrease in MWh intensity in all restaurants from FY2008, and based on the projected growth of restaurants from FY2008 to FY2015. It should be noted that in this year's FY2014 reports, Darden has included the recent acquisition of Yard House restaurants. In FY2015, reports will include the divestiture of Red Lobster restaurants. These changes are also factored into the % change anticipated in Scope 1+2 emissions.

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Int1	86	83	% complete (emissions) is calculated by taking the percent change in MWh/restaurant intensity between FY2013 and FY2008 (noted as 12.3% 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.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

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

No

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

CC3.3

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

Yes

CC3.3a

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		
To be implemented*	0	0
Implementation commenced*	5	2363
Implemented*	4	5446
Not to be implemented		

CC3.3b

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)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Electronically commutated motors (ECMs) are used to achieve greater efficiency in air-flow in HVAC systems. ECMs were installed at 100 sites across 3 brands (Olive Garden, Red Lobster, and Long Horn Steakhouse) in FY2014.	792	Scope 2	Voluntary	150000	2300	1-3 years	6-10 years	
Process emissions reductions	Upgrading of Pitco Piastra Flat Grills at 842 Olive Garden sites during FY2014.	4330	Scope 1	Voluntary	673600	1200	<1 year	3-5 years	

CC3.3c

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

Method	Comment
Financial optimization calculations	A group consisting of members from Facilities, Development, Equipment Purchasing and Finance works to evaluate investments that help drive emission reduction activities at Darden. We use our 15% goals to reduce energy and water along with traditional internal rate of return (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 Operational Excellence and Sustainability Teams.
Dedicated budget for energy efficiency	Members of Sustainability, Facility Management, and Operations is able to access capital to invest funds that meet our confidential investment criteria. They have delivered \$20 million in savings through sustainability initiatives through the end of FY2014.
Internal incentives/recognition programs	Members of the Sustainability, Facility Management and Operations have metrics in their performance review plan based on annual reductions and cost savings.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization'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	Status	Page/Section reference	Attach the document
In voluntary communications	Complete	26-33	https://www.cdp.net/sites/2015/22/4322/Climate Change 2015/Shared Documents/Attachments/CC4.1/2014-Darden Corporate Citizenship Report-full.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks 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

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	The requirement to comply with Renewable Fuel Standards (RFS) can create a higher demand for products within our supply chain and raise prices for certain commodities.	Increased operational cost	1 to 3 years	Direct	Likely	Medium	Fuel standards that require a prescribed percentage of fuel to be sourced from renewable sources can have an impact on the availability and price of product ingredients, specifically corn, which can be used to make ethanol. The financial impact of this is relatively small at less than 1% of total sales due to our product diversity and cost of goods sold exposed to this risk, compared to Darden's overall sales of \$8.76 billion in fiscal year 2014.	Darden currently addresses risks related to fuel/energy taxes through strategic industry partnerships. For example, Darden supports the National Restaurant Association and other groups' efforts to re-examine the renewable fuel standard in the nation's energy policy.	These costs are factored into annual budgets for other business purposes and specific to emissions reporting..
Fuel/energy taxes and regulations	To date, energy taxes and regulations have increased operating costs for Darden suppliers. In the	Increased operational cost	1 to 3 years	Direct	Likely	Medium	The financial impact of this is relatively small based on our product and brand diversity and cost of goods sold	Darden's diverse product line distributes exposure to this risk. Additionally, recent acquisitions will	Costs to manage any risks attributed to fuel/energy taxes and regulations would account for zero additional dollars

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	future, taxes and regulations that increase the price of energy have the potential to add operating and production costs if efficiencies in usage do not offset increased costs.						exposed to the risk versus Darden's overall sales of \$8.76 billion in fiscal year 2014.	provide further diversification to our brands.	as these costs are factored into annual budgets for other business purposes.
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. The amount of increase would depend on the size of the tax and the extent to which it is passed forward to consumers and businesses like Darden.	Increased operational cost	Unknown	Direct	About as likely as not	Medium	Research shows that a tax of \$25 per ton of CO2 could increase the price of natural gas by about \$1 per thousand cubic feet and the price of electricity by about 1.2 cents per kilowatt-hour. In the example of natural gas, this increase would subject Darden to nearly \$65,000 in additional utility charges.	Darden's approach to reduce carbon emissions is evident from its FY2015 goal of reducing energy usage by 15%. This strategic approach, as well as future goals that are set toward mitigating GHGs will assist Darden with any future carbon taxes which may be incurred.	Though the cost of managing the carbon taxes themselves would be dependent on state or federal legislation, Darden's accounting and strategy practice is currently comprised of human resources and is factored into annual budgets.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Cap and trade requirements which manage carbon emissions have the potential to increase costs. Carbon emissions programs can potentially increase costs of energy and other inputs that are “carbon-intensive”. The ability of countries to efficiently reduce carbon emissions throughout the lowest marginal cost options will dictate the impact of operating costs for Darden and its 2,000+ suppliers.	Increased operational cost	Unknown	Direct	More likely than not	Low-medium	This financial impact is difficult to predict given the wide variety of proposed programs and the volatility of carbon pricing. Economic impact studies give a wide range of cost implications, such as carbon prices from \$1 to \$70 per tonne. Using the European Union as a proxy, some studies indicate that carbon cost impact to electricity prices is approximately 5-10%. For Darden, this could result in additional utility costs of similar magnitude in markets that are impacted by these schemes.	Darden currently tracks, reports, and manages its carbon emissions for reporting to external agencies and as a tool for implementing reduction and efficiency measures and meeting our energy reduction goal that calls for a 15% energy reduction per restaurant by FY2015. Our short term strategy to reduce energy use and GHG's, along with our longer-term strategy to drive further energy efficiency within our operations, as well as investigations into fuel switching, and other alternative energy options all help to decrease exposure to cap	Darden currently does not incur direct costs, but does stay abreast of developments in this area which utilize human resources with minimal effort relative to their core job responsibilities. Costs of energy efficiency projects, such as the LED lighting installation will ultimately help Darden manage the effects of potential cap and trade programs.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								and trade programs.	

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Darden historically has reported protein prices (such as beef and chicken) to be correlated to drought conditions in key production locations. If any increased frequency of drought phenomenon occurs, there will be an enhanced risk of increases in cost. Specialty crops would be	Increased operational cost	1 to 3 years	Indirect (Supply chain)	More likely than not	Medium	This risk can have an impact upon the availability and price of product ingredients. The financial impact of this can be significant as land-based proteins account for 20% of Darden's \$2.6 billion in annual purchased food products.	Today, purchasing teams at Darden evaluate real-time strategies and run outlooks regularly on drought conditions where data exists that may impact our operations. The risk from changing weather patterns is incorporated into our	Costs to manage any risks attributed to changes in precipitation extreme and droughts are currently factored into annual budgets.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	similarly affected by changes in weather patterns.							evaluations of current and potential suppliers.	
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,	Reduction/disruption in production capacity	1 to 3 years	Indirect (Supply chain)	About as likely as not	Unknown			

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.								

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Darden has recognized the public relations and “license to operate” risks for a company that does not have a comprehensive corporate sustainability and carbon management program. Being perceived as a poor sustainability performer is seen as a reputational risk at Darden as this could negatively impact our share price and/or net sales as a result of diminishing confidence from investors and guests.	Increased operational cost	Unknown	Direct	More likely than not	Medium	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. 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.	We believe that Darden’s position on sustainability gives us an advantage over competitors when it comes to recruiting, employee retention, and employee satisfaction. Research suggests that sustainability attracts job seekers looking for careers that align with their values. Additionally, in 2014, Darden was named one of Fortune’s “100 Best Companies to Work For” in America for the fourth consecutive year.	
Changing consumer behaviour	Over time, climate change could change the cost basis for land-based proteins, increasing prices and potentially driving consumer behavior.	Reduced demand for goods/services	Unknown	Direct	About as likely as not	Low-medium		To increase customer loyalty, Darden is continuously working with its suppliers to both maintain the integrity of its high	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								quality products, but also to offer an increasing number of options which are considered more sustainable.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

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

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities 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 physical climate parameters
- Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	With the implementation of carbon taxes to Darden's operating costs, Darden's ability to reduce the carbon-intensity of its supply chain as well as operations can	Other: cost competitive advantage	3 to 6 years	Indirect (Supply chain)	About as likely as not	Low-medium	Darden's \$2.6 billion supply chain sources from 2,000 suppliers in 35 countries. Creating initiatives to make Darden's supply chain and operations	Darden has begun to assess the supply chain to assess where supply chain risk is greatest. As incentives become more attractive,	These considerations are combined with several sustainability initiatives including carbon, energy, water, and other environmental concerns that

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	create a cost advantage relative to impacts on competitors. The financial implications of this opportunity would be felt in increased brand reputation, and license to operate in communities based on lower emissions and impacts to the environment, among others. Also, regulatory activity that promotes the use of renewable energy for production and transportation could prove advantageous for Darden's energy supply sustainability.						less carbon-intensive can limit potential cost increases, giving Darden a cost advantage on a large portion of its spending relative to competitors. Cost savings for this opportunity can be estimated at less than 1% of our total annual supply chain spend.	projects and other opportunities will be examined.	are part of a larger investment strategy. Such costs are factored into annual budgets
International agreements	International agreements that limit carbon emissions have the potential to increase costs of energy and other	Other: cost competitive advantage	1 to 3 years	Indirect (Supply chain)	About as likely as not	Low-medium	Darden's \$2.6 billion supply chain sources from 2,000 suppliers in 35 countries. Creating	Darden has begun to assess the supply chain to assess where supply chain	These considerations are combined with several sustainability initiatives including

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	inputs that are “carbon-intensive”. However, Darden’s awareness of this issue and ability to reduce the carbon-intensity of its supply chain, as well as operations, can create a cost advantage relative to impacts on competitors.						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.	risk is greatest.	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. These costs are factored into annual budgets

CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation pattern	Darden is evaluating changes in precipitation patterns as both a potential risk and opportunity.	Increased production capacity	3 to 6 years	Indirect (Supply chain)	More likely than not	Medium	The financial impact of this opportunity is too uncertain at present to make	The risk from changing weather patterns is incorporated	The cost of capitalizing on this opportunity is currently comprised of

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	An opportunity may lie in identifying new areas for economic growth for both the company and supply chain. This opportunity could turn into potential competitive advantage for companies that can be first movers to secure new sources of supply chain raw materials, particularly related to agriculture and land-based proteins.						an estimate of potential financial implications based primarily on the timeframe with which regional precipitation patterns are changing, and patterns of additional agricultural settlements.	into Darden's evaluations of current and potential suppliers.	human resources used for supply chain planning and accounts for no more than \$100,000 in total administrative costs.

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	While significant guest consumptions have shifted to some degree due	New products/business services	1 to 3 years	Direct	More likely than not	Low-medium	Forty-two percent of surveyed consumers indicate that	Darden will continue to build on its value chain and commitment to	These costs are factored into annual budgets. There would

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>to economic factors, the industry is yet to see major consumption patterns change attributable to climate change awareness or other sustainability matters. However, some 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 offering a wide range of dining options to meet consumers' preference for healthy, environmentally-friendly menus, addressing organic and local food sourcing, fresh ingredients and smaller portion sizes.</p>						<p>they would select a restaurant because it offers sustainable foods or follows sustainable practices. (Based on consumer industry research). As our efforts continue to operate in a more efficient and sustainable way, it would not be unexpected that our commitments translate to sales. Estimated financial implications of realizing this opportunity is less than 2% of total annual sales. In FY2014, Darden's annual sales</p>	<p>sustainability, and at the same time, serve the needs of shifting consumer behavior.</p>	<p>be no additional cost to manage this opportunity.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							were \$6.2 billion.		
Reputation	Reputational opportunities and the related increased ability to attract and retain talent is a tangible benefit. One stakeholder group 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	Other: Recognition as a sustainable business	Up to 1 year	Direct	More likely than not	Medium	Estimated financial implications are attributed to the costs associated with attracting and retaining quality associates.	To attract quality employees interested in sustainability-related issues, Darden supports transparency via voluntary sustainability reporting and other public information such as videos. Additionally, much information on Darden's sustainability initiatives (e.g., energy saving and waste diversion programs) is publicly available and help to reinforce our corporate position in addressing climate change.	Costs of management - disclosing and reporting on our sustainability efforts -- are no more than \$100,000 per year.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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.</p>								

CC6.1d

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

CC6.1e

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

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

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

CC7.2

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)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

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)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity		Other: Varies by region	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 CO2 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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Cooling	146.36814	lb CO2e per gallon	EPA Climate Leaders Indirect Emissions

Further Information

Page: CC8. Emissions Data - (1 Jun 2013 - 31 May 2014)

CC8.1

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

Operational control

CC8.2

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

401614

CC8.3

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

745996

CC8.4

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

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Refrigerant for two brands: Eddie V's and Yard House	Emissions excluded due to a recent acquisition	No emissions excluded	Darden adheres to the WRI Corporate Accounting and Reporting Standard, which notes that if facilities are acquired mid-year and there is a lack of data for calculations, the Company can choose to carry this to the following reporting year. Darden acquired Eddie V's during FY2012 and Yard House during FY2013. The majority of the Scope 1 and 2 emissions for these brands has been included in Darden's FY2014 inventory and our CDP 2015 response. However, due to complexities involved in determining estimations from equipment, refrigerants from Eddie V's and Yard House will not be reported until the start of their new goal period (beginning in FY2016).

CC8.5

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	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Data Gaps	The majority of estimations was from propane and refrigerants, though these sources represent less than 3% of the overall 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.
Scope 2	Less than or equal to 2%	Data Gaps	Gaps were mainly associated with Chilled Water and Steam, though these are relatively small contributors to the overall inventory. Electric power consumption required estimations to fill some data gaps. These gaps were filled based on historical data from the same site, energy intensity, or averages, where appropriate, and represent less than 0.2% of the overall inventory.

CC8.6

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

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/22/4322/Climate Change 2015/Shared Documents/Attachments/CC8.6a/Darden Restaurants FY2014 VOS - 150608 checked.pdf	1-3	ISO14064-3	98

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

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

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/22/4322/Climate Change 2015/Shared Documents/Attachments/CC8.7a/Darden Restaurants FY2014 VOS - 150608 checked.pdf	1-3	ISO14064-3	98

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

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

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jun 2013 - 31 May 2014)

CC9.1

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

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Canada	6979
United States of America	394635

CC9.2

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

By business division

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)
Corporate/Operations	3998
LongHorn Steakhouse	56068
Olive Garden	188884
Red Lobster	112119
Specialty Restaurant Group	40545

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
-----------------	---	-----------------	------------------

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
-----------------	---

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
----------	--

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)
-----------------	--

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jun 2013 - 31 May 2014)

CC10.1

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

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

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 accounted for in CC8.3 (MWh)
Canada	2874	15419	
United States of America	743122	1354658	

CC10.2

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

By business division

CC10.2a

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

Business division	Scope 2 emissions (metric tonnes CO2e)
Corporate / Operations	6862
LongHorn Steakhouse	118644
Olive Garden	323598
Red Lobster	220957
Specialty Restaurant Group	75935

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)
----------	--

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
----------	--

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
-----------------	--

Further Information

Page: CC11. Energy

CC11.1

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

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

CC11.2

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	2082248
Electricity	1364385
Heat	0
Steam	3220
Cooling	2474

CC11.3

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

Fuels	MWh
Natural gas	2049152
Jet kerosene	10191
Motor gasoline	15349
Propane	7483
Diesel/Gas oil	73

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Non-grid connected low carbon electricity generation owned by company, no instruments created	1.1	In 2013, Darden installed a 1.1 MW solar array at its corporate campus in Orlando, FL. The energy generated from this array is used completely by Darden and is not tracked as renewable energy credits (REC).

Further Information

Page: **CC12. Emissions Performance**

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.5	Decrease	Energy efficiency activities have resulted in less energy use per restaurant and subsequently a lower emissions increase than would have been anticipated with Darden's overall growth. This value represents an estimated amount of reduced emissions based on projects where implementation was commenced in FY2014. Last year 5446 tCO2e were reduced by our emissions reduction projects, and our total Scope 1+2

Reason	Emissions value (percentage)	Direction of change	Comment
			emissions in the previous year was 1099123, therefore we arrived at 0.5% through $(5446/1099123)*100=0.5\%$.
Divestment			
Acquisitions	3.27	Increase	Darden acquired Yard House in FY13, adding 52 restaurants. Darden has included emissions from this acquisition as part of its FY14 reporting year.
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.2

Please describe your gross global 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
0.000131	metric tonnes CO2e	unit total revenue	2.34	Increase	This is the ratio of the global Scope 1+2 emissions divided by Darden's unit total revenue, as described in Darden's FY2014 10K report (\$8.76b in sales). Darden's absolute metric tonnes CO2e has increased since last year, not only as an increase in operations, but as we have also included Yard House in this year's inventory. Our unit total revenue for the period also increased from FY2013, but to a lesser extent, resulting in an increase in intensity figure from last year.

CC12.3

Please describe your gross global 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
5.56	metric tonnes CO2e	FTE employee	4	Increase	The inclusion of Yard House in this year's CDP response contributed to the increasing percentage change from previous year, as this restaurant style differs from other Darden brand concepts and has a higher per unit energy use due to kitchen model.

CC12.4

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
519.98	metric tonnes CO2e	Other: Restaurant	1.15	Increase	This is the ratio of total emissions divided by the number of restaurants in operation for the fiscal year. Due to the recent acquisition of Yard House, a brand with higher energy intensity, our absolute emissions increased at a greater rate in FY14, while our total number of stores saw only a slight increase (70 new restaurants).

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

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

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
---------------------------------------	--------------	------------------------	----------------------------	---	--	-------------------	--------------------------

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				As a restaurant and hospitality company, Scope 3 emissions generated from purchased goods are relevant, but have not yet been calculated as part of our inventory.
Capital goods	Not relevant, explanation provided				As a restaurant and hospitality company, Scope 3 emissions from capital goods are not relevant to this industry.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				Beyond what has already been included in our Scope 1 and Scope 2 emissions, Scope 3 emissions from other fuel and energy related activities are not relevant to Darden.
Upstream transportation and distribution	Relevant, not yet calculated				As a restaurant and hospitality company, Scope 3 emissions generated from upstream transportation and distribution are relevant, but have not yet been calculated as part of our inventory.
Waste generated in operations	Relevant, not yet calculated				As a restaurant and hospitality company, Scope 3 emissions calculated from waste generated in operations are relevant, but have not yet been calculated as part of our inventory.
Business travel	Relevant, calculated	7029	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	100%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			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)		
Employee commuting	Not relevant, explanation provided				As a restaurant and hospitality company, Scope 3 emissions from employee commuting are not relevant to this industry.
Upstream leased assets	Not relevant, explanation provided				As a restaurant and hospitality company, Scope 3 emissions from upstream leased assets are not relevant to this industry.
Downstream transportation and distribution	Not relevant, explanation provided				As a restaurant and hospitality company, downstream transportation and distribution are not relevant to this industry.
Processing of sold products	Not relevant, explanation provided				As a restaurant and hospitality company, Scope 3 emissions from the processing of sold products are not relevant to this industry.
Use of sold products	Not relevant, explanation provided				As a restaurant and hospitality company whose primary products are prepared foods and beverages, tracking the use of sold products is not relevant to this industry.
End of life treatment of sold products	Not relevant, explanation provided				As a restaurant and hospitality company whose primary products are prepared foods and beverages, tracking the end of life treatment of sold products is not materially significant to Darden.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Downstream leased assets	Not relevant, explanation provided				Tracking of downstream leased assets is not relevant as Darden does not manage such assets.
Franchises	Not relevant, explanation provided				Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except for three restaurants located in Central Florida and three restaurants in California that are owned jointly by Darden and third parties, and managed by Darden, one franchised restaurant in Atlanta and seven franchised restaurants in Puerto Rico. We also have area development and franchise agreements with unaffiliated operators to develop and operate our brands in Asia, the Middle East and Latin America. Pursuant to these agreements, as of May 25, 2014, 45 franchised restaurants were in operation in Japan, the Middle East, Mexico, Brazil and Peru. All significant inter-company balances and transactions have been eliminated in consolidation, therefore, we do not include these Scope 3 emissions in our total calculations.
Investments	Not relevant, explanation provided				As a restaurant and hospitality company, Scope 3 emissions generated from investments are not relevant to this industry.
Other (upstream)					
Other (downstream)					

CC14.2

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

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/22/4322/Climate Change 2015/Shared Documents/Attachments/CC14.2a/Darden Restaurants FY2014 VOS - 150608 checked.pdf	1-3	ISO14064-3	100

CC14.3

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

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Emissions reduction activities	31	Decrease	This decrease in Scope 3 emissions is due to Darden's organizational changes in FY2014.

CC14.4

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

CC14.4a

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 engaging with suppliers and other stakeholders. In recent years, we have prioritized our engagements to include beef sustainability, commitments to responsible sourcing, and seafood sustainability.

We believe that advancing sustainability in the beef industry is essential for all stakeholders in the beef value chain and, while Darden is and will remain a relatively small buyer within the total beef market, we are nonetheless committed to helping find solutions that reduce the environmental impacts of beef production and support the livelihoods of beef producers. To this end, Darden is partnering with the Global Roundtable on Sustainable Beef, the National Cattleman's Beef Association, and our suppliers to support research, identify best practices, and promote improved practices.

Darden is also working with suppliers to better understand their practices and performance, as well as to identify and analyze any energy, water or other risks within our supply chain. We see success as a more integrated system for better tracking and managing of sourcing issues on an ongoing basis.

Darden also participates in and supports a range of initiatives aimed at advancing seafood sustainability broadly. For example, we are involved in the Global Partnership for Oceans (GPO), a public-private partnership committed to addressing the threats to the health, productivity and resilience of the world's oceans. Darden is also a member of the Global Sustainable Seafood Initiative (GSSI), launched in 2013, which was created to develop a common, consistent, and global benchmarking tool for seafood certification and labeling programs.

CC14.4b

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	30%	

CC14.4c

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 (e.g., supplier requests, industry market research) to become increasingly educated about the hotspots in each of our commodities.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Kristine Young	Manager, Sustainability	Environment/Sustainability manager

Further Information

CDP