Carbon Disclosure Project

CDP 2012 CDP Water Disclosure 2012 Information Request

Darden Restaurants, Inc.

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0.1
Introduction

Please give a general description and introduction to your organization.

Darden Restaurants, Inc, the world's largest full-service restaurant company, owns and operates more than 1,900 restaurants that generate more than $7.5 billion in annual sales. We are headquartered in Orlando, Florida, and employ approximately 180,000 people, Darden is recognized for a culture that rewards caring for and responding to people. Our restaurant brands - Red Lobster, Olive Garden, LongHorn Steakhouse, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's – reflect the rich diversity of those who dine with us. Our brands are built on deep insights into what our guests want.

0.2
Reporting Year
Please state the start and end date of the year for which you are reporting data.

Enter the period that will be disclosed.
Tue 01 Jun 2010 - Tue 31 May 2011

0.3
Reporting Boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

0.4
Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

No

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1.1
Does your company have a water policy, strategy or management plan?

Yes

1.1a
Please describe your policy, strategy or plan, including the highest level of responsibility for it within your company and its geographical reach.

Country or geographical reach	Description of policy, strategy or plan	Position of responsible person
	Description of Responsible Person: We see energy, climate change and water resources	

Other: Global	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 most brands and many business units, including operations, supply chain, government affairs, human resources and business development. The SLC meets three 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 identifies opportunities, lays out strategies and develops budgets to address these opportunities. The budgets and strategies are cascaded to senior management in the operating companies for implementation. Implementation is primarily handled through facilities or operations groups supported by directors of operations in the field and supported by Green Teams in the individual restaurants. Energy, climate change and water are also important issues to our 180,000-plus employees, whose commitment and passion is the basis for our relationship with our guests, and ultimately our success. Our employees want to know that Darden cares and that we are taking meaningful action on environmental challenges. We've tapped this enthusiasm by forming Green Teams at all our restaurants, through which over 10,000 employees are helping us cut energy and water use.	Board/executive board
Other: Global	Description of Water Management Plan – Introduction/Goals/Progress: Darden uses water directly in our operations, primarily in our kitchens for preparing/cooking food, hand washing and cleaning, as well as in restrooms and for landscape irrigation. We also use water indirectly through our purchasing of a wide variety of foods that require inputs of water to produce and process (e.g., growing crops and livestock). We recognize that water is a critical resource, which is why we have been working diligently to understand and reduce our direct and indirect water consumption. In 2009, we set a corporate-wide "15x15 over Zero" goal to reduce our direct energy and water use by 15% per restaurant by 2015 using FY2008 as the baseline, and of one day sending zero waste to landfill. By the end of FY2011, we had already exceeded our water goal, having reduced our aggregate per restaurant water withdrawals by 17.0% compared to our FY2008 baseline. (FYI: Darden chose to reset the baseline to FY2008 from FY2006 as it relates to our 15x15 over Zero goals given the accuracy of data being collected and measured to ensure that our progress was reported in the most accurate manner possible). We have been able to achieve dramatic progress through a variety of steps – from small to significant and most invisible to our guests. Through partnership with our employee Green Teams (groups of employees in each of our restaurants that implement programs aimed at reducing water, energy and waste), as well as identifying new ways to improve the sustainability performance of our restaurants, we have made a huge impact. As a result of these water-saving initiatives, compared to FY2008 when we began measuring our water usage and assuming business as usual conditions, we avoided using more than 1 billion gallons of water in FY2011 despite opening more than 200 additional restaurants.	Board/executive board
Other: Global	Description of Water Management Plan – Next Steps: While reduced water withdrawals per restaurant is significantly ahead of schedule, Darden will continue to identify opportunities to reduce water use and consider establishing additional goals in FY2013. As we discover new technologies and practices, we will ensure that they are implemented throughout our 1,900-plus restaurants, where feasible. In this way, even small improvements can cumulatively yield big savings. Reducing our water use will help to ensure adequate water supplies in the long term, it will help us to maintain goodwill in the communities in which we are located, and it makes economic sense since water conservation saves us money. We also recognize that the water footprint of our supply chain is larger than our direct water footprint and is a more challenging issue to address. Thus, we are actively working with our suppliers to encourage them to use water wisely. We believe it is critical and are working through a variety of forums – in particular the Sustainability Consortium, which is a multi-stakeholder effort working to quantify the sustainability of products – to better understand water issues in the broader food supply chain. As a major food buyer, we have a strong positive influence over how our suppliers produce their goods, so we will continue to work closely with our supply chain on issues relating to water conservation.	Board/executive board

1.1b

Does the water policy, strategy or plan specify water-related targets or goals?

Yes

1.1c

Please describe these water-related targets or goals and the progress your company has made against them.

Country or geographical reach	Category of target or goal type	Description of target or goal	Progress against target or goal
Other: Global	Direct operations	In 2009, we set a corporate-wide goal to reduce our direct water withdrawals by 15% per restaurant by 2015 using FY2008 as the baseline.	Darden reduced its aggregate per restaurant water withdrawals by 17.0% between FY2008 and FY2011, exceeding our goal to reduce our per restaurant water withdrawals by 15% by 2015. Example initiatives in our direct operations include: low-flow pre-rinse sprayers; dipper well replacement; hand-washing sink aerators (kitchens and restrooms); low-flow and energy efficient pasta cookers; use of reclaimed water for toilets and irrigation system at our new headquarters building; and other miscellaneous initiatives. As a result of these water-saving initiatives, compared to FY2008 when we began measuring our water usage and assuming business as usual conditions, we avoided using more than 1 billion gallons of water in FY2011 despite opening more than 200 additional restaurants.

1.2

Do you wish to report any actions outside your water policy, strategy or management plan that your company has taken to manage water resources or engage stakeholders in water-related issues?

Country or geographical reach	Category of action	Description of action and outcome
Other: Global	Direct operations	Darden uses water directly in our operations, primarily in our kitchens for preparing and cooking food, hand washing and cleaning, as well as in restaurant restrooms and for landscape irrigation. As a result of the following water-saving initiatives, compared to FY2008 when we began measuring our water usage and assuming business as usual conditions, we avoided using more than 1 billion gallons of water in FY2011 despite opening more than 200 additional restaurants. Example initiatives in our direct operations include: • Installed approximately 790 low-flow pre-rinse sprayers in dishwashing stations of restaurants that did not already have them: old sprayers allowed a flow up to 6 gallons per minute (gpm) while new ones limit the flow to 1.4 gpm, saving an estimated 225,000 gallons of water per restaurant per year. • Replaced dipper wells (utensil holders through which water continuously runs) in 754 Olive Garden restaurants (98% of the total) by the end of FY2012 (some restaurants do not have an extra recessed hot well that can be utilized); piloting replacement effort at Red Lobster and LongHorn Steakhouse restaurants. Estimated savings of over 200,000 gallons of water per restaurant per year. • Installed more than 8,500 low-flow aerators on hand-washing sinks in kitchen areas of 1,751 restaurants in late 2009 (some restaurants had incompatible plumbing). Estimated savings of approximately 195,000 gallons of water per restaurant per year. • Installed low-flow aerators (~4 per restaurant) in guest restrooms of 1,800 restaurants (excludes select Olive Garden restaurants with compatibility issues). Reduced water flow from 2.2 gpm to 0.9 gpm, resulting in savings of 11,580 gallons of water per restaurant per year. • Completed conversion of 99% of pasta cookers at Olive Garden restaurants by the end of FY2011 to be low-flow and more energy efficient. Reduced water flow from 0.8 gpm to 0.5 gpm per unit.
Other: Global	Direct operations	• In early 2010, all Olive Garden, Red Lobster, and LongHorn Steakhouse restaurants implemented a less water-intensive method for cleaning floors that uses an enzymatic cleaner that does not require intensive rinsing with water: estimated savings of approximately 50M gallons of water annually. • New procedure to remove ice from beverage stations and cold wells in Olive Garden restaurants prior to cleaning rather than melting ice with hot water: saves approximately 100 gallons of hot water per week per restaurant, or about 4 million

		gallons per year for Olive Garden, coupled with the energy required to heat the water. • Replaced Olive Garden ice makers with more energy and water efficient, Energy Star-rated and LEED-compatible ice machines: saves 3.3 gallons of water and 0.6 kWh of electricity per 100 pounds of ice.
Other: Global	Direct operations	• New headquarters building – called our Restaurant Support Center (RSC) – opened in September 2009 and received the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Gold certification in 2010. In our first year (9/09-8/10), we saved 18.3 million gallons of potable water through the use of reclaimed water for the irrigation system and toilets; we saved 19.5 million gallons in year two (9/10-8/11). Other water-saving initiatives include restroom sinks featuring auto on/off sensors; water-efficient landscaping consisting of native Florida plants and trees; bioswales around the buildings that slow the runoff of rainwater, filter out contaminants, and recharge the groundwater rather than having stormwater drain directly into nearby ponds; and elimination of 250,000 bottles of water annually by giving all RSC employees a reusable travel cup and discontinuing free bottled water in break rooms prior to moving to the new RSC building. • Green Buildings Initiatives: new restaurant prototypes for Olive Garden, Red Lobster, LongHorn Steakhouse, and Bahama Breeze aligned with the LEED certification standard (using recycled materials in construction and designed to reduce energy and water use and minimize waste); major remodeling efforts at existing Olive Garden, Red Lobster, and Longhorn Steakhouse restaurants (LED/compact florescent lighting, smarter energy management systems, recycled materials, less water-intensive landscaping, low-flow water nozzles and faucets, and locally sourced materials); 13 Olive Garden, Red Lobster, and Longhorn Steakhouse restaurants pursuing LEED Silver certification to help build our knowledge and experience with sustainable design for application across our portfolio (will pursue LEED certification in select instances going forward).
Other: Global	Direct operations	• Evaluating other advanced technology equipment options designed to reduce water and energy use: piloting lower-flow dishwashers in Olive Garden restaurants to reduce water and energy usage; evaluating potential steamer alternatives in Red Lobster restaurants to lower utility costs, saving a potential 29,244 MWh of electricity per year and 177.5 million gallons of water per year. • Miscellaneous initiatives: implemented an enterprise-wide, 30-point leak inspection process by restaurant Green Teams in late 2009; using drip irrigation and more indigenous and drought-resistant plant species for landscaping at all new restaurants; launching the Cleaning Chemical Usage Improvement initiative in Olive Garden restaurants to educate employees about the proper use of "the right cleaning chemicals, in the right way, using the right amount," which will reduce chemical usage as well as water usage by minimizing or eliminating the need for re-washing; and less water-intensive shrimp thawing processes.
Other: Global	Supply chain and watershed management	Darden uses water indirectly through purchasing of a wide variety of foods that require inputs of water to produce and process (e.g., growing crops and livestock). As a major food buyer, we have a strong positive influence over how our suppliers produce their goods, so we will continue to work closely with our supply chain on issues relating to water conservation. Darden also focuses on opportunities where we can improve the sustainability of our supply chain by partnering with key suppliers, scientists, industries and communities. Example initiatives in our supply chain include: • By sourcing produce directly from farmers, we are able to ensure that they meet our stringent specifications and standards for everything from food safety to working conditions to growing practices, including standards for water use and water quality. o Drip irrigation: we require farmers in Mexico (where approximately half of our produce is grown) to use drip irrigation rather than spray irrigation; we also encourage suppliers in the U.S. to use drip irrigation. o Strict supplier requirements for water quality: in Mexico and Latin America, we require farmers to ensure that irrigation water used is of the highest quality and meets strict biological standards (as opposed to "recreational use" standards); also require farmers to provide fencing to keep animals out of the fields and to have proper latrine facilities for workers for the purposes of food safety and proper hygiene. • In 2009, we established a cross-functional Darden Supply Chain Sustainability team to coordinate or initiate new efforts to address specific issues in our supply chain, such as furthering seafood sustainability. In addition, we have established expectations for and regularly engage our suppliers on a range of sustainability issues, from human and labor rights to animal welfare to seafood sustainability. Our approach emphasizes the importance of integrated management systems to better ensure sustainable supplier practices and traceability, and to develop long-term, mutually-beneficial relationships with our suppliers,

		working with them constructively and cooperatively to improve their sustainability performance when needed.
Other: Everglades Watershed	Supply chain and watershed management	Everglades Project (http://dardenfoundation.com/index.php/foundation-partners/preservation-of-natural-resources/everglades-foundation.html): • Darden has partnered with The Everglades Foundation to guarantee clean water for all Floridians by restoring this critical ecosystem. With Darden's support, The Everglades Foundation aims to reverse the damage inflicted upon the ecosystem by implementing scientifically accurate and feasible solutions, and seeks to provide the public and policymakers with an honest and credible resource to help guide decision-making on complex restoration issues. • In 2009, The Everglades Foundation commissioned an economics study funded by Darden, which found that the results from an $11 billion Everglades restoration would result in $45 billion in benefits. Darden's support has enabled The Everglades Foundation's scientists to work with universities and agencies to embark on a series of projects related to improving the health of the Everglades. Restoration plans will improve water quality and storage methods for future use, as well as remove the barriers to nutrient-rich runoff from agricultural lands, all of which will positively contribute to the state's economy. • Water resources in Florida, home to Darden's corporate headquarters, are being stretched to their limits. Darden and The Everglades Foundation are proud of this unique partnership, which will improve the quality of Florida's water and ensure that freshwater will be drinkable, fishable, and swimmable for all.
Other: Northern Everglades Watershed	Supply chain and watershed management	Audubon Program (http://dardenfoundation.com/index.php/foundation-partners/preservation-of-natural-resources/audubon-of-florida.html): • Audubon of Florida receives support from Darden for its Northern Everglades watershed program, which promotes cattle ranching while solving the water resource challenges threatening Lake Okeechobee, the Everglades and the lake-to-Gulf and Gulf-to-Atlantic downstream estuaries. By engaging ranchers as partners in improved water management, Audubon and Darden help ranches become more profitable while reducing harmful nutrients and complying with state regulations. • As a result of this effort, more than 16,000 acres of ranchland adjacent to Lake Okeechobee are being used to store and treat water before it harms the Everglades. The project has also helped Audubon make the case to government agencies for doubling funds to pay ranchers for ecological services. • The relationship between Audubon, Darden and other community advocates has helped protect and restore America's Everglades, one of the world's unique natural ecosystems, and to ensure freshwater and a thriving ecosystem in Florida (home to Darden's headquarters) for many years to come.
Other: Global	Supply chain and watershed management	Product Performance: We define our products as the meals served in our restaurants every day. Two key aspects of our restaurants' meals are vital to our sustainability strategy: food safety and seafood sustainability. • Darden has rigorous, state-of-the-art food safety systems that reach from our restaurants to our supply chain. Training our restaurant employees (e.g., National Restaurant Association program) is an important foundation for food safety. • We are also committed to helping ensure sustainable stocks of seafood – for the sake of our business and for the sake of preserving ocean ecosystems for generations to come. We currently do not serve species that are considered at risk, such as shark and orange roughy, as these species are overfished at present. We are committed to purchasing species from sustainable sources. We have worked with governments to strengthen policies regarding wild-caught species such as North Atlantic lobsters and Caribbean rock lobsters, and we have partnered with conservation groups, such as the New England Aquarium, to learn more about the science behind the fisheries and to help ensure that the species we serve are sustainable, based on the best science of the day. • We are also committed to responsible aquaculture so we can supplement the supply of seafood while avoiding the depletion of species. Our goal is to have all of our aquaculture products certified to the standards of the Global Aquaculture Alliance (a multi-stakeholder nonprofit organization we co-founded in 1997) as they become available. Already, 100% of the aquacultured shrimp processors that supply Darden are certified.
		Underpinning our sustainability strategy is Darden's commitment to collaboration and stakeholder engagement. Many of the issues we are working to address are complex, and complex problems require collaborative solutions. There is much we can learn from the perspective and experience of others, which is why we are working with our business partners, government agencies, academic institutions, non-governmental organizations and others as part of our sustainability efforts. We believe that working collaboratively and with a genuine commitment to finding shared solutions helps Darden earn the trust of our stakeholders, and a seat at the table to help shape responses to the issues that affect our

Other: Global	Collective action	company. • Darden is a founding member of The Sustainability Consortium, currently serving as a member of the Steering Committee and Retail Sector Lead. The Sustainability Consortium 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. • Darden recently joined the World Bank’s Global Partnership for Oceans (GPO). This effort brings together stakeholders from all segments of the spectrum to collaborate with the purposes of making the oceans healthy and to optimize the ocean’s productivity in a sustainable manner. The GPO has provided a forum where private industry, NGO’s, government, scientists and academia have come together and are willing to cooperate through open and transparent communication. The GPO will become a catalyst for positive change by bringing the world together to tackle the challenges of providing healthy and productive oceans for generations to come.
Other: Global	Collective action	New England Aquarium (NEAq) & Ocean Health Index (OHI) (http://dardenfoundation.com/index.php/foundation-partners/preservation-of-natural-resources/new-england-aquarium.html): • NEAq has provided on-going consultation since 2005 on a host of seafood-related issues and has been a trusted advisor to our Supply Chain, Total Quality and Sustainability groups. • Darden has partnered with NEAq for over a decade to provide up-to-date environmental, conservation and scientific data regarding wild-capture fish and aquaculture species for our Seafood Sustainability Dashboard. The Dashboard is intended to further educate Darden’s seafood buyers about the factors that should be considered when making a responsible purchase. • In 2010, Darden provided additional support to respond to the major threats facing the oceans today, such as overfishing, pollution, habitat loss and climate change, by supporting the Ocean Health Index (OHI) initiative. Recognizing the need for a framework to measure ocean health, NEAq, Conservation International and the National Geographic Society are creating an index using goals or indicators drawn from international agreements and other high-level recommendations regarding marine conservation and resource use. OHI indicators will measure changes in the intensity of the most critical ocean stressors, their direct effects on the ocean, impacts on ocean subsidies and services and consequences for human well-being. With Darden’s support, NEAq is developing a Sentinel Species Indicator (SSI) for the OHI, which uses the status of animals to reflect the ecosystem consequences of human actions. Scheduled to be launched in early 2012, OHI results will be published in a dramatic and accessible format designed to maximize utility to the public, ocean managers and stakeholders, and energize transformative change in attitudes and behavior regarding ocean use and conservation.
Other: Global	Collective action	• Fishery Improvement Projects (FIPs) & Clinton Global Initiative (CGI): In FY2011, Darden announced a commitment to rebuilding troubled fisheries through three targeted Fishery Improvement Projects (FIPs). The commitment is part of Darden’s membership in the Clinton Global Initiative (CGI) and was recognized by CGI as an exemplary approach to addressing environmental challenges. The initial FIP was launched in partnership with Publix Super Markets and Sustainable Fisheries Partnership in the U.S. Gulf of Mexico. The focus is to support the rebuilding of commercial reef fish fisheries, primarily grouper and red snapper, using several tools including the development of data collection methods to enhance management, testing different gear types to reduce interactions with sea turtles, and building new markets for the fish as populations recover. • We are beginning to work with our peer companies and other interested stakeholders to address water issues in the broader agricultural system, and we will continue to seek out multi-stakeholder mechanisms that involve our peer companies and other organizations to help promote sustainable water use more broadly. • Global Aquaculture Alliance: Darden played a key role in establishing the Global Aquaculture Alliance, a multi-stakeholder partnership we cofounded, which provides a forum for experts from multiple sectors to develop standards for environmentally and socially responsible aquaculture practices. • Darden is a member in a host of corporate social responsibility forums designed to accelerate our sustainability leadership. Organizations include the Corporate Eco-Forum, Business for Social Responsibility, and Conservation International’s Business & Sustainability Council. • Darden is a member of a wide range of industry associations that address various aspects of supply chain sustainability, such as Global Aquaculture Alliance, National Fisheries Institute, Sustainable Fisheries Partnership,

		Lobsterman Association, National Restaurant Association, National Council of Chain Restaurants, Food Safety Leadership Council, International Association for Food Protection, and the National Environmental Health Association.
Other: Global	Collective action	• Green Teams: In 2009, we established employee Green Teams as a way to more formally organize and involve employees in our sustainability efforts. These groups in each restaurant help implement initiatives aimed at reducing water, energy and waste, gather good ideas from staff, communicate sustainability efforts, and improve our performance. While the activities of each team may seem small in isolation, they make a huge impact when multiplied by Darden's 1,900-plus restaurants. Some sharing of ideas and best practices takes place among the individuals at each of these levels, and we hope to encourage more of that in the future.
Other: Global	Public policy	• Darden seeks to be more influential in the public policy arena. For example, we have assumed a leadership position on such global issues as the sustainability of our vital resources, particularly seafood. We work closely with NOAA, USAID, the World Bank, NMFS, the FAO, and many government or non-governmental organizations to positively influence public policy.
Other: Global	Community engagement	• Darden Foundation currently focuses philanthropic efforts on three core areas including access to post-secondary education, preservation of natural resources (wildlife protection, restoration and preservation of ecosystems, and teaching environmental sustainability), and good neighbor grants. The FY13 strategy for preservation of natural resources involves focusing on the following: water (both freshwater and oceans), parks, and sustainable agriculture. • In FY2011, the Darden Restaurant Foundation supported a broad range of organizations, including the following organizations focused on preservation of natural resources: New England Aquarium, The Everglades Foundation, and Audubon of Florida.
Other: Global	Transparency	• CDP Water Disclosure: This is Darden's first year responding to the CDP Water Disclosure information request. We recognize the importance of transparently reporting our water data and disclosing water-related actions that we are already undertaking or will be undertaking in the future. Measuring and reporting on our environmental impact related to water is expected to lead to greater awareness of water-related issues and is key to the success of our sustainability program. It will also help us to identify potential risks and opportunities within our portfolio or at a particular facility and help to mitigate those risks or further explore opportunities. • Sustainability Report: Darden also released its inaugural Sustainability Report in May 2010, which introduced our sustainability strategy, outlined our most material issues and described many of the strategies we employ to reduce our impact on the planet. We are currently working on the 2012 update, where we will share the insights we have learned, the progress we have made on our goals, and outline how partnerships with key stakeholders have advanced our strategy over the last two years. The report focuses on material developments and activities related to sustainability at Darden from the prior report for FY2010 to today. We used the Global Reporting Initiative (G3) Guidelines to help shape the content of the report, and are self-declaring the report to be at a C Application Level. Going forward, Darden intends to maintain a two-year sustainability reporting cycle. We also plan to provide more regular and real-time updates about our sustainability activities and performance via our updated sustainability website, www.darden.com/sustainability.

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2.1
Are any of your operations located in water-stressed regions?

Yes

2.1a
Please specify the method(s) you use to characterize water-stressed regions (you may choose more than one method).

Method used to define water stress	Please add any comments here:
	Darden primarily relies on outputs from the WBCSD Global Water Tool to gain a high-level understanding

FAO/AQUASTAT Internal company knowledge WBCSD Water Tool WRI water scarcity definition	of specific restaurants located in water stressed regions. With operations in the U.S. and Canada, the primary metrics evaluated include the Mean Annual Relative Water Stress Index and Annual Renewable Water Supply per Person – 1995 and 2025 Projections. For the Mean Annual Relative Water Stress Index, we consider scarce (ratio >1; hyper-stressed) and stressed (ratio of 0.4 – 1.0; a highly stressed system, and one that is more than likely over-tapping the resources needed to sustain a functioning freshwater ecosystem) regions. For the 1995 and Projected 2025 Annual Renewable Water Supply per Person, areas where per capita water supply drops below 1,700 m3/year are defined as experiencing water stress (a situation in which disruptive water shortages can frequently occur). In this response, we have chosen to focus on areas of extreme scarcity (<500 m3/capita/annum) and scarcity (500 – 1,000 m3/capita/annum).

2.1b

Please list the water-stressed regions where you have operations and the proportion of your total operations in that area.

Country or geographical reach	Region within country	Proportion of operations located in this region (%)	Further comments
United States of America	Texas	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	California	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	Arizona	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	Georgia	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	North Carolina	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	New York	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	Ohio	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	Illinois	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
United States of America	Nevada	1 – 10	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.
Other: Company-Wide	United States & Canada	11 – 20	Water scarce and stressed regions based on the Mean Annual Relative Water Stress Index.

2.2

Are there other indicators (besides water stress) which you wish to report that help you to identify which of your operations are located in regions subject to water-related risk?

Yes

2.2a

Please list the regions at risk where you have operations, the relevant risk indicator and proportion of your total operations in that area.

Country or geographical reach	Region within country	Risk Indicator	Proportion of operations located in this region (%)	Further comments
Other: Company-Wide	United States & Canada	Inadequate access to water and sanitation	0	All regions have a high population served with improved water and sanitation.
United States of America	Texas	Other: Annual Renewable Water Supply per Person, 1995	1-10	Regions of extreme scarcity/scarcity based on the 1995 Annual Renewable Water Supply per Person.
United States		Other: Annual Renewable		Regions of extreme scarcity/scarcity based

of America	California	Water Supply per Person, 1995	1-10	on the 1995 Annual Renewable Water Supply per Person.
United States of America	Florida	Other: Annual Renewable Water Supply per Person, 1995	1-10	Regions of extreme scarcity/scarcity based on the 1995 Annual Renewable Water Supply per Person.
United States of America	Maryland	Other: Annual Renewable Water Supply per Person, 1995	1-10	Regions of extreme scarcity/scarcity based on the 1995 Annual Renewable Water Supply per Person.
United States of America	New York	Other: Annual Renewable Water Supply per Person, 1995	1-10	Regions of extreme scarcity/scarcity based on the 1995 Annual Renewable Water Supply per Person.
United States of America	Utah	Other: Annual Renewable Water Supply per Person, 1995	1-10	Regions of extreme scarcity/scarcity based on the 1995 Annual Renewable Water Supply per Person.
Other: Company-Wide	United States & Canada	Other: Annual Renewable Water Supply per Person, 1995	11-20	Regions of extreme scarcity/scarcity based on the 1995 Annual Renewable Water Supply per Person.
United States of America	Texas	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	California	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	Florida	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	Maryland	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	New York	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	South Carolina	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	Utah	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
United States of America	New Mexico	Other: Annual Renewable Water Supply per Person, 2025 Projections	1-10	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.
Other: Company-Wide	United States & Canada	Other: Annual Renewable Water Supply per Person, 2025 Projections	11-20	Regions of extreme scarcity/scarcity based on the projected 2025 Annual Renewable Water Supply per Person.

2.3

Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and/or 2.2.

24%

2.4

Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2.

Basis used to determine proportions	Please add any comments here
Number of facilities	

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2.5

Do any of your key inputs or raw materials (excluding water) come from regions subject to water-related risk?

Yes

2.5a

Please state or estimate the proportion of your key inputs or raw materials that come from regions subject to water-related risk.

Input or material	Proportion of key input or raw material that comes from region at risk (%)	Unit used for calculating percentage	Further comments
Produce; Proteins		Other: Not specifically calculated	While we have not yet completed water scarcity mapping of our key inputs or raw materials, we recognize that some of our key inputs do come from regions subject to water-related risk, such as produce sourced from water scarce areas of California. We have also begun work to better understand the energy/carbon and water footprints of some of the foods we buy and are exploring ways to minimize them. Our efforts in this area are in their early stages with issues and solutions that are not always within our sphere of control. Nonetheless, we think it is critical work, with dual drivers and dual benefits.

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3.1

Is your company exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

No

3.1b

Please explain why you do not consider your company to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.

While we recognize that our company is exposed to several water-related risks within our direct operations, given the number and locality of our restaurants and how we use water, we do not believe these risks have the potential to cause a substantive change in our business operation, revenue, or expenditure. Some of the water-related risks that we are exposed to on a lesser scale include the following: • 01. Physical: Declining water quality – Declining water quality could lead to increased water prices from municipalities associated with treatment, which could decrease our operating profits and necessitate future investments in facilities/equipment. • 02. Physical: Flooding - Some climatologists predict that long-term effects of climate change may result in more severe, volatile weather. As such, select restaurants may be subject to interruptions to the availability of water due to extreme weather events, including flooding. This could necessitate future investments in facilities/equipment. Furthermore, our inability to anticipate and respond effectively to an adverse change could negatively affect our sales. • 03. Physical: Increased water stress or scarcity – Interruptions to the availability of water as a result of increased water stress/scarcity could lead to increased water prices from municipalities and/or restrictions on use, which could decrease our operating profits and necessitate future investments in facilities/equipment. Our inability to anticipate and respond effectively to an adverse change in water availability could also negatively affect our sales. • 06. Regulatory: Higher water prices – Our restaurants' operating margins are affected by fluctuations in the price of water utilities, whether as a result of inflation or otherwise. Fluctuations in water prices and failure to achieve economies of scale in utility pricing could adversely affect our operations and lead to higher operational costs, ultimately affecting our bottom line. In addition, if water prices increase, our guests may have lower disposable income and reduce the frequency with which they dine out, may spend less on each dining out occasion, or may choose more inexpensive restaurants. Any significant decrease in our customer traffic or average

profit per transaction will negatively impact our financial performance. • 08. Regulatory: Mandatory water efficiency, conservation, recycling or process standards / 11. Regulatory: Statutory water withdrawal limits/changes to water allocation – Such standards/limitations could affect how we use water within our operations, such as restrictions on the volume of water allocated for irrigation. A large percentage of our operations in the western U.S. are already facing strict water conservation guidelines. Regulatory initiatives focused on minimizing/limiting water withdrawals could result in future increases in the cost of raw materials, municipality charges, or taxes, which could decrease our operating profits and necessitate future investments in facilities/equipment. • 09. Regulatory: Regulation of discharge quality/volumes – Regulation of discharge quality/volumes could result in increased discharge costs from the municipality, leading to higher operational costs and ultimately affecting our bottom line. • 15. Other: Reputational risk – Potential reputational risks associated with perceived water inefficiencies in our direct operations and/or perceived inaction in our supply chain, particularly in regards to our supplier's agricultural or aquaculture practices, could negatively impact stakeholder perceptions of our company. This could adversely affect our operations and sales. Furthermore, the full service dining sector of the restaurant industry is affected by changes in consumer spending patterns and consumer preferences, including changes in consumer tastes and dietary habits and the level of consumer acceptance of our restaurant brands. Any negative stakeholder perceptions may adversely affect consumer behavior and our operational results. • 16. Other. Inadequate infrastructure – Since we rely heavily on municipal water supplies, interruptions to the availability of water due to aging or inadequate infrastructure could affect the water supply to some of our restaurants, which could necessitate future investments in facilities/equipment. Furthermore, our inability to anticipate and respond effectively to an adverse change could negatively affect our sales.

3.2

What methodology and what geographical scale (e.g. country, region, watershed, business unit, facility) do you use to analyze water-related risk across your operations?

Risk methodology	Country or geographical scale
Facility: Water footprinting is utilized to provide an overall picture of how much water is used and where from a geographical point of view. The results are then overlaid with numerous risk maps generated using the WBCSD Global Water Tool, which facilitates a more comprehensive view of physical water-related risks and identification of priority areas. Additional regulatory and reputational risks are also evaluated utilizing internal company knowledge. Global: Each year management conducts the Enterprise Risk Assessment (ERA) facilitated by Internal Audit and reviewed with the Audit Committee and full Board. 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 FY2011, Darden identified several issues regarding climate change and/or environmental issues. We noted, for example, that 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 15). 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 19). We also not 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 results, among other things, from health concerns including food safety and environmental disasters (Page 14).	Facility

Page: 2012-water-riskassess-sc

3.3

Do you require your key suppliers to report on their water use, risks and management?

No

3.4

Is your supply chain exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

3.4a

Please describe (i) the current and/or future risks to your supply chain, (ii) the ways in which these risks affect or could affect your operations before taking action, (iii) the estimated timescale of these risks and, (iv) your current or proposed strategies for managing them.

Country or geographical reach	Risk type (to supplier)	Potential business impact (to responding company)	Estimate timescale (years)	Risk management strategies (by responding company)
Global	01. Physical: Declining water quality	Declining water quality could impact our suppliers in a number of ways, such as reduced agricultural crop yields, shortage of animal feed, or aquaculture issues. Possible shortages or interruptions in the supply of food items and other supplies to our restaurants and a failure to achieve economies of scale in purchasing could adversely affect the availability, quality and cost of the items we buy and the operations of our restaurants.	11 – 20	Strict supplier requirements for water quality: in Mexico and Latin America, we require farmers to ensure that irrigation water used is of the highest quality and meets strict biological standards (as opposed to “recreational use” standards); also require farmers to provide fencing to keep animals out of the fields and to have proper latrine facilities for workers for the purposes of food safety and proper hygiene. For seafood suppliers, Darden has partnered with the New England Aquarium for over a decade to provide up-to-date environmental, conservation and scientific data regarding wild-capture fish and aquaculture species for our Seafood Sustainability Dashboard. The Dashboard is intended to further educate Darden’s seafood buyers about the factors that should be considered when making a responsible purchase. Furthermore, in 2010, Darden provided additional support to respond to the major threats facing the oceans today, such as overfishing, pollution, habitat loss and climate change, by supporting the Ocean Health Index (OHI) initiative. Recognizing the need for a framework to measure ocean health, NEAq, Conservation International and the National Geographic Society are creating an index using goals or indicators drawn from international agreements and other high-level recommendations regarding marine conservation and resource use.
Global	02. Physical: Flooding	Possible shortages or seasonal interruptions in the supply of food items and other supplies to our restaurants caused by unpredictable weather or natural disasters, such as floods/droughts and earthquakes, could adversely affect the availability, quality and cost of the items we buy and the operations of our restaurants. We may have a limited number of suppliers for certain products. Supply chain risks could increase our costs and limit the availability of products that are critical to our restaurant operations. If we temporarily close a restaurant or remove popular items from a	Current	Ten years ago, all fresh fruits and vegetables used in our restaurants came from farms in the United States. However, we began to realize that we were relying too heavily on farmers in only two U.S. states – Florida and California. This dependence grew especially evident in 2004 after a series of hurricanes in Florida, coupled with unfavorable weather in California, wiped out tomato crops and drove up prices. What we needed was geographic diversity, and we began to expand our supplier farms to areas such as Mexico and Latin America. Today, approximately half of our produce is

		restaurant's menu, that restaurant may experience a significant reduction in sales during the time affected by the shortage or thereafter as a result of our customers changing their dining habits.		grown in Mexico.
Global	03. Physical: Increased water stress or scarcity	Interruptions to the availability of water as a result of increased water stress/scarcity may adversely affect our suppliers (e.g., reduced crop yields or inability to grow certain crops). We may lose sales or incur increased costs if our restaurants experience shortages or interruptions in the delivery of food and other products from suppliers. Furthermore, agriculture will have to compete with increasing population, industry, the environment, etc., and conversely, urban populations will compete with agriculture for decreasing supplies. Such competition for water resources could result in negative stakeholder perceptions that may adversely affect consumer behavior and our operational results.	11 – 20	By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. Darden is also a founding member of The Sustainability Consortium, 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.
Global	06. Regulatory: Higher water prices	Our suppliers are affected by fluctuations in the price of water utilities, whether as a result of inflation or otherwise. Our suppliers may pass the higher water prices on to us, increasing our operational costs and ultimately affecting our bottom line.	6 – 10	By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. We have active programs with farmers in our supply chain to ensure that our stringent specifications and standards for everything from food safety to working conditions to growing practices, including standards for water use and water quality, are met.
Global	08. Regulatory: Mandatory water efficiency, conservation, recycling or process standards	Regulatory initiatives focused on minimizing water withdrawals could significantly affect our suppliers' agricultural crop growth, particularly in regards to restrictions on the volume of water allocated for irrigation. Significant portions of the western U.S. are already facing strict water conservation guidelines. Therefore, regulatory initiatives focused on minimizing water withdrawals could result in future increases to us in the cost of raw materials, which	Current	By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. Drip irrigation: we require farmers in Mexico (where approximately half of our produce is grown) to use drip irrigation rather than spray irrigation; also encourage suppliers in the U.S. to use drip irrigation.

		could decrease our operating profits.		
Global	10. Regulatory: Regulatory uncertainty	Regulatory uncertainty could adversely affect our suppliers. If they are not prepared for additional restrictions, compliance with such regulations could put a halt to their operations. We may lose sales or incur increased costs if our restaurants experience shortages or interruptions in the delivery of food and other products from suppliers. If we temporarily close a restaurant or remove popular items from a restaurant's menu, that restaurant may experience a significant reduction in sales during the time affected by the shortage or thereafter as a result of our customers changing their dining habits.	11 – 20	By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. We have active programs with farmers in our supply chain to ensure that our stringent specifications and standards for everything from food safety to working conditions to growing practices, including standards for water use and water quality, are met.
Global	11. Regulatory: Statutory water withdrawal limits/changes to water allocation	Water withdrawal limitations/changes to water allocation could affect how our suppliers use water within their operations, such as restrictions on the volume of water allocated for irrigation. Regulatory initiatives focused on limiting water withdrawals could result in future increases to us in the cost of raw materials, which could decrease our operating profits.	11 – 20	By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. Drip irrigation: we require farmers in Mexico (where approximately half of our produce is grown) to use drip irrigation rather than spray irrigation; also encourage suppliers in the U.S. to use drip irrigation.
Global	Other: Reputational risk	Potential reputational risks associated with supplier violation of compliance requirements and/or ill-advised supplier behavior could negatively impact stakeholder perceptions of our company. This could adversely affect our operations and our sales. Furthermore, the full service dining sector of the restaurant industry is affected by changes in consumer spending patterns and consumer preferences, including changes in consumer tastes and dietary habits and the level of consumer acceptance of our restaurant brands. Any negative stakeholder perceptions may adversely affect consumer behavior and our operational results.	1 – 5	By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. We have active programs with farmers in our supply chain to ensure that our stringent specifications and standards for everything from food safety to working conditions to growing practices, including standards for water use and water quality, are met.

Page: 2012-Water-4-Impacts

4.1

Has your business experienced any detrimental impacts related to water in the past five years?

No

Page: 2012-Water-5-Opportunities

5.1

Do water-related issues present opportunities (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?

Yes

5.1a

Please describe (i) the current and/or future opportunities, (ii) the ways in which these opportunities affect or could affect your operations (iii) the estimated timescale and (iv) your current or proposed strategies for exploiting them.

Country or geographical reach	Opportunity type	Potential business impact	Estimated timescale	Strategy to exploit opportunity
Global	Increased brand value	Water-related issues provide opportunities for Darden to gain a competitive advantage from a number of perspectives: • Driving water efficiencies/ Reducing water withdrawals • Expanding sustainability efforts	Current	• We see water, energy, and climate change as interlinked issues with potential to increase the costs of food and energy required for our business. As a result, we take a resource-focused approach to our sustainability strategy. Reducing our water withdrawals will help to lower our operating costs, expand our margins, reduce energy demand associated with pumping and heating water, ensure adequate water supplies in the long term, insulate our supply chain from potential disruptions, maintain goodwill in the communities in which we are located, particularly if water is scarce, and ultimately increase the success of our business and ability to expand and grow. One of the key strengths of our business is our ability to develop innovative solutions and then bring those solutions to scale across our operations. In this way, even small changes can add up to big impacts. For example, a suite of water-saving measures rolled out in 2009 will save an estimated 700,000 gallons of water per year in each of the restaurants that implement them. • Darden's commitment to sustainability is a central part of achieving our larger purpose. While we have addressed various aspects of sustainability, such as being a long-standing advocate for seafood stewardship, in recent years we have worked to develop a more integrated and strategic approach to managing sustainability issues in our business knowing that we fundamentally rely on natural resources. We believe that, over time, our sustainability efforts will help us proactively identify and manage risks, insulate our supply chain from potential disruptions, attract and retain employees, expand our appeal to a broader base of guests, and strengthen our relationships with other stakeholders.
		Water-related		• By working closely with suppliers and leveraging our scale, we can innovate to develop a better, more sustainable supply chain while also improving efficiency and reducing our operating costs. We have active programs with farmers in our supply chain to ensure that our stringent specifications and standards for everything from food safety to working conditions to growing practices, including standards for water use and water quality, are met. • Sustainability issues are complex and multi-faceted, and so are the solutions. We know that simply focusing within our own four walls is not enough. Given the unique connection between

Global	Increased brand value	issues provide opportunities for Darden to gain a competitive advantage from a number of perspectives: • Improving supply chain relationships • Improving supply chain sustainability through partnerships	Current	food and natural resources, sustainability requires working from 'farm to fork.' Taking proactive action to address water-related issues throughout the value chain can be very beneficial in not only securing long-term water supplies, but also improving water quality and bringing about win-win opportunities for the surrounding communities and environment. Darden focuses on opportunities where we can improve the sustainability of our supply chain by partnering with key suppliers, scientists, industries, communities, etc. Collaboration throughout the value chain and between government and business organizations is needed, and we often find that research and advocacy organizations bring important information and insights to the table. For example, Darden played a key role in establishing the Global Aquaculture Alliance, which provides a forum for experts from multiple sectors to develop standards for environmentally and socially responsible aquaculture practices. Additionally, in 2010, Darden provided support to respond to the major threats facing the oceans today, such as overfishing, pollution, habitat loss and climate change, by supporting the Ocean Health Index (OHI) initiative. Recognizing the need for a framework to measure ocean health, NEAq, Conservation International and the National Geographic Society are creating an index using goals or indicators drawn from international agreements and other high-level recommendations regarding marine conservation and resource use.

Page: 2012-Water-6-tradeoffs

6.1

Has your company identified any linkages or trade-offs between water and carbon emissions in its operations or supply chain?

Yes

6.1a

Please describe the linkages or trade-offs and the related management policy or action.

Linkage or trade-off	Policy or action
The U.N. explains that adapting to climate change will require, first and foremost, better water management (http://www.unwater.org/downloads/UNWclimatechange_EN.pdf). We also see energy, climate change, and water resources as interlinked issues. The basic ingredients for our business come from healthy oceans and healthy agricultural ecosystems, but climate change is expected to affect oceans and land-based agriculture in part by influencing weather patterns and the availability and quality of water, which raises the risk of supply disruptions. These changes – along with the increased discussion of greenhouse gas regulations – have the potential to increase the costs of food and energy required for our business. Within our direct operations, the most commonly seen linkages between water and	We take a resource-focused approach to our sustainability strategy. We work hard to use energy and water efficiently in our restaurants and support operations to reduce our energy and water footprints, save money, and enhance our competitiveness. We have also begun work to better understand the energy/carbon and water footprints of some of the foods we buy and are exploring ways to minimize them. Our efforts in this area are in their early stages with issues and solutions that are not always within our sphere of control. Nonetheless, we think it is critical work, with dual drivers and dual benefits. Not only is it the right thing to do, but it's also an important part of ensuring we are doing everything we can to insulate our supply chain from the range of forces that can affect the cost, availability, or quality of the food supply. • Evaluating potential steamer alternatives in Red Lobster restaurants to lower utility costs - system-wide energy and water savings are estimated to be 29,244 MWh of electricity per year and 177.5 million gallons of water per year. • Completed conversion of 99% of pasta cookers at Olive Garden restaurants by the end of FY2011 to be low-flow and more energy efficient. • Piloting lower-flow dishwashers in Olive Garden restaurants to reduce water and energy usage. • Replaced Olive Garden ice makers with more energy and water efficient, Energy Star-rated and LEED-compatible ice machines: saves 3.3 gallons of water and 0.6 kWh of electricity per 100 pounds of ice. • New procedure to remove ice from beverage stations and cold wells in Olive Garden restaurants prior to cleaning rather than melting ice with hot water: saves approximately 4 million gallons per year for Olive Garden in addition

carbon emissions include: • Steamers • Pasta cookers • Dishwashers • Ice makers • Ice removal from beverage stations and cold wells • Restaurant design	to the energy required to heat the water. • Green Buildings Initiatives such as new restaurant prototypes for Olive Garden, Red Lobster, LongHorn Steakhouse, and Bahama Breeze aligned with the LEED certification standard (designed to reduce energy and water use and minimize waste).

Module: 2012-Water-Account

Page: 2012-Water-7-Withdrawals

7.1
Are you able to provide data, whether measured or estimated, on water withdrawals within your operations?

Yes

7.1a
Please report the water withdrawals within your operations for the reporting year.

Country or geographical reach	Withdrawal type	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
Canada	Municipal water	426	0	
United States of America	Municipal water	19185	0	

7.2
Are you able to provide data, whether measured or estimated, on water recycling/reuse within your operations?

No

7.2b
Please explain why you are not able to provide data for water recycling/reuse within your operations.

While Darden does not measure water recycling/reuse on a company-wide level, water recycling/reuse-related opportunities are employed wherever feasible across Darden's portfolio of 1,900-plus restaurants. For example, at our new headquarters building – called our Restaurant Support Center (RSC) - we saved 18.3 million gallons of potable water through the use of reclaimed water for the irrigation system and toilets in the first year of operation (2009-2010), and 19.5 million gallons the year after.

7.3
Please use this space to describe the methodologies used for questions 7.1 and 7.2 or to report withdrawals or recycling/reuse in a different format to that set out above.

Water withdrawals were calculated based on water utility invoices from each of Darden's facilities. These invoices are captured and summarized on a monthly basis. Water discharges follow a similar methodology, though a greater percentage of discharge data is estimated given the quality of data provided by utilities serving Darden's locations.

7.4
Are any water sources significantly affected by your company's withdrawal of water?

Don't know

7.4c
Please explain why you do not know if any water sources are significantly affected by your company's withdrawal of water.

While it is likely that none of Darden's water withdrawals significantly affect any water sources, we cannot provide absolute certainty. Based on GRI performance indicator EN9, water sources significantly affected by withdrawal of water meet one or more of several criteria. All of Darden's water withdrawals are sourced from municipal water; however, the original water body/source has not been identified as required in the case of municipal supply. Therefore, we cannot say

with certainty that our water withdrawals do not meet any of the criteria.

Page: 2012-Water-8-Discharges

8.1
Are you able to identify discharges of water from your operations by destination, by treatment method and by quality using standard effluent parameters?

Yes

8.2
Did your company pay any penalties or fines for significant breaches of discharge agreements or regulations in the reporting period?

No

8.3
Are any water bodies and related habitats significantly affected by discharges of water or runoff from your operations?

Don't know

8.3c
Please explain why you do not know if any water bodies and associated habitats are significantly affected by discharge of water or runoff from your operations.

While it is likely that none of Darden's discharges of water or runoff significantly affect any water bodies or related habitats, we cannot provide absolute certainty. Based on GRI performance indicator EN25, water bodies significantly affected by the reporting organization's water discharges meet one of more of several criteria. All of Darden's water is discharged to the municipality for off-site water treatment; however, the ultimate water body/source receiving these discharges has not been identified. Therefore, we cannot say with certainty that our water discharges do not meet any of the criteria.

Page: 2012-Water-9-Intensity

9.1
Please provide any available financial intensity values for your company's water use across its operations.

Country or geographical region	Financial metric	Water use type (megaliters)	Currency	Financial intensity (Currency/mega-liter)	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Global	Revenue	Withdrawals	USD($)	382452	Company revenues divided by water withdrawals in FY2011.

9.2
Please provide any available water intensity values for your company's products across its operations.

Country or geographical region	Product	Product unit	Water unit	Water intensity (Water unit/product unit)	Water use type	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Global	Restaurant	Other: Restaurant count	megaliters	10.51	Withdrawals	For the purposes of this calculation, we have excluded water withdrawals associated with our non-restaurant operations; these sources comprise 0.5% of Darden's total water withdrawals and are not directly tied to individual restaurants.
	Scope 1 &					Company water withdrawals divided by

Global	2 Energy Usage	Other: MWh	megaliters	0.0065	Withdrawals	Scope 1 & 2 Energy Use (3,039,075 MWh)

Carbon Disclosure Project