Darden Global Supply Chain Standards

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Darden Restaurants, Inc.

- Darden is the world’s largest full service restaurant company
  - Red Lobster, Olive Garden, Longhorn Steakhouse
  - Capital Grille, Bahama Breeze, Seasons 52
- 1,720 company owned and operated restaurants in 49 states
- 25th largest employer in the US (180,000 employees)
- Largest food service direct importer of seafood in the US
- Second largest buyer of US beef in full service restaurant sector
- Serves over 400 million meals to US customers annually
- Purchases from over 2,000 suppliers in the US and 35 countries
- Operates industry-leading Total Quality Inspection System
  - 20 Field Total Quality Managers who review and certify in-restaurant processes
  - 17 Field Plant Inspectors in US and 10 Foreign Countries who inspect food plants, products and processes.
Our Ultimate Objective: Creating a Great Company

A winning organization financially… sustaining strong profitable sales growth
  - Growing sales and earnings at competitively superior levels
  - Delivering a competitively superior total shareholder return

A special place to be... sustaining strong professional and personal growth
  - Creating a place where people can pursue their dreams

A Fortune 100 Company ... Requires $25 Billion a Year in Sales!

We define Greatness as being a Sustained Growth Company ...
...which means delivering on both financial and people growth
Our Ultimate Objective: Creating a Great Company

A COMPANY THAT MATTERS EVEN MORE

A Fortune 100 Company
... Which Requires $25 Billion a Year in Sales!

“Being a Company That Matters!”

We also define Greatness as having Fortune 100 Impact which means, being a global benchmark for financial success and people engagement, while being a responsible steward of the world’s resources.
Darden Global Supply Chain Standards
Being A COMPANY THAT MATTERS

COMPETITIVE ADVANTAGE
SUPERIOR QUALITY, SERVICE, INNOVATION & VALUE

Large Consolidated Suppliers
Regional Local Suppliers
Seasonal Suppliers

Global Supply with World Class Vendors
Superior Processes & Systems (IT / Purchasing)
Superior Team “Category Experts”

Development of small suppliers to bring new products to market

TEAMWORK
SUPERIOR FOOD SAFETY & QUALITY
Enable Darden’s Growth Strategy by Providing a Competitive Advantage in Quality, Service, Innovation, Cost and Diversity
A Robust Global Supply Chain

- $2.5 billion in purchases serving 6 distinctive concepts & 1,700 restaurants
  - 3,300 SKU’s
  - 1,500 suppliers
  - 35 countries
  - Largest food service direct importer of seafood in the US
  - Second largest buyer of US beef in full service restaurant sector

- 180 Supply Chain professionals
  - TQ and/or Purchasing staff based in US, Canada, Honduras, Mexico, Ecuador, Brazil, China, India, and Thailand
## Darden Restaurant Statistics

<table>
<thead>
<tr>
<th>Commodity Group</th>
<th>% Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seafood</td>
<td>32%</td>
</tr>
<tr>
<td>Beef</td>
<td>14%</td>
</tr>
<tr>
<td>Chicken</td>
<td>5%</td>
</tr>
<tr>
<td>Produce</td>
<td>13%</td>
</tr>
<tr>
<td>Dairy</td>
<td>9%</td>
</tr>
<tr>
<td>Wheat/Grains</td>
<td>7%</td>
</tr>
<tr>
<td>Other/Miscellaneous</td>
<td>20%</td>
</tr>
</tbody>
</table>

| Total Purchasing Spend | $2.5 Billion |
Darden Global Supply Chain Standards
Competitive Advantages

SCALE AND WILLINGNESS TO INVEST IN GREAT PEOPLE, INNOVATIVE SYSTEMS AND DISCIPLINED COST MANAGEMENT

- Experienced professionals – category experts
- Global TQ systems and presence
- Global sourcing and market knowledge
- Strategic distribution systems capabilities and knowledge
- Proven industry-leading processes and tools
- Strong cost management tools and systems to offset market-driven cost increases without ever compromising quality
- Constant innovation yielding “The Art of the Possible”
"To Nourish and Delight everyone we serve . . . now and for generations"
Darden Restaurants Global Supply Chain Standards
Food Safety

The best way to ensure quality is to go to the source

● Utilizing a Hazard Analysis of Critical Control Points (HACCP) Approach

Ensure:

– Food safety practices are integrated at all levels of the supply chain
– Highest level of security to the DRI supply chain (domestic & international), with traceability from pond to plate / farm to fork

● Food Safety Building Blocks:

– Building food safety into the process vs. inspecting food safety into the product
– Ensuring food safety through raw material and production process controls
– Supplier and DRI verify products meet specifications with FDA approved methodologies in select 3rd party laboratories
– Darden Quality team acts as teachers and consultants at the production sites

FOOD SAFETY IS OUR #1 PRIORITY
Darden Global Supply Chain Standards

Specifications
- “Heart & Soul of Product Quality”
- Culinary, TQ, Purchasing Process
- Process validation
- Food Safety and Quality Criteria

Suppliers
- Purchasing & TQ Select suppliers
- Partnership for Supplier development
- Products are purchased from approved Manufacturing Facilities
- Visibility to Manufacturing Facilities Inspection Data
- Food safety and production process controls
- Traceability

Product Safety Quality Verification
- Laboratory verification of spec compliance for all critical Darden products
- Comprehensive microbiological & chemical testing
- Third Party Certification

Restaurants
- Full Product traceability
- Rapid response/recall capability
Darden Restaurants Global Supply Chain Standards
Global Aquaculture Third Party Certification
Darden Global Supply Chain Standards
Multi-Stakeholder Engagement

Food Safety Education

Supplier Engagement

Processes Controls

Industry Collaboration

Partnerships with Non Governmental Organizations (NGO’s)

Government Harmonized Standards

GLOBALLY HARMONIZED STANDARDS

COLLABORATION TO SOLVE FOOD SAFETY ISSUES

FACILITATE FOOD SAFETY AND ASSIST SUPPLIERS IN DEVELOPING NATIONS
Thank You!