

Our Approach to Environmental Sustainability

Scope 3 Emissions

With the goal of better understanding our carbon footprint, we are pleased to share the results of our first Scope 3 inventory and modeling project. Combined with our Scope 1 and Scope 2 emissions from 2020, we have a much more complete picture of our emissions, and can start identifying opportunities to reduce our climate impact. In FY21, our Scope 3 emissions totaled 85,990 MT CO₂ e, bringing our total across all three scopes to an annual estimation of 193,990 MT CO₂ e. Last year, we included the electricity consumed by our franchises in our Scope 2 calculations. Moving forward, we will include these values in our Scope 3 calculations instead, in alignment with the [Greenhouse Gas Protocol](#).

Carbon Accounting

Investors and other key stakeholders are increasingly recognizing the potential risks that climate change poses to society, the environment, and businesses. To better understand, accurately address, and meaningfully reduce our own climate impacts, we conducted a company-wide carbon accounting and modeling project last year, totaling approximately 108,000 MT CO₂ e. This model was limited to Scope 1 (direct) and Scope 2 (indirect) emissions and did not include potential Scope 3 emissions (indirect emissions occurring in the company's value chain). We did not conduct an additional inventory for FY21 due to the widespread changes brought by COVID-19. The pandemic temporarily changed the way we work in some respects, and permanently in others. However, we remain committed to returning to annual measurement of our Scope 1 and Scope 2 emissions.