



Dunkin' Brands Guidelines for Sourcing Palm Oil – Updated November 2017

Introduction

Since moving toward a Zero Grams Trans Fat platform in 2008, the Dunkin' Brands system has been a relatively minor user of palm oil. We recognize, however, that sourcing even limited amounts of palm oil irresponsibly can contribute to climate change as a result of deforestation, loss of natural habitats for endangered species and other environmental and social concerns including the violation of human rights. Based on this, in 2014 we created guidelines to share our commitment to sourcing responsibly produced palm oil with our stakeholders, set forth clear requirements for our suppliers and guide our own decision-making regarding palm oil in our global supply chain.

Since the original release of our guidelines, new tools and standards have arisen, and other industry developments have taken place. To incorporate these as well as our own internal learnings, we have consulted with our suppliers and external stakeholders (including NGOs) to revise and release our 2017 updated Guidelines for Sourcing Palm Oil.

This palm oil policy applies to 100% of the palm oil sourced by Dunkin' Brands, Inc., including both 'direct' and 'indirect' purchases of palm oil, in our U.S. and international operations (see definitions section for full details). We are currently focusing our compliance efforts on direct palm oil purchases, e.g. palm oil contained in frying oils for donuts, which is the most material use of palm oil in our global supply chain. We will also investigate the materiality of indirect palm oil purchases, e.g. as a component of finished goods, in our business, in order to determine how Dunkin' Brands can contribute to sustainable palm oil in these supply chains.

Responsible Palm Oil Commitment

Dunkin' Brands supports and holds our suppliers and business partners accountable to our palm oil sourcing guidelines. We require that all suppliers source palm oil from operations that comply with the following principles (see definitions at the end of this document):

General requirements

- Comply with all local, national and international laws
- Ensure traceability of the material to the primary processing stage of the supply chain (origin mill)

No Deforestation

- No development of palm oil in High Carbon Stock forests (HCS);
- Protection of High Conservation Value areas (HCV); and
- No burning in preparation of land or in development

No Development on Peat

- No development on peat areas regardless of depth
- Follow "Best Management Practices" for existing plantations on Peat, according to the RSPO BMP guidelines

No Exploitation of People and Communities



- Respect and support the Universal Declaration of Human Rights
- Respect, recognize and uphold the rights of all workers, regardless of gender, including contract, temporary and migrant workers
- Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights via their own freely chosen representatives

Implementation and compliance verification

We are working closely with our suppliers and other stakeholders to implement our sustainable palm oil sourcing guidelines, and to ensure monitoring and verification of compliance with those guidelines. We will also work with our international business partners to implement our guidelines across our global business. Dunkin' Brands will disqualify any suppliers in serious violation of our policy, and which do not take immediate remedial action to correct those violations.

We recognize that some of these principles are a component of the Roundtable on Sustainable Palm Oil (RSPO) sustainability certification, while other safeguards contained in our guidelines (such as protection of all HCVs) may not be adequately assessed by the certification. For this reason, we will work with our suppliers to ensure all safeguards included in our policy are met, including those that may be additional to the minimum requirements of currently available certifications.

Targets, Progress, and Reporting

Dunkin' Brands has already completed the mapping of the direct palm oil purchasing in the U.S. and internationally, as well as a comprehensive baseline assessment of all direct suppliers which was completed in 2017.

Our priority will be for direct palm oil purchases (our most material impact), with a secondary priority on palm oil used as an ingredient in finished goods purchased by the Dunkin' Brands system.

- For direct palm oil purchases in the U.S.: we will source 100% sustainably certified materials by December 31, 2017, and work directly with suppliers on compliance with additional policy elements by December 2020.
- For direct palm oil purchases in other markets: we will mandate the use of 100% certified sustainable materials by December 2019, and work with our international partners and supply chain to implement additional policy elements by December 2020. In the interim, we will purchase equivalent Palm Credits for any markets not sourcing certified sustainable materials.

Dunkin' Brands will release progress reports annually in addition to our Corporate Social Responsibility report, which is published every two years.

Definitions

“Deforestation” is the conversion of primary or secondary natural forest into agricultural production areas, tree plantations, or other land uses. Sustainably managed selective logging of natural forests does not constitute deforestation. Likewise, de minimis forest conversion that has little ecological consequence is generally not considered as violating the principle of deforestation-free production and sourcing policies.



“High Carbon Stock (HCS) Approach” is a pragmatic land use planning tool which provides a methodology for implementing deforestation-free production in active concessions slated for development in tropical forest countries. The HCS approach can incorporate processes of Free, Prior and Informed Consent (FPIC) with the aims of respecting customary rights and meeting community needs while at the same time considering the company’s operational reality.

“High Conservation Values (HCVs)” are biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or global level. See <https://www.hcvnetwork.org>.

“Peatlands” are wetlands with a thick water-logged organic soil layer (peat) made up of dead and decaying plant material. Peatlands include moors, bogs, mires, peat swamp forests and permafrost tundra (Source: <http://www.wetlands.org/Whatarewetlands/Peatlands/tabid/2737/Default.aspx>).

“BMP for peat” as outlined in “RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat”. See http://www.rspo.org/file/RSPO_BMP_1_Update_24_April_2013_small.pdf

“Universal Declaration of Human Rights”, available at <http://www.un.org/en/documents/udhr/index.shtml>.

“Direct palm oil purchase” means the purchase of palm oil used as frying oil for donuts in U.S. and international operations.

“Indirect palm oil purchase” means the purchase of finished products that include palm oil, palm kernel oil, or palm oil/PKO derivatives, as an ingredient, in U.S. and international operations.