



# 2017-2018 Sustainability Report





# TABLE OF CONTENTS

- Welcome From Dave & Karen
- About Dunkin' Brands
- Materiality Assessment
- Progress & Goals
- Our Sustainability Journey
- Sustainable Food
  - Improving Menu Quality
  - Transparency & Labeling
  - Optionality
  - Our Commitment to Food Safety
  - Responsible Sourcing
- Sustainable Restaurants
  - Respectful Guest Experience
  - Information Security
  - Sustainable Packaging
  - Recycling & Waste
  - Sustainable Building
- Sustainable Communities
  - Energy & Climate
  - Water
  - Stakeholder Engagement
  - Our Employees
  - Diversity & Inclusion
  - Wellness at Dunkin' Brands
  - Training & Professional Development
  - Our Franchisees & Licensees
  - Joy In Childhood Foundation
  - Employee Giving & Volunteerism
  - Charitable Partnerships
- Governance & Ethics
  - Corporate Governance
  - Ethics & Compliance
  - Public Policy
- About This Report



## WELCOME FROM DAVE

At Dunkin' Brands, we like to say our customers, franchisees, employees, and suppliers all share a common "DNA": strong, smart, and kind.

It's these qualities that fuel our system and allow us to grow responsibly in character and in business. We recognize that our success is not our own, our achievements are the result of a wide reaching system to whom we are accountable. Our brands are built on the dedication of hardworking men and women who took risks and made sacrifices in search of something better – building their own businesses, employing those in their communities, and giving back to the people they serve. And that's what we're after, too: getting better.

We're eliminating one billion foam cups from the planet, introducing plant-based proteins and vegan options for greater choice, strengthening the sustainability of our coffee supply chain, and giving back to our communities through our Joy in Childhood Foundation. It is a tremendous honor to serve the millions of loyal customers who come through our doors every day, and to be represented by nearly 2,000 franchisee and licensee partners around the world.

But with that honor comes a significant obligation to do our part to get better in the areas that matter most. We are on a journey to transform our brands, and it is our commitment to get there in a way that is not only sustainable, but that is also strong, smart, and most importantly, kind.



Dave Hoffmann  
Chief Executive Officer, Dunkin' Brands



## WELCOME FROM KAREN

Dear Stakeholders,  
Welcome to Dunkin' Brands' 2017-2018 Sustainability Report. We are excited to share our sustainability progress over the past two years, as we and our franchisees strive to have a more positive impact on our customers, our communities, and the world around us.

Dunkin' and Baskin-Robbins are two brands in transformation, and over the past two years we have made tremendous strides with our efforts to drive positive, noticeable change for our customers. A critical part of our journey is taking bigger, bolder action to be more socially responsible in all the ways we operate. A greater commitment to our communities and our world is what customers expect from brands like ours – and what we demand of ourselves. The following pages highlight how we are stepping up to this commitment and strengthening our leadership in the area of responsible, sustainable growth.

We have organized our corporate responsibility efforts around three main pillars:

- Sustainable Food
- Sustainable Restaurants
- Sustainable Communities

Across each of these areas, we have put big stakes in the ground, pushed innovation, and designed solutions to help make

our aspirations a reality. Among our most recent progress, I want to call out some notable headlines:

### Sustainable Food

In the area of **coffee sustainability**, we continued taking leadership action – in partnership with our franchisees and vendor partners – to strengthen sustainable practices within our supply chain and help ensure the most responsible, ethical and beneficial growing and harvesting of the product at the heart of our business. These efforts include new partnerships with World Coffee Research and the Sustainable Coffee Challenge.

Around **menu improvement**, we took further steps to deliver greater options and more relevant choices for our guests. We successfully removed all artificial dyes from nearly all our products. And we built out our platform of better-for-you offerings, with an eye toward expanding our vegetarian and vegan options moving forward.

### Sustainable Restaurants

When it comes to **sustainable packaging**, we made a watershed commitment to replace all polystyrene cups used in our restaurants with a new double-walled paper cup by mid-2020. Our transition to paper cups will remove 1 billion foam cups from the waste stream annually. Ad-

ditionally, we have set a goal to remove all rigid-polystyrene lids in our system and transition to a recyclable polypropylene lid – with a projected 100% system conversion by mid-2020.

We also continued to improve the **environmental impact of our restaurants** through our DD Green Achievement™ program and the launch of the new next generation concept stores for both Dunkin' and Baskin-Robbins. The new concept store for Dunkin' is almost 30% more energy-efficient than our previous restaurant model. We currently have more than 340 DD Green Achievement restaurants in the U.S. with a goal to open a total of 500 by the end of 2020.

### Sustainable Communities

Our franchisees, crew members, employees and guests continued giving back to our communities through their support of our Joy in Childhood Foundation®. Over the past two years, we donated millions of dollars to help battle childhood hunger and illness. In addition, we launched new community-support initiatives, while thousands of our franchisees, crew members and employees carried on their tradition of volunteering in food banks across the country.



We have also remained **committed to our people** here at Dunkin' Brands and are focused on continuing to improve our culture so that employees feel empowered, valued and included. We made significant strides in strengthening the diversity of our workforce and are delighted that Dunkin' Brands was named one of the BEST Places to Work for LGBTQ Equality by the Corporate Equality Index. We will continue making improvements to ensure Dunkin' Brands remains an exceptional place to work!

You will find much more detail on these and many other initiatives in the pages that follow – all of which give you a true sense of the breadth and depth of our actions.

We are extremely proud of all we have accomplished and humbled in knowing that it truly takes a village. We could not have moved forward and accomplished all we did without the support and partnership of our franchisees, employees, vendors and our customers, who love our brand, want us to do good, and continuously push us to be a better corporate citizen every day. To all of you, we say thank you.

And as always at Dunkin' we're staying focused on what's next. This is an ongoing journey, and we realize we have much more that we need to accomplish. As you read our report, know that we are hard at work taking our next steps – driving our initiatives further, expanding into new areas,

and bringing more innovative solutions forward. Guided by our brand principles of stronger, smarter, kinder, we and our franchisees are committed to always doing what's right for our customers, employees, suppliers and the planet we all call home.

Thank you for taking the time and interest in our sustainability efforts. I welcome your feedback on this report by contacting [CSR@dunkinbrands.com](mailto:CSR@dunkinbrands.com).

Warm Regards,



Karen Raskopf  
Chief Communications & Sustainability  
Officer, Dunkin' Brands



## ABOUT DUNKIN' BRANDS

Dunkin' Brands Group, Inc. (NASDAQ: DNKN), headquartered in Canton, Massachusetts, is the parent company of two of the world's most known and loved brands: Dunkin'™ and Baskin-Robbins™. As one of the world's leading franchisors of quick service restaurants (QSR), we have more than 20,900 points of distribution in over 60 countries worldwide. In 2018, we reported \$11.6 billion in system-wide sales and company revenues of \$1.3 billion. Dunkin' Brands opened 440 and 392 net new restaurants globally in 2017 and 2018, respectively.

Our more than 20,900 restaurants globally are supported by our corporate entity as franchisor, however they are ultimately owned and operated by a network of nearly 2,000 independent business owners.

Dunkin' Brands owns two buildings in the U.S. – our corporate headquarters in Canton, Massachusetts and our learning facility in Braintree, Massachusetts. Our franchisees are independent business owners who own and operate their franchised restaurants. They license our brand for their companies and are solely responsible for all business decisions related to their restaurants, including operations, training, and employment, among various

other business matters. All of their companies have their own names, employees, operations, and leadership teams. In essence, since we are 100 percent franchised, the extent of Dunkin' Brands' influence is different than that of our competitors who own all or a greater portion of their restaurants. We work closely in partnership with our franchisees to make sure they continue to be the best representation of our brand and values.

### Dunkin' & Multi-Brand Restaurants\*

|   |
|---|
| 1,030 U.S. franchise owners                   |
| 54 international operators                    |
| 9,419 U.S. restaurants                        |
| 3,452 restaurants in 43 international markets |

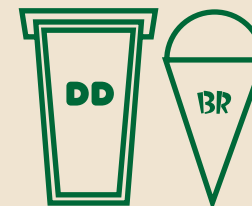
### Baskin-Robbins Restaurants\*

|   |
|---|
| 758 U.S. franchise owners                     |
| 135 international operators                   |
| 2,550 U.S. restaurants                        |
| 5,491 restaurants in 53 international markets |

\*All numbers as of the end of FY 2018

## Partners for a Better Tomorrow

*At Dunkin' Brands we are committed to providing our guests with great coffee and great food, fast, while still providing a great restaurant experience. Our three-pillar sustainability strategy is integrated into our business strategy.*



### SUSTAINABLE FOOD

*Taking pride in the food and beverages we serve.*



### SUSTAINABLE RESTAURANTS

*Respecting the greater environment we operate in.*



### SUSTAINABLE COMMUNITIES

*Honoring the people who power our brands.*

# MATERIALITY ASSESSMENT

The Global Reporting Initiative's (GRI) Principles for Defining Report Content serve as the basis of Dunkin' Brands, Inc.'s (DBI) materiality assessment process. To conduct the assessment, we relied on a combination of internal and external factors to assess relevant topics and their level of priority. The process identified topics that reflect the company's significant economic, environmental and social impacts – both positive and negative – and the influence these impacts have on stakeholder assessments and decisions. We also examined the issues that pose the greatest risk to DBI's business and/or present opportunities to advance sustainability.

DBI engaged an independent consultancy to help identify and prioritize its material issues.

There were four major steps in this process: sustainability context and identification of the material topics; stakeholder engagement and feedback; prioritization; and validation.

## STEP 1: SUSTAINABILITY CONTEXT & IDENTIFICATION

To set the broader context, and identify potential issues, we reviewed a wide range of internal and external sources and inputs, including company financial and sustainability reports, business plans, brand positioning and enterprise risk assessments; key organizational values, policies, strategies, goals and targets; internal sustainability documents, including strategies and previous materiality findings; shareholder inquiries and resolutions; media audit reports; influencer and expert communications; investor and reputational indices; industry and corporate peer sustainability reports, announcements and commitments; sustainability frameworks and reporting standards; regulation, proposed legislation and policy trends; industry association reports; and consumer and societal trend reports.

To determine the potential material topics, each issue was analyzed through the following criteria:

- Does the issue have a significant impact on people, society and/or the environment, and what is the impact?
- Does the topic present a business risk or impact that could harm the company's reputation or impact performance?
- Is this topic a top concern for stakeholders – such as investors, consumers, employees, franchise owners, NGOs/influencers or policymakers – as evidenced by feedback, media trends, reports, pending legislation, campaigns/NGO actions, etc.?
- Is this topic an existing priority for DBI, or was it considered material in the past?
- Does the issue present an opportunity, such as a new or improved product, increased revenues, cost savings, reputational benefits or enhanced relationships with stakeholders?
- Is there existing or pending regulation related to the topic? How are relevant legislators thinking about this topic?
- Does the company have control or influence over this topic?
- Is the topic considered material by rating, ranking or reporting agencies?
- Is the topic material to industry peers and/or do they report on it?
- Is the issue growing in relevance or likely to have significance in the future?

The result was the identification of 30 potential issues that fell into 6 categories.

### STEP 2: STAKEHOLDER ENGAGEMENT & FEEDBACK

The findings of the first phase informed interviews with 15 internal subject matter experts and senior leaders in the company. Discussions covered feedback on prioritization of material issues; trends, considerations of operational realities influencing sustainability priorities; guest, investor and other stakeholder feedback; potential areas of risk and impact for the company; and emerging issues on the horizon.

In addition, DBI engaged six external stakeholders covering the topics of sustainable coffee, sustainable agriculture, packaging and food waste. Through these conversations, we asked for input on the most salient issues the company should be prioritizing, stakeholder expectations regarding these issues and opportunities for the company to advance or evolve its sustainability agenda.

Lastly, we conducted a survey with franchise owners for both Dunkin' and Baskin Robbins. The survey was sent to our entire franchise system. The survey asked respondents to evaluate the importance of each potential issue on a six-point scale – from “not relevant” to “very important to their business.”

### STEP 3: PRIORITIZATION

After input from both internal and external stakeholders, including franchise owners, our list of potential issues was trimmed to 15 material issues including five that were deemed “critical”, five “high priority” and five “priority,” as detailed in the chart below. This prioritization was informed by the research and stakeholder inputs described above, and evaluated against four key criteria:

- The issue’s level of positive and negative economic, environmental and social impacts
- The issue’s influence on stakeholder assessments and decisions
- The issue’s potential risk to DBI’s business
- The issue’s potential opportunity to advance sustainability

### STEP 4: VALIDATION

As a last step, the findings of the materiality assessment and prioritization rankings were vetted internally among senior leaders and subject matter experts to ensure the identified issues were material, prioritized correctly and appropriately defined.

This process helps to fuel and inform our sustainability strategy. Upon completion of the materiality assessment, our leadership team and subject matter experts convene to ensure our strategy is aligned with our key material issues.

### DUNKIN' BRANDS MATERIAL ISSUES

| DUNKIN' BRANDS MATERIAL ISSUES  |   |  |
|---|---|--|
| CRITICAL  | HIGH PRIORITY   | PRIORITY   |
| <ul style="list-style-type: none"> <li>• Food safety</li> <li>• Respectful guest experience</li> <li>• Franchisee relationship</li> <li>• Product quality</li> <li>• Data security and privacy</li> </ul> | <ul style="list-style-type: none"> <li>• Sustainable agriculture</li> <li>• Packaging</li> <li>• Diversity &amp; inclusion</li> <li>• Responsible sourcing</li> <li>• Energy &amp; water</li> </ul> | <ul style="list-style-type: none"> <li>• Transparency &amp; labeling</li> <li>• Animal welfare</li> <li>• Community Investment</li> <li>• Optionality<sup>1</sup></li> <li>• Food waste</li> </ul> |



## 2016 GOALS: PROGRESS OVERVIEW

| GOAL  | PROGRESS  | MORE DETAIL |
|---|---|-------------|
| <b>SUSTAINABLE FOOD</b>   |   |             |
| Remove artificial dyes from the Dunkin' and Baskin-Robbins U.S. menus by December 31, 2018.   | Dunkin' and Baskin-Robbins have successfully eliminated artificial dyes from key categories on their menu.  | p. 12       |
| Source 100% Rainforest Alliance Certified™ Dark Roast Coffee by the end of 2018.  | Our Dunkin' brand currently offers 30% Rainforest Alliance Certified™ Dark Roast Coffee. We continue to work with the Rainforest Alliance to bolster the supply chain to enable us to increase our certified Dark Roast.  | p. 16       |
| Review and update our Guidelines for Sourcing Palm Oil for 2017, including setting clear policy compliance dates for our global business operations by the end of 2017. | We updated our Guidelines for Sourcing Palm Oil in November 2017 with feedback from our suppliers, internal and external stakeholders. In addition, we've set compliance dates for our global business operations. The updated guidelines can be found <a href="#">here</a> . | p. 17       |
| Source 100% sustainably certified materials for direct palm oil purchases in U.S. by Dec. 31, 2017.   | 100% of the inputs for direct palm oil purchased through NDGP were claimed as RSPO certified, but only 82% were validated as certified. We continue to work with RSPO to meet our goal.   | p. 17       |
| <b>SUSTAINABLE RESTAURANTS</b>  |   |             |
| Update our standard restaurant prototype for new restaurants to include new sustainability features by the end of 2018.   | In January 2018, we revealed our new Next Generation concept store in Quincy, MA that offered the first look at our U.S. store of the future.   | p. 25       |
| Open 500 DD Green Achievement™ restaurants by the end of 2020.  | We are on track to meeting this goal; as of May 2019 we have over 340 DD Green Achievement™ restaurants.  | p. 26       |

| GOAL   | PROGRESS   | MORE DETAIL |
|--|--|-------------|
| <b>SUSTAINABLE COMMUNITIES</b>   |  |             |
| For our corporate facilities, we are committed to reduce energy use per square foot by 28%, compared to a 2013 baseline, by the end of 2020; and 30% by the end of 2025. | As of 2018, we met our 2020 corporate facilities goal and reduced energy use per square foot by 28.6%. We understand that energy usage fluctuates and thus we must remain diligent in our energy management processes to continue to reduce consumption. | p. 28       |
| For our corporate fleet, we are committed to increase fleet fuel efficiency by 9%, compared to a 2013 baseline by the end of 2020; and 13% by the end of 2025.           | As of 2017, we met our 2025 corporate fleet goal and increased fleet fuel efficiency by 13%.   | p. 29       |
| Map water use for our corporate facilities for 2017 and 2018 and design water reduction strategies to implement by the end of 2020.                                      | We mapped the water usage for our corporate facilities and have begun implementing new water reduction strategies.   | p. 31       |
| Achieve a 3% improvement in overall employee satisfaction in our next corporate employee engagement survey in 2018.  | In 2018 we introduced a new cloud-based, mobile-enabled engagement tool that updates in real-time, allowing for a more user-friendly experience. We have seen significant improvement in employee engagement levels since implementation.                | p. 35       |
| Launch company-wide unconscious bias training in 2018.   | This mandatory training was completed through an E-learning format for all employees. This training supplements additional training for Directors and Vice Presidents, which was introduced the previous year.   | p. 38       |



## 2018 GOALS

### DUNKIN' BRANDS 2018 SUSTAINABILITY REPORT GOALS

#### SUSTAINABLE FOOD

Commit to 100% compliance for sustainable, traceable, and no deforestation impact palm oil in donut fry oil across our global operations by 2025.

Engage with RSPO on new supply chain certification model for franchise business and establish action plan for next steps by the end of 2020.

Map our global coffee supply chain by the end of 2020.

Expand our vegetarian and vegan offerings on both DD/BR menus by 2020.

#### SUSTAINABLE RESTAURANTS

Increase the recyclability of our hot cup lids and transition our system to a polypropylene lid by mid-2020.

Through our DD Green Achievement™ program we will reduce energy consumption in our U.S. DD locations by 20% by 2025.

#### SUSTAINABLE COMMUNITIES

Double our single-stream recycling rates at our corporate headquarters by the end of 2020.

Increase engagement with international licensees on sustainability issues.

# OUR SUSTAINABILITY JOURNEY

## Increased Transparency

1997

One of the 1st QSRs to list nutrition, ingredient, and allergen info online

- 2009 Made allergen information available in all restaurants/shops
- 2011 Published our first Corporate Social Responsibility report
- 2016 Nutrition, ingredient, & allergen information on mobile app  
Calories displayed on menu boards nationally for both brands

## Better-for-you Menu Items

2008

Introduced the Dunkin' DDSMART® menu featuring our egg white veggie breakfast sandwich & iced tea

- 2009 Launched Baskin-Robbins BRight Choices® menu, featuring reduced fat, no sugar added and light ice cream flavors, as well as frozen yogurt and sorbet
- 2014 Introduced almond milk at Dunkin' restaurants
- 2018 Reduced sodium 12% across the Dunkin' menu from 2012-2018

## Better Ingredients

2007

Formed our Nutrition Advisory Board for input on brand menus; Dunkin' became the first major QSR to introduce a zero gram artificial trans-fat donut

- 2018 Removed artificial dyes from key categories on both the Dunkin' and Baskin-Robbins menu

## Sustainable Communities

2006

Launched the Dunkin' and Baskin-Robbins Community Foundation, now the Joy in Childhood Foundation

- 2018 The Joy in Childhood Foundation announced a national in-residence facility dog program for children's hospitals, "Dogs for Joy."

## Responsible Sourcing

2014

Launched 30% Rainforest Alliance Certified™ Dark Roast Blend

- 2014 Introduced Rainforest Alliance Certified™ Iced Green Tea  
Published our Guidelines for Sourcing Palm Oil
- 2016 Began offering 100% Rainforest Alliance Certified™ espresso
- 2017 All BR milk suppliers required to participate in F.A.R.M
- 2018 Dunkin' announces partnership with the NDCCP and World Coffee Research in support of coffee sustainability efforts  
Dunkin' joins the Sustainable Coffee Challenge

## Sustainable Building

2014

Launched DD Green Achievement™, our sustainable restaurant program

## Animal Welfare

2018

All of our sourced chicken is raised with no antibiotics ever

## Sustainable Packaging

2016

Published our Sustainable Pulp and Paper Policy

- 2018 Moved to certified paperboard, reflected in our paper policy

## Work in Progress

Eliminate all polystyrene foam cups from global supply chain by 2020

Donuts fried in 100% sustainably sourced palm oil

Cage-free eggs by 2025

Gestation crate-free pork by 2022



[A NOTE FROM  
LEADERSHIP](#)

[ABOUT DUNKIN'  
BRANDS](#)

[MATERIALITY](#)

[PROGRESS  
& GOALS](#)

[SUSTAINABLE  
FOOD](#)

[SUSTAINABLE  
RESTAURANTS](#)

[SUSTAINABLE  
COMMUNITIES](#)

[GOVERNANCE  
& ETHICS](#)

[ABOUT  
THIS REPORT](#)

# SUSTAINABLE FOOD

Coffee producing region  
of Northern Peru

## IMPROVING MENU QUALITY

At Dunkin' Brands, we strive to offer Dunkin' and Baskin-Robbins guests high-quality menu items. To do so, we understand the need to continuously improve our menu ingredients and items to better suit the needs of our guests. In 2018 we launched a new handcrafted line of espresso drinks. Using our 100% Rainforest Alliance Certified™ espresso, new state-of-the-art equipment for optimal bean extraction, and a new recipe for a stronger and more robust flavor profile, we now offer our guests a high-quality espresso experience, at a great value, fast.

As part of our ongoing efforts to offer our guests great tasting, high-quality products, and cleaner menu labels, both Dunkin' and Baskin-Robbins have eliminated artificial dyes from key categories on their menu. Dunkin' has successfully removed artificial dyes from donuts, baked goods, breakfast sandwiches, coffee flavorings and nearly all frozen beverages. We continue to work with our suppliers to identify a solution for Blue Raspberry COOLATTA®. Additionally, Baskin-Robbins has removed artificial dyes from its ice cream sold at both its restaurants and in quarts and pints at retail locations as well as from its syrups, sauces, and beverages, including Cappuccino Blast®. The exception for both brands' menus include select supplier-branded ingredients produced by other companies and used as topping, ice cream inclusions and decorative elements. We continue

to partner with suppliers to find replacements for ice cream cake decorations.

To further our commitment to offer our guests better-for-you menu items and ingredients, in 2017 we removed artificial flavors from cream cheese spreads on the Dunkin' U.S. menu. We continue to develop our menu items and from 2012 to 2018 we reduced sodium by 12% across the Dunkin' menu by removing some items and reformulating others. We are proud of this achievement but continue to explore opportunities to further reduce sodium across our entire menu. Throughout 2019 we will be introducing additional delicious, better-for-you menu items. We are committed to making it easy for our guests to make the choices that are right for them while eating on the run.

## TRANSPARENCY & LABELING

We believe it is important to provide clear, simple nutrition and ingredient information on menus and labels. Our guests deserve to know the nutritional content of the food and beverages they consume from both our brands. All of our ingredient information is available on the Dunkin' and Baskin-Robbins websites. Our guests have the ability to easily see the caloric content of our food and beverages at the point of purchase in restaurant or on mobile apps. In addition, our Guest Support team members are trained to respond to all nutrition-related inquiries.

## Better-for-You

*At the beginning of 2019, Dunkin' introduced the Power Breakfast Sandwich. This new, better-for-you sandwich features an egg white omelet with spinach, peppers and onions, topped with turkey sausage and American cheese, served on thin, seeded multigrain sandwich bread. At 370 calories, this sandwich has 8 whole grains, 24g of protein and no artificial flavors or dyes and no high fructose corn syrup.*





## OPTIONALITY<sup>2</sup>

At Dunkin' Brands, we are constantly evaluating our menu in order to meet the needs of our guests. We strive to offer a variety of menu options that meet a wider array of health and wellness concerns.

From better-for-you to vegan and plant-based options, our goal is to serve and provide all guests with options no matter their dietary preference. Providing choice is a key element of our menu innovation at Dunkin' Brands, and so we have made a commitment to expand our vegetarian and vegan offerings on both the Dunkin' and

Baskin-Robbins menus by 2020. In 2019, we will be testing a MorningStar Farms® breakfast sandwich as a meat-free alternative in select U.S. markets. Additionally, we will be launching two non-dairy and vegan<sup>3</sup> frozen desserts at Baskin-Robbins in August 2019. Our guests will be able to go into their local Baskin-Robbins to try our Non-Dairy Chocolate Extreme, a chocolate flavored non-dairy and vegan dessert with chocolate chunks and a chocolate ribbon, or Non-Dairy Chocolate Chip Cookie Dough, a cookie-flavored non-dairy and vegan dessert with cookie pieces, choco-

late chunks, and a chocolate ribbon. In November 2019 we will be launching a third non-dairy flavor. Our R&D and Culinary teams continue to innovate in this space, and we are thrilled to be able to offer our guests increased options.

## OUR COMMITMENT TO FOOD SAFETY

Food safety continues to be a top priority at Dunkin' Brands. In order to minimize food safety risks in our Dunkin' restaurants, Baskin-Robbins shops, and Central Manufacturing Locations (CMLs), we continuously work with our suppliers, manufacturing facilities, franchisees, licensees, and their employees to evaluate our protocols and processes. We are constantly evolving our food safety systems to best protect our franchisees, guests, and business. All of our domestic suppliers are audited under Global Food Safety Initiative (GFSI) standards and assessed annually by our Quality Assurance team. All suppliers are monitored against key performance metrics to identify areas of opportunity and specification refinement.

Our franchisees must meet rigorous food safety standards as defined in our Food Safety systems, and are required to conduct monthly food safety self-assessments to review the effectiveness of their food safety practices and adherence to our Cleaning and Sanitation and Pest Management Brand Standards.



In 2018, our Manufacturing team joined our Operating Systems and Restaurant Excellence team to better support the safe operation of CMLs and ensure more direct oversight by our Food Safety team. Our Operations, Manufacturing, Food Safety, and third-party food safety support teams also evaluate restaurant-level food safety during restaurant assessments.

In response to the Food and Drug Administration's Model Food Code Update at the end of 2017, our Food Safety team took on a comprehensive review of our food safety system in 2018. This review was conducted to ensure that our Brand Standards not only meet or exceed the Food and Drug Administration's Model Food Code, but also integrate manufacturing facilities into a single comprehensive food safety system covering all areas of our business.

Additionally, in keeping with new industry best-practice food safety standards, in 2017 and 2018, we made several key improvements to our systems including the following:

- Updated our Crisis Recovery resources for field teams to use in the moment of crisis situations.
- Initiated a Boil Water Recovery project to allow Franchisees to continue to safely operate in situations where they do not have potable water.

- Produced a series of Food Safety educational videos that were presented to Franchisees across the country.
- Created several resources to support our Pest Management Program including a simplified "Standards at a Glance" document and training course to make it easier for franchisees & their pest management providers to meet standards.
- Continued improvement of the Food Safety Review enabling alignment with the Food Safety System.
- Created Food Safety Review for CML locations.
- Conducted Food Safety calibration exercises with every Operations Manager and added Food Safety calibration as a required onboarding element for all new Operations employees.
- Approved new thermometers to increase crew efficiency and enable Bluetooth connectivity to Digital Temperature Management systems.
- Initiated Request for Proposal processes for both Pest Management and Cleaning and Sanitation programs to ensure franchisees are receiving best in class service.

We also made numerous improvements to our international food safety systems, including:

- Introduced new standards and requirements for Licensees that handle raw produce.
- Certified 100% of international ice cream suppliers to a Global Food Safety Initiative (GFSI) benchmarked standard and audited annually by the DBI Quality Assurance team.
- Dunkin' and Baskin-Robbins local suppliers to our international licensees have registered with DBI Quality Assurance on the NSF TraQtion Portal, and suppliers of ready to eat foods have provided GFSI certification, or satisfactory 3rd party audits.
- All Dunkin' CMLs are audited by DBI Quality Assurance and NSF International against DBI's strict food safety standards and requirements.





## RESPONSIBLE SOURCING

Dunkin' and Baskin-Robbins source a wide variety of ingredients that contribute to the products that our guests know and love. Along with our franchisee-owned procurement and distribution cooperative, National DCP, LLC (NDCP) and our franchisee partners, we work to ensure that all ingredients sourced for our two brands are responsibly sourced.



## COFFEE

Coffee is at the heart of our business, and we recognize the need to do more in this space in order to continue to serve our guests the quality cup of coffee they know and love. We continue to work with our partners at the Rainforest Alliance to increase the amount of certified coffee in our portfolio, and since our last report we have announced new partnerships with World Coffee Research and the Sustainable Coffee Challenge to further enhance our commitment to responsible sourcing. In select international markets we also offer 100% Fair Trade Certified™ espresso.

In our last report we noted that we would be publishing responsible sourcing policies for coffee and cocoa, and in 2017, we partnered with Sancroft, an expert international consultancy, to help us develop our responsible sourcing policy for coffee. Our policy includes standards for transparency, legal compliance, human rights and labor, community engagement, greenhouse gas emissions, conservation of natural biodiversity and ecosystems, water and soil management and chemical use. We have circulated our policy to our roasters and are in the process of finalizing an implementation plan for the remaining areas of

our supply chain. Once we have vetted our coffee policy by third-party subject matter experts, we will continue our policy work for cocoa. Lastly, we have started to map our global coffee supply chain for completion by the end of 2020. This work will help us better understand our coffee footprint, and inform our strategy and decision-making moving forward.

### Ingredients most sourced for the Dunkin' U.S. menu

- Wheat
- Coffee
- Sugar
- Oils
- Eggs
- Cocoa
- Cream
- Orange juice

### Ingredients most sourced for the Baskin-Robbins U.S. menu

- Bulk cream
- Liquid sugar
- Strawberries
- Cocoa
- Chocolate chips
- Pecans
- Almonds

*“We have a responsibility to protect the commodities we source, and the farmers and producers whose livelihoods depend upon them. We have to think beyond our cup of coffee...beyond our cup of ice cream.”*

*- Karen Raskopf, Chief Communications and Sustainability Officer*



## STRATEGIC PARTNERSHIPS

### RAINFOREST ALLIANCE

Dunkin' Brands has been working with the Rainforest Alliance since 2010 and has donated more than \$400,000 to Rainforest projects aimed at supporting sustainable coffee and tea farms throughout the world. These farms and forests are managed according to rigorous environmental, social, and economic criteria designed to conserve wildlife; safeguard soils and waterways; protect workers, their local communities; and increase livelihoods.

Most recently, the Rainforest Alliance used these funds for a project to protect water sources of smallholder coffee producers in Peru. The project work focuses on scaling up the most effective and affordable water treatment systems and provides a greater focus on water quality and availability due to rising deforestation and resulting water scarcity, in response to the expansion of the coffee producing region in Northern Peru. The project incorporates at least three coffee providers who participate in Dunkin' Brands' supply chain.

Over the past two years we have made tremendous progress on this project, including:

- Creating a watershed working group at municipality level.
- Training 400 families on efficient water management practices aligned with the 2017 Sustainable Agriculture Standard (SAS).

- Supporting the municipality in the development of public policies on watershed management and advocating its implementation through the reforestation of the high regions of the watershed.
- Training 300 families in three communities on best water quality management and sanitation practices following the 201 SAS.
- Providing a presentation to more than 100 producers about the benefits of central mills and the use of ecological depulpers to reduce the use and contamination of water.

Currently in the U.S. and in select international markets, the Dunkin' brand offers 100% Rainforest Alliance Certified™ espresso, and 30% Rainforest Alliance Certified™ Dark Roast Coffee. In our last report we set a goal to source 100% Rainforest Alliance Certified™ Dark Roast by 2018 and we will continue to work with the Rainforest Alliance to strengthen the supply chain to enable us to increase our certified Dark Roast.



## WORLD COFFEE RESEARCH

In September 2018, Dunkin' and National DCP (NDCP), announced a five-year agreement with World Coffee Research (WCR), a nonprofit collaborative research and development program of the global coffee industry, to boost coffee sustainability. A percentage of sales from every pound of Original Blend coffee beans sold to Dunkin' franchisees for use in Dunkin' restaurants will now go to WCR in support of coffee sustainability efforts. We will be working with WCR on metrics surrounding greenhouse gas emissions, protection and conservation of natural biodiversity and ecosystems, soil management, and chemical use and plant health. We will be reporting annually on their efforts in these areas.

## SUSTAINABLE COFFEE CHALLENGE

To help protect the coffee our customers love, Dunkin' joined the Sustainable Coffee Challenge ([SCC](#)), a collaborative effort among companies, governments, NGOs, research institutions, and others dedicated to making coffee the world's first fully sustainable agricultural product. Together with the SCC, Dunkin' will work to find solutions designed to ensure coffee sustainability for Dunkin' and for the industry. Our [participation](#) in the SCC builds on our initiative with World Coffee Research mentioned above.

## PALM OIL

In 2014, we created guidelines for sourcing our palm oil and in December 2017, we issued revised [Guidelines for Sourcing Palm Oil](#). These guidelines reinforce our commitment to sourcing responsibly produced palm oil with our stakeholders, set forth clear requirements for our suppliers, and guide our palm oil strategy moving forward. In 2017, we became members of the Roundtable on Sustainable Palm Oil (RSPO) with the goal of reporting our sustainably certified palm oil volumes publicly as part of our policy reporting process. In 2017, we helped found the North American Sustainable Palm Oil Network (NASPON) to bring together associations, consumer goods manufacturers, retailers, and palm oil traders and producers committed to increasing the use of certified sustainable palm oil and certified sustainable palm kernel oil (CSPO) in North America, with the goal of continuing progress toward 100% CSPO globally. As part of our policy, we have provided frequent updates on our progress toward achieving our target goals, most recently in [December 2018](#).

Since 2016, we have partnered with the Rainforest Alliance to assess our progress towards meeting our palm oil commitments. We survey our suppliers annually in order to verify compliance with our pol-

icy on direct purchases of palm oil. The surveys are then reviewed and validated by Rainforest Alliance for accuracy. In 2018, we explored the feasibility of sourcing 100% sustainably certified palm oil in the U.S. for our indirect purchases and completed a training program to engage and educate our international licensees on the importance of responsible palm oil sourcing and to empower them to develop their own guidelines. Our work with the Rainforest Alliance helps to inform the status of our suppliers' conformance with our policy, identify compliance gaps, and identify an action plan for continuous improvement.

In 2017, 82% of palm oil purchased through the NDCP was certified/sustainably sourced vs. 41% in 2016. 100% of the inputs for direct palm oil purchased through NDCP were claimed as RSPO certified, but only 82% were validated as certified. In addition, we've instructed our international licensees to identify a representative to oversee compliance with our palm oil guidelines and policies, and develop palm oil sourcing guidelines and an action plan for implementation in 2019.

In 2019, we will continue monitoring our U.S. Suppliers to ensure they are in compliance with our policies and licensee implementation of action plans for palm oil



sourcing through work with the Rainforest Alliance. To strengthen our policy targets we will be committing to 100% compliance for sustainable, traceable, and no deforestation impact palm oil in donut fry oil across our global operations by 2025. As such, we will be engaging with RSPO on their new supply chain certification model for franchise business and establishing an action plan for next steps by the end of 2020.

## ANIMAL WELFARE

At Dunkin' Brands, we recognize that animal welfare is an important part of a safe and sustainable food supply chain. We care about the way animals are raised and treated and in 2012, we created our [Animal Welfare Policy](#) to share our animal welfare commitments with our stakeholders, set forth clear expectations for our suppliers and inform our decision-making regarding animal products in our U.S. supply chain. We recently updated our policy in July 2017 to reflect our new commitments. In addition, we are actively engaged with NGOs such as the Humane Society of the United States (HSUS) and Compassion in World Farming (CIWF) to better understand expectations within our industry. We continue to work with our suppliers to evaluate the industry's capacity to meet our commitments and targets. In 2015, we announced a commitment to source 100%

of the eggs for the Dunkin' U.S. menu from cage-free sources by 2025. We currently source 10% of the eggs for our U.S. breakfast sandwiches from cage-free sources. We are still finalizing our plan for implementation across our full menu while continuing to find ways to increase our percentage annually.

In 2015, we also committed to source gestation crate-free pork by the end of 2022. We issued our first [progress report](#) in December 2018. Since we announced our commitment, we have been working with our U.S. based suppliers to track industry efforts as well as progress within our own supply chain. In January and September 2018, we surveyed our suppliers to better understand their capabilities and progress towards meeting our established target. Though our suppliers have confirmed their ability to meet our commitment, our supply has not been segregated yet. Therefore we are unable to provide a percentage at this time. In 2019, we will continue ongoing conversations with our suppliers toward our 2022 goal, develop a strategy and implementation plan and continue working with the National Pork Board to understand industry capabilities and trends. Our next progress report will be published by the end of 2020.

As of December 2018, 100% of the chicken offered in Dunkin' restaurants has been raised antibiotic-free following the USDA guidelines for No Antibiotics Ever. We continue to engage with NGOs and other organizations on antibiotics in other animal proteins as per our policy.

We are committed to improving welfare conditions for broiler chickens and in 2016, we set a goal to ensure that by 2024, we will only source humanely processed chickens certified by Global Animal Partnership (GAP) to a minimum of GAP level 1 standards. We have ongoing discussions with our suppliers to ensure we will meet our target.

Finally, in 2017, we required all of our U.S. Baskin-Robbins' milk suppliers to participate in Farmers Assuring Responsible Management (F.A.R.M). F.A.R.M. is a nationwide program that reflects the commitment of U.S. dairy farmers to providing a high level of animal care and quality assurance. Baskin-Robbins was one of the first ice cream brands to set goals around GHG emissions, waste reduction, sustainable packaging and responsible sourcing. In addition, our farmers pledge not to use artificial growth hormones in our cream and milk.



A NOTE FROM  
LEADERSHIP

ABOUT DUNKIN'  
BRANDS

MATERIALITY

PROGRESS  
& GOALS

SUSTAINABLE  
FOOD

SUSTAINABLE  
RESTAURANTS

SUSTAINABLE  
COMMUNITIES

GOVERNANCE  
& ETHICS

ABOUT  
THIS REPORT



# SUSTAINABLE RESTAURANTS

## RESPECTFUL GUEST EXPERIENCE

At Dunkin' Brands we want to provide guests with a welcoming environment whenever they visit any Dunkin' or Baskin-Robbins location. We work with our franchisees and licensees to ensure employees and crewmembers are trained and sensitive to a wide variety of customer needs.

Along with our franchisees, we strive to ensure that guests at any Dunkin' or Baskin-Robbins have a restaurant experience that exceeds their expectations. To let us know about their experiences customers can contact our Guest Support team, which is available via phone from 7:00am to 7:00pm EST Monday through Friday. Additionally, the team monitors emails and social media for all guest inquiries 7 days a week, 365 days a year. We welcome all feedback as it helps us improve our brands and support our franchisees.

## INFORMATION SECURITY

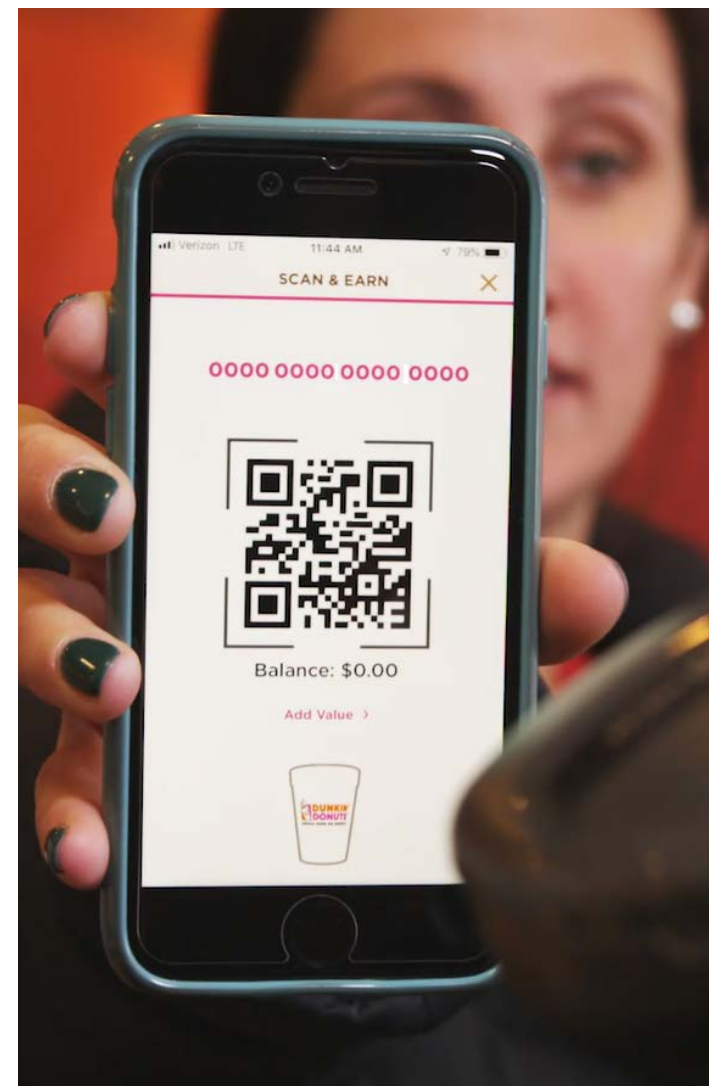
We understand the importance of protecting our guests' personal data. We have a dedicated team tasked with preserving information security across all our systems. This team is also responsible for implementing new security controls in our corporate platforms, U.S. restaurants, websites, and mobile applications. In addition, this team provides information security

best practices and guidelines to our International licensees and franchisees. We recognize that all companies are vulnerable to data breaches and so we are constantly evaluating and improving our systems in order to stay ahead of any potential risks or threats.

Throughout 2017 and 2018 we continued to implement new security measures to improve the security posture of our guests, franchisees and employees, including, but not limited to:

- Successfully deploying several security enhancements to our Dunkin' and Baskin-Robbins Store Network infrastructure and Point-Of Sale systems in the U.S. to improve the security posture of our restaurants.
- Successfully implementing several security controls to our Dunkin' and Baskin-Robbins Mobile Applications and websites in the U.S.
- Successfully deploying payment terminals in all U.S. stores so that stores are now able to accept all forms of contactless payment as well as secure the transactions.
- Continuing to strengthen our processes to improve security across all systems in our international markets as well as provide security guidance and best practices to licensees.

- Conducting frequent security audits of our stores, e-commerce applications and corporate systems to ensure safeguards are operating effectively.
- Introduced a new international mobile app policy for franchisees, licensees, joint-ventures, and their third-party vendors to help reduce risk as they venture into digital platforms.





## SUSTAINABLE PACKAGING

At Dunkin' Brands we are continuously evaluating our packaging, looking for ways to improve it and better serve the interests of our planet, our guests and our business. We proactively work with our suppliers to identify opportunities to increase the sustainability of our packaging. This includes decreasing the amount of packaging in our system, and increasing options that are recyclable, compostable, or biodegradable. Currently, 30% of our packaging is made with recycled content; 35% is compostable; and 30% is biodegradable. In the US, 86% of our packaging SKUs are either made from renewable resources, recyclable and/or made from certified materials.



## WHAT WE SOURCE

Dunkin' and Baskin-Robbins source a wide variety of materials that contribute to our packaging, and we work with our franchisee-owned procurement and distribution cooperative, National DCP, LLC (NDCP) to ensure our packaging materials are responsibly sourced.

### Materials most sourced for Dunkin' Packaging in the U.S.

- Paper
- Plastic resin
- Paperboard
- Recycled paper
- Polypropylene
- Polystyrene
- PET plastic

### Materials most sourced for Baskin-Robbins Packaging in the U.S.

- Plastic resin
- Polypropylene
- Paper
- Paperboard
- Recycled Paper
- PET plastic
- Polystyrene

## *Reuse, Reuse, Reuse*

*Since 2013, we have distributed over 6 million reusable mugs to Dunkin' guests. Over the past two years, we served nearly 31.6 million beverages to our guests in reusable mugs.*





## DUNKIN' DOUBLE-WALLED PAPER CUP REPLACES FOAM

In early 2018, as part of our commitment to serve both the planet and people responsibly, we announced plans to eliminate all polystyrene foam cups in our global supply chain with a targeted completion date of 2020.

In Dunkin' U.S. restaurants, we will replace the foam cup with a new double-walled paper cup. The double-walled paper cup is made with paperboard certified to the Sustainable Forestry Initiative Standard and will feature the current re-closable lid that our customers know and love. This new cup will come in four sizes, and will be used for all of our hot beverages. With heat retention properties that are equal to our foam cup, the new double-walled paper cup will keep beverages hot while keeping hands cool, eliminating the need for a sleeve.

We began rolling out the new cup in spring 2018 and are on track to meet our commitment. We are projected to have over 70% of our U.S. system converted to the new cup by the end of 2019. The majority of Dunkin's international markets are currently using paper cups, and we will work with our franchisees/licensees to eliminate any remaining foam cups by our 2020 goal. Our elimination of foam is expected to remove approximately 1 billion foam cups annually from the waste stream.



*“Transitioning from our foam cup to our new double-walled paper cup is a significant milestone for Dunkin’. As a leading retailer we have a responsibility to continue to increase the sustainability of our packaging while still meeting the needs of our guests.”*

*- Scott Murphy, Chief Operating Officer,  
Dunkin' U.S.*



■ Converted  
 ■ By Q4 2019  
 ■ By Q1 2020  
 ■ No Dunkin' presence

\*Conversion dates are subject to supplier production capacity meeting rollout timing.

23

## INCREASING THE RECYCLABILITY OF OUR LID

As part of our efforts to offer more sustainable packaging to our guests, we recently conducted a successful test for a new hot coffee cup lid that is fully recyclable. The new lid is made of #5 polypropylene and can be recycled in cities and towns that offer #5 recycling. We have started to transition our system and are projected to have 100% of our system converted by the middle of 2020. This new lid has the same features our guests love, and pairs nicely with our new double-walled paper cup. This transition, along with our move to the double-walled paper cup, will remove 19 million pounds of polystyrene from the waste stream annually.

## EFFORTS TO REDUCE PLASTIC

At Dunkin' Brands we have a cross-functional packaging team that works to reduce the impact of our packaging. Not only do they explore innovative sustainable packaging solutions, but they are also tasked with reducing the amount of material in our packaging.

For plastic, increasing the recyclability and reducing our consumption is a top priority. We remain committed to finding a long-term sustainable alternative to our single-use plastic packaging, including straws that meets our guests' expectations and reduces environmental impacts.

Our packaging team will continue to evaluate and test all available alternatives until we believe we have found the optimal solution based on performance, quality, commercial viability, environmental impacts and cost. As we convert our hot cups from foam to paper, we are working with leading cup manufacturers on ways to improve the environmental attributes of our paper cups. We are exploring ways to improve the cup lining to increase recyclability, add recycled material to the paperboard, and any other new materials that might be in development.

Not only are we working with our suppliers, we are working with domestic and international municipalities to monitor the global recycling system for infrastructure changes. We continue to work with organizations like the Foodservice Packaging Institute to better understand what products are acceptable at each given Materials Recovery Facility (MRF) and make well-informed packaging decisions.

## PULP AND PAPER

In 2016, we published our [Sustainable Pulp & Paper Policy](#). Since 2016, we have communicated this policy to all NDCP packaging suppliers and approved distributors. Our commitments to sourcing sustainable pulp and paper include traceability, protecting High Conservation Value Forests, human rights, certification and increasing recycled content. We are committed to increasing the amount of recy-

cled and certified content in our packaging wherever possible - as of 2018 we use only certified paperboard. We are dedicated to looking for areas to increase the amount of paper-based packaging certified by the Forest Stewardship Council (FSC) across our system.

## RECYCLING AND WASTE

As a 100% franchise system, we do not mandate recycling in our restaurants, with the exception of locations where composting or recycling regulations exist. Over 80% of our guests consume what they purchase outside of our restaurants; however, we are committed to providing our franchisees with the resources for environmental stewardship. We have made composting guidelines and a recycling toolkit available to our franchisees who wish to compost coffee grounds and other organic waste and recycling packaging from their restaurants. We continue to work together with our franchisees to find ways to improve the sustainability of our restaurants.





## SUSTAINABLE BUILDING

### DUNKIN' STORE OF THE FUTURE PREVIEW

In January 2018, we opened our first Next Generation concept store in Quincy, MA which features a new modern design and innovative technologies throughout. Modern design elements include the first drive-thru exclusively for mobile ordering,

fully-integrated digital kiosks, new crew attire designed by Life is Good®, and a tap system serving cold beverages such as coffees, iced teas, cold brew coffee and nitrogen infused cold brew coffee. Our new Next Generation stores are designed to meet DD Green Achievement specifications and at least 25% more energy efficient compared to our previous Fresh Brew design.

DD Green Achievement  
restaurant in Richmond, VA



## Why DD Green Achievement? Meet Lou.

*Lou Cabral has been a Dunkin' and Baskin-Robbins franchisee for the past eighteen years and owns five DD Green Achievement restaurants in the Greater Richmond, VA area.*

*"After I opened my first DD Green Achievement restaurant and realized a 25% reduction in energy usage, I directed my architect to build only DD Green Achievement restaurants from now on; it just makes sense."*

*Lou is passionate about DD Green Achievement and is a pioneer for increasing the use of natural light in his restaurants. Stay tuned for more on Lou as he works to open two new DD Green Achievement restaurants in the summer of 2019.*



## DD GREEN ACHIEVEMENT™

Since the launch of DD Green Achievement™, over 340 Dunkin' U.S. restaurants have met the program's standards. DD Green Achievement is our program designed to help Dunkin' franchisees build more sustainable and energy-efficient restaurants in the U.S.

DD Green Achievement restaurants are built with sustainable and efficient elements including LED lighting, high-efficiency mechanical equipment, low-flow faucets, and more. In our previous report we set a goal to open 500 DD Green Achievement restaurants in the U.S. by the end of 2020, and we are on target to meet our goal.

In 2017, we released DD Green Achievement 2.0, which made the program easier for our teams and franchisees to understand and manage. Our teams are committed to working with our franchisees to increase the amount of DD Green Achievement restaurants in our system. As such, we have set a goal to reduce energy consumption in our U.S. Dunkin' locations by 20% by 2025 through our DD Green Achievement Program.

We collaborated with an external consultancy to determine that our DD Green Achievement restaurants are designed to save between 15-20% of energy compared to a conventional Dunkin' restaurant. Additionally, data submitted by a statistically sig-

nificant sample of DD Green Achievement restaurants in 2018 indicate that DD Green Achievement restaurants, on average, are performing better than designed. DD Green Achievement restaurants reduce energy use by approximately 31% when compared to conventional Dunkin' locations.

In 2018 we launched a new store prototype incorporating all elements of DD Green Achievement. Our Next Generation concept store is now being utilized for newly initiated Dunkin' U.S. restaurant projects. This new design allows new Dunkin' restaurants in the U.S. to operate more efficiently compared to our previous store design.

Knoxville, TN





A NOTE FROM  
LEADERSHIP

ABOUT DUNKIN'  
BRANDS

MATERIALITY

PROGRESS  
& GOALS

SUSTAINABLE  
FOOD

SUSTAINABLE  
RESTAURANTS

SUSTAINABLE  
COMMUNITIES

GOVERNANCE  
& ETHICS

ABOUT  
THIS REPORT



# SUSTAINABLE COMMUNITIES

## ENERGY & CLIMATE

### CORPORATE FACILITIES

We take pride in our corporate headquarters and learning facility, as these creative and interactive spaces allow our brands to thrive. Since our last CSR report, we have continued to focus on equipment updates and regular preventative maintenance in order to reduce our electricity and heating usage across both facilities.

In 2017 and 2018, our facilities team completed our transition to 100% LED light-bulbs at our global corporate headquarters, Brand Central. In addition, we installed solar-powered faucets, highly efficient supplemental heating/cooling for our retail lab space, rooftop control boards, dock strip curtains and hood controls for our kitchens. These projects, among others, directly contributed to our energy savings for 2017 and 2018. We saw a 36% reduction in electricity at Brand Central from 2013 to 2018. Our natural gas usage increased by 6% between 2013 and 2018 due to an increased use in natural gas over electric. In 2019 we will continue to shift our heating to greener natural gas.

Over the next two years, we plan to upgrade our lighting to utilize dimming capabilities and lockout controls; install more efficient equipment in our data center; upgrade all thermostats; tint our building windows; and replace our revolving door. These upgrades will help to

further reduce our total energy use.

In 2017 and 2018, at our learning facility, Dunkin' Brands University (DBU), we upgraded the water heaters, conducted building management system (BMS) upgrades, and replaced control boards on the rooftops. At DBU we saw a reduction in electricity by 10% and a 29% increase in heating from 2013 to 2018. In early 2018, we closed our training facility in Burbank, CA and combined it with DBU to offer a more comprehensive training program. Accordingly, our facilities team performed increased amounts of construction on the building due to the expansion of our training programs with the closing of Burbank, resulting in increased heating use from 2013 levels. In 2019 and 2020, we plan on replacing our lighting controls, upgrading all thermostats, and conducting a full LED retrofit in order to reduce our energy use. We will also continue to perform routine checks on our facility throughout 2019 and 2020 to ensure our BMS system is operating efficiently.

Lastly, we've placed a greater emphasis on recycling in our corporate facilities and have implemented new single-stream recycling messaging and procedures for our employees to follow. With these changes we have set a goal to double our single-stream recycling rates at our corporate headquarters by the end of 2020.

### *Dedication to Energy Efficiency*

*Our facilities team is dedicated to increasing our energy efficiency at Brand Central and Dunkin' Brands University. Our Energy Star score went from 34 in 2014 to 94 in 2018.*

### *BOMA Boston TOBY Awards*

*Thanks to our amazing partners at Jones Lang LaSalle (JLL), our building management company, the Building Owners and Managers Association (BOMA) named Dunkin' Brands Group, Inc. the Outstanding Building of the Year.*





## CORPORATE FLEET

At Dunkin' Brands, we are committed to reducing our carbon footprint across our corporate facilities. We continue to evaluate the efficiency of our corporate fleet and offer incentives to our field-based employees for selecting vehicle options with a higher efficiency. Greenhouse gas emissions (GHGs) from our corporate fleet continue to represent a material portion of our total GHGs. Since 2013, fuel efficiency has improved by 13.5%. GHG emissions from our corporate fleet decreased

by 39.5% since 2013, due to increased fuel efficiency, as well as a reduction in drivers and annual miles driven by each vehicle.

## ENERGY & GHG FOOTPRINT

As part of our commitment to reduce our environmental impact we continue to work with consultants to measure our energy and GHG (Greenhouse Gas) emissions footprint for Brand Central and Dunkin' Brands University. Our external consultants monitor our energy and Scope 1 and 2 GHG emissions for our corporate holdings. Their work

helps reduce our environmental footprint, and informs our conservation projects and energy reduction strategy. In 2018, we saw a 64% reduction in GHG emissions compared to a 2013 baseline. Our GHG emissions decreased by 45% since 2016.

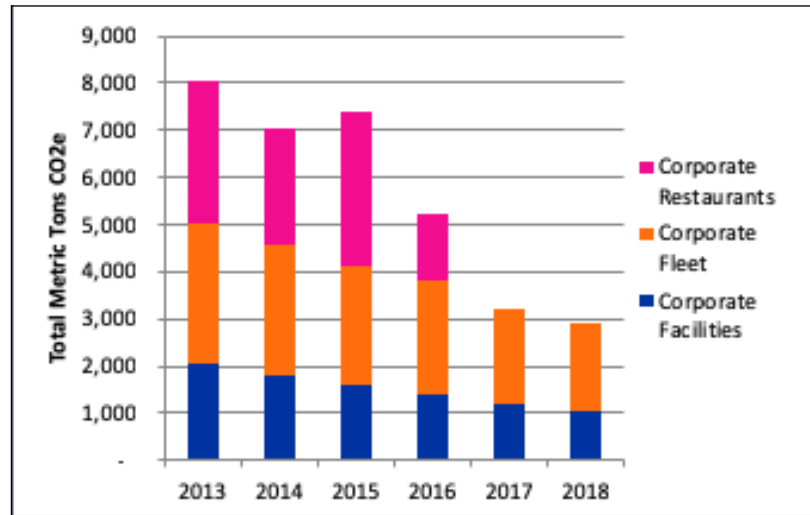
The table below summarizes our Scope 1 and 2 energy and GHG emissions data from 2013 to 2018. At a glance, you can see our absolute direct and indirect energy consumption are trending downwards from 2013 to 2018.

DUNKIN' BRANDS ENERGY & GHG EMISSIONS DATA <sup>4</sup>

|  | 2013         | 2014         | 2015         | 2016             | 2017         | 2018         |
|--|--------------|--------------|--------------|------------------|--------------|--------------|
| <b>Corporate Facilities <sup>5</sup></b>       |              |              |              |                  |              |              |
| Direct Energy Use (GJ) <sup>6</sup>            | 3,371        | 2,918        | 3,165        | 2,743            | 3,149        | 3,217        |
| Indirect Energy Use (GJ) <sup>7</sup>          | 20,785       | 18,613       | 15,914       | 15,455           | 14,266       | 12,791       |
| Total Energy Use (GJ)                          | 24,156       | 21,531       | 19,080       | 18,197           | 17,451       | 16,008       |
| Normalized Energy Use (GJ/Sq Ft)               | .12          | 0.10         | 0.09         | 0.09             | 0.08         | 0.08         |
| GHG Emissions (MT CO <sub>2</sub> e)           | 2,040        | 1,819        | 1,588        | 1,394            | 1,194        | 1,068        |
| <b>Corporate Fleet <sup>8</sup></b>            |              |              |              |                  |              |              |
| Fuel Usage (Gallons)                           | 339,856      | 310,946      | 287,835      | 276,586          | 230,925      | 207,047      |
| Normalized Fuel Usage (Miles Per Gallon)       | 23.5         | 27.6         | 28.4         | 27.4             | 26.7         | 26.7         |
| GHG Emissions (MT CO <sub>2</sub> e)           | 3,007        | 2,755        | 2,527        | 2,428            | 2,028        | 1,818        |
| <b>Company-Owned Restaurants <sup>9</sup></b>  |              |              |              |                  |              |              |
| Direct Energy Use (GJ)                         | 4,130        | 3,942        | 5,295        | 1,755            | N/A          | N/A          |
| Indirect Energy Use (GJ)                       | 18,827       | 15,842       | 22,988       | 10,098           | N/A          | N/A          |
| Total Energy Use (GJ)                          | 22,957       | 19,784       | 28,283       | 11,853           | N/A          | N/A          |
| Normalized Energy Use (GJ/Sq Ft)               | 0.46         | 0.44         | 0.42         | N/A <sup>6</sup> | N/A          | N/A          |
| GHG Emissions (MT CO <sub>2</sub> e)           | 3,003        | 2,446        | 3,262        | 1,399            | N/A          | N/A          |
|  |              |              |              |                  |              |              |
| Total Emissions Scope 1 (MT CO <sub>2</sub> e) | 3,384        | 3,101        | 2,955        | 2,656            | 2,187        | 1,980        |
| Total Emissions Scope 2 (MT CO <sub>2</sub> e) | 4,665        | 3,920        | 4,422        | 2,565            | 1,035        | 906          |
| <b>Total MT CO<sub>2</sub>e</b>                | <b>8,049</b> | <b>7,020</b> | <b>7,377</b> | <b>5,221</b>     | <b>3,222</b> | <b>2,886</b> |

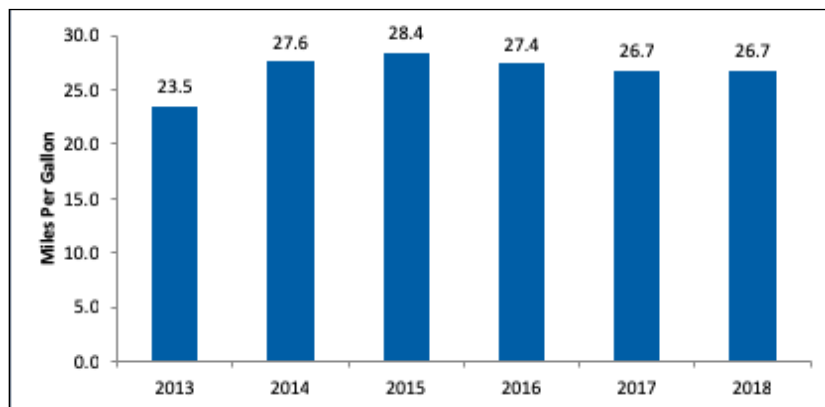
## SCOPE 1 & 2 GHG FOOTPRINT

The following graph shows the relative contribution of our corporate fleet, corporate facilities, and previously owned restaurants to the GHG footprint by year.



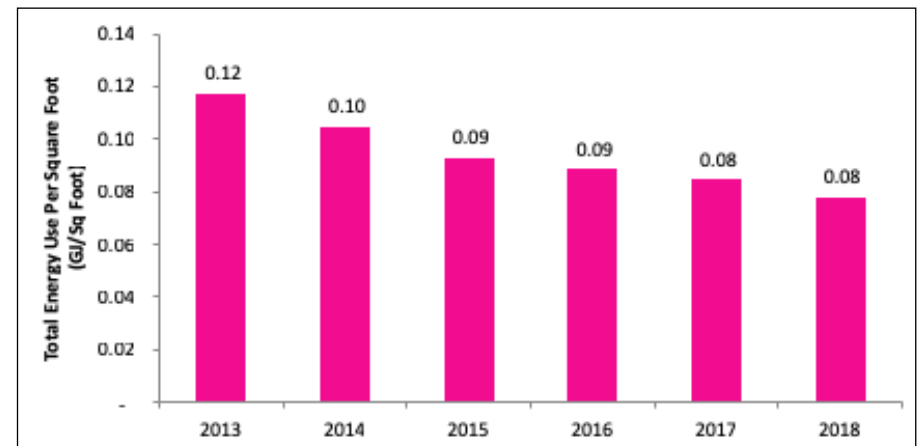
## CORPORATE FLEET - FUEL ECONOMY

For the corporate fleet, total fuel use has decreased steadily from 2013 to 2018. In addition, miles traveled per gallon, or fuel economy, has increased by 13.5% in that time frame, contributing to the reduction in fuel use.



## CORPORATE FACILITIES - TOTAL ENERGY USE PER SQUARE FOOT

Aside from the energy and fuel efficiency measures we have pursued, there are many additional factors that can affect the energy and GHG profile of our corporate holdings from year-to-year. These factors include acquisition/divestment of corporate facilities and growth/reduction in vehicles in the corporate fleet. To account for these factors, we normalized the energy use of our corporate holdings by square footage for buildings and fuel efficiency for the corporate fleet. Normalizing ensures that we are comparing annual energy use on an “apples-to-apples” basis so we can better identify factors driving certain trends in our annual GHG profile. For corporate facilities, total energy use per square foot has been declining steadily from 2013 to 2018. This indicates that the portfolio of building energy savings measures that we implemented are working to reduce energy used for both electricity and heating.





## ENERGY REDUCTION COMMITMENTS

In 2017, we set 2020 and 2025 energy reduction targets to continue to reduce our Scope 1 and Scope 2 GHG emissions across our corporate holdings. We have reduced our energy use per square foot by 28.6% compared to a 2013 baseline for our corporate facilities, and previously set a goal to reduce our energy use per square foot by 28%, compared to a 2013 baseline. We recognize that we must be diligent in monitoring our energy usage to continue to meet this goal. We will also explore additional energy efficiency opportunities to meet our 30% reduction goal by the end of 2025.

For our corporate fleet, we set a goal to increase fleet fuel efficiency by 9%, compared to a 2013 baseline, by the end of 2020; and 13% by the end of 2025. As of 2018 we achieved a 13.5% increase in fuel economy. However, we must continue to encourage employees to select fuel efficient vehicles and explore additional opportunities to improve fuel efficiency across the fleet to maintain and improve upon this performance.

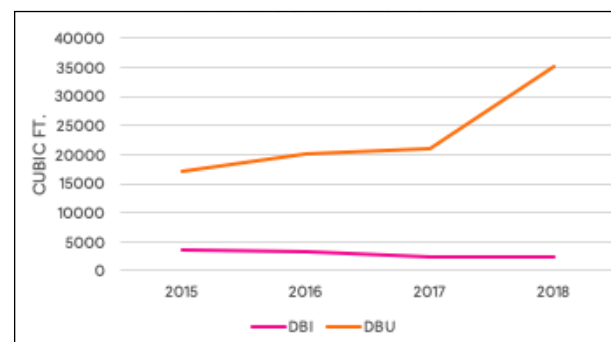
## WATER

In 2016, we set a goal to capture the water footprint for our corporate facilities and develop water saving strategies for implementation by the end of 2020.

You'll see the chart below depicting a 31% decrease in water usage at our corporate headquarters and a 106% increase at DBU since 2015. This increase is due to the closing of our Burbank facility in 2018. With the close of Burbank, we have completed increased amounts of construction at DBU and are performing double the trainings.

Our conservation strategy moving forward will be to improve the water efficiency of the equipment within our corporate facilities. In 2019, we have slated a few new projects to further conserve water in both facilities. We will be upgrading the solenoids and aerators at our corporate facilities to further reduce sink flow to .5gpm. In addition, we will be testing lower flow toilets and urinals in hopes of further savings. Finally, we will be exploring electronic water metering to better understand and monitor our water flow throughout our facilities.

## WATER USAGE HISTORY



## Baskin-Robbins Dipper-Well

*Internationally, Baskin-Robbins is striving to provide franchisees and licensees with more efficient equipment that will reduce total water usage.*

*In 2018, we tested a more efficient, on-demand ice cream scoop washer (dipper-well) in Dubai and Australia. Initial findings demonstrated a significant reduction in the gallons of water used in all test locations.*

*With water being one of the world's most precious commodities, Baskin-Robbins will be making the on-demand washer available to our international partners in the coming months, as well as continuing to develop additional water saving equipment.*



## STAKEHOLDER ENGAGEMENT

At Dunkin' Brands, we have over 1,100 corporate employees and nearly 2,000 U.S. and international franchisees and licensees who operate two brands in close to 70 countries. Given this complexity, continuous stakeholder engagement is critical to our business and success. In our 2014 report, we provided a full description of our engagement mechanisms by stakeholder and updated them in our 2016 report. Since 2016, we have evaluated and updated our engagement mechanisms to increase visibility and communication. Key highlights include:

**Franchisees/Licensees:** We are now focused on less frequent, more relevant communications to our franchisees. In 2017 and 2018 we developed new trainings and monthly newsletters and have condensed our weekly email updates to only include the most relevant content. We have set a new goal to increase engagement with our international licensees on sustainability to better inform them on the issues most material to our brand. Some other examples of our engagements are as follows:

- **NEW CRISIS MANAGEMENT TRAINING**  
We've launched a new course on the Dunkin' Brands U focused on traditional and social media crisis management. The training discusses recommended practices for navigating a crisis situation, how the Dunkin' Brands team can

support our franchisees and licensees where appropriate, and contains four instructional videos with example crisis scenarios. We see this as especially important given the age of 24/7 news and social media we live in, where an incident that takes place at one restaurant can attract attention faster than ever before.

- **2018 GLOBAL CONVENTION: "NEXT IS NOW"**

In 2018, we hosted 3,500 franchisees, licensees, suppliers and corporate employees in Las Vegas for our first global convention in nearly a decade. The

event was an opportunity for our new CEO, Dave Hoffmann, and his leadership team to share their vision for transforming both Dunkin' and Baskin-Robbins, while energizing the system around the innovation already taking place across both brands globally.

Attendees received exclusive access to experience the Dunkin' and Baskin-Robbins next generation store designs, sample and interact with a wide array of product and equipment innovation, and be the first to celebrate the new simplified branding and logo for Dunkin'.





**Employees:** We launched a new internal social network platform through Facebook Workplace. This has allowed us to increase communication internally, and has created a space for employees to share relevant updates. In addition, our communications team has successfully increased our social media presence and engagement.

**Guests:** In 2017 and 2018, we made a number of enhancements to our customer service mechanisms to provide self-ser-

vice options to our guests, including updating our FAQs, targeting our on hold messaging based on the prompt selected, implementing a SMS Text option as another channel to provide information, and offering an option to receive a call back instead of waiting on hold. We also evaluated the benefits of a new customer relationship management (CRM) tool to streamline guest contacts with the goal of reducing incoming contact volume. This new tool will be implemented in 2019.

## Three Square

*In an effort to minimize food waste from our 2018 Convention we partnered with local food bank, Three Square. We were able to donate 15,596 lbs. of food from the convention resulting in 12,997 meals that went to the food insecure population in Southern Nevada.*



# OUR EMPLOYEES

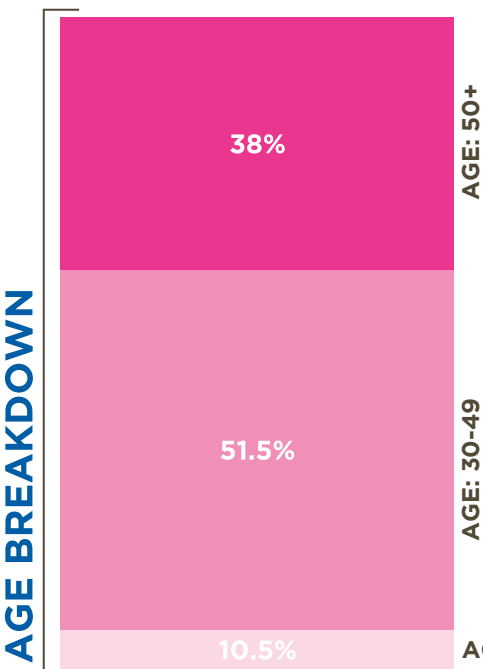
As of December 31, 2018, Dunkin' Brands employed 1,109 people, 1,068 of whom were based in the United States and 41 based in other countries. Of our U.S. employees, 476 worked in the field, and 633 worked at our corporate headquarters in Massachusetts.

*“At Dunkin’ Brands, we’re on a journey together and each one of us is an important piece of the Dunkin’ Brands legacy. Our energy is contagious and our focus is on what lies ahead.”*

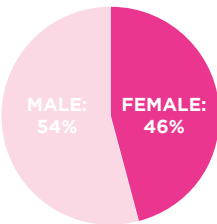
*- Fred Schlecht, Vice President, Talent Management and Learning*

## 2018 DUNKIN' BRANDS WORKFORCE

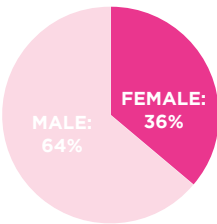
**1,109** TOTAL EMPLOYEES



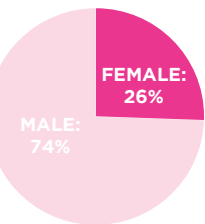
### MANAGERS



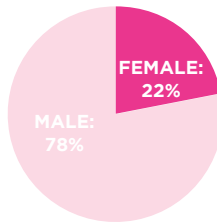
### DIRECTORS



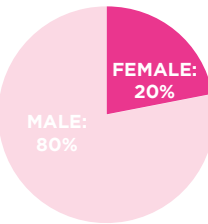
### OFFICERS



### LEADERSHIP TEAM



### BOARD OF DIRECTORS



\*All numbers are as of December 31, 2018. To review the composition of Dunkin' Brands' governance bodies and a full breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity, please view the report [GRI Index here](#).



## DIVERSITY & INCLUSION

At Dunkin' Brands, we believe having an inclusive work environment with a diverse employee, franchisee, and supplier base is crucial to our success and a key part of our culture. We continue to find new ways to improve our diversity and inclusion strategy that is focused on creating an inclusive workplace for our employees, building a stronger and more diverse workforce through inclusion, and strengthening our position in the marketplace with a diverse franchisee base and culturally relevant marketing programs.



### EMPLOYEE RESOURCE GROUPS

Since 2016, we have increased our focus on our Employee Resource Groups (ERGs): INspire, our Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) and Allies group; wIN, our Women's Integrated Network; EMBRACE, our multicultural group; and our Veterans ERG. Over the past two years we have increased the number of members in each ERG. We are proud of the work these groups have done over the past two years. They have created more robust content and programming for our employees and this has led to increased participation in ERG events. For instance in 2018, to celebrate Hispanic Heritage Month, INspire, wIN, and EMBRACE sponsored an event featuring Rafi Freedman-Gurspan, Director of External Relations at the National Center for Transgender Equality (NCTE).



### *Dunkin' Brands Earns 100% In 2019 Corporate Equality Index*

*We recently announced that we received a perfect score of 100 on the 2019 Corporate Equality Index (CEI), the nation's premier benchmarking survey and report on corporate policies and practices related to LGBTQ workplace equality.*



### *We Value Feedback*

*At the end of 2018, we conducted an Employee Engagement Pulse Survey where we received a response rate of 87%. This helps our organization understand what we're doing well and how we can improve.*

## EQUAL PAY

As shown above, women make up over 50% of our workforce and we are committed to paying equally for comparable work. We've been committed to equal and

fair pay for many years, even before Massachusetts enacted updated Pay Equity standards in 2018. We continue to conduct annual compensation audits of our pay practices to ensure employees with similar

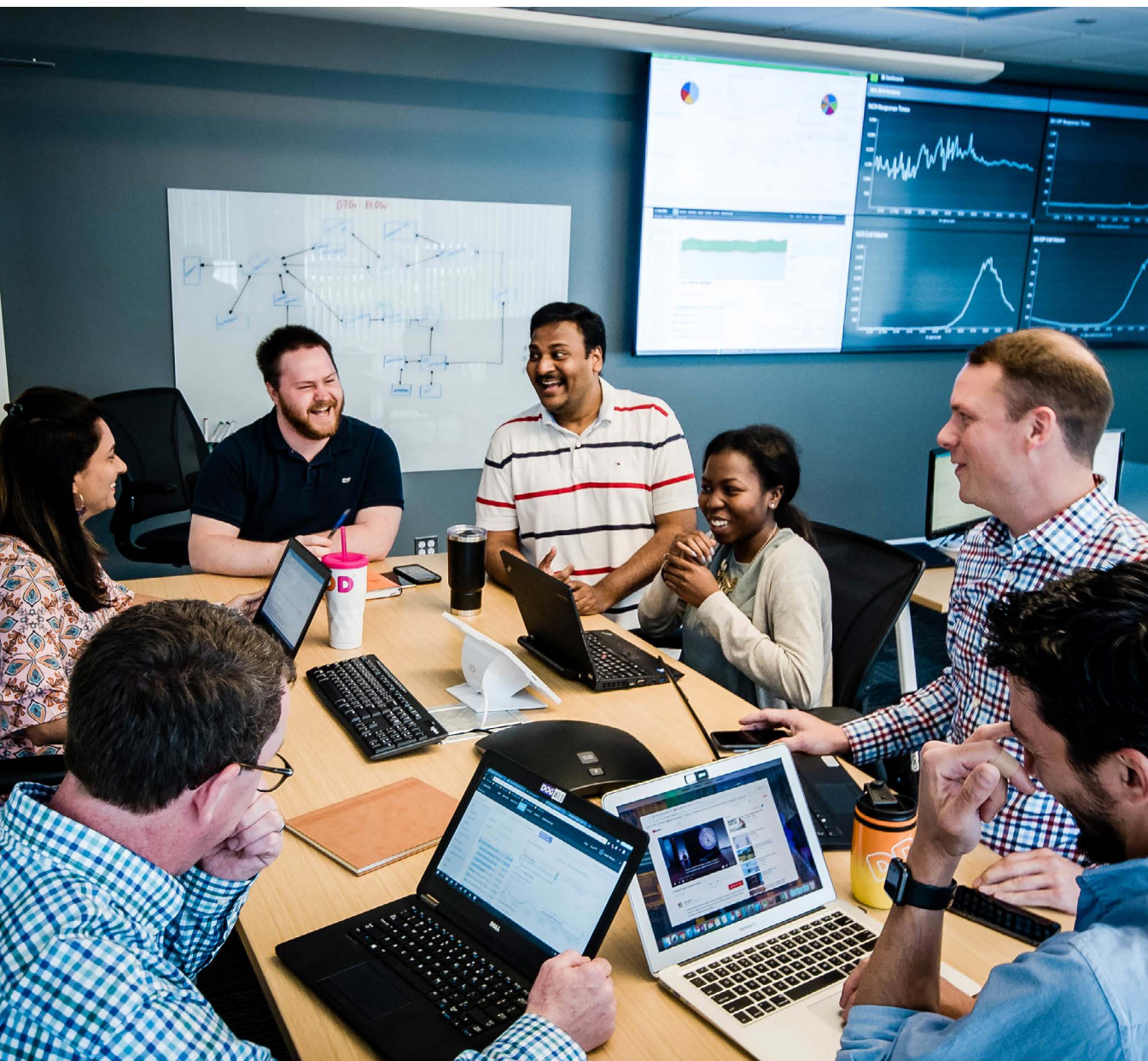
levels of skill, experience, and responsibility are compensated fairly and consistently.

We recently updated our practices, including a third-party review which supported our internal findings. We recognize the need for continuous evaluation and improvement upon our practices, and continue to review all internal role changes, promotions, and merit allocations throughout the year to identify any potential discrepancies and make adjustments, if needed.

Externally, we have been involved with several initiatives to identify further areas for progress and improvement. We recently participated in the McKinsey Women in the Workforce Study, which draws on data from 279 companies to find trends and highlight areas for improvement in the advancement of women in the workplace. Previously, we participated in the White House Equal Pay Pledge in 2016, and joined the Boston Women's Workforce Council's 100% Talent Compact.

## SUPPLIER DIVERSITY

At Dunkin' Brands we remain committed to increasing the diversity of our supplier-base and our system spend with diverse suppliers and broadening our partnerships with key affiliations. Since our last report, we have attended several supplier diversity events, including the Federal Reserve Bank of Boston Supplier Diversity Conference. Each year this conference has provided us with insightful information when considering new suppliers.





## WELLNESS AT DUNKIN' BRANDS

At Dunkin' Brands, we are committed to offering our employees a wide range of benefit options. Our comprehensive benefits and wellness offering is available to all U.S. corporate employees who work twenty-one or more hours per week.

We understand the importance of offering our employees benefits for all aspects of their lives, and strive to make Dunkin' Brands an employer of choice. Through our benefits program we hope to provide our employees with the stability they need to succeed not only in their careers, but in their personal lives as well. We offer extensive paid time-off programs including but not limited to: holiday; personal; sick leave; vacation; family leave; and volunteer time. Dunkin' Brands employees are encouraged to use their volunteer time to support local communities and causes that are meaningful to them. In 2018, we extended our paid leave under the Family Medical Leave Act (FMLA) from four weeks to six, and with the birth of a child the leave was extended to sixteen weeks from twelve. We also introduced an adoption assistance program. Our program allows for reimbursement of up to \$15,000 for qualified adoption expenses and also includes up to six weeks paid leave for FMLA eligible employees.

In addition to our competitive and comprehensive benefits program, our wellness programming also focuses on “the Whole U”, to support all aspects of our employees' wellbeing. On physical wellness, our program includes biometric screening and access to health-related coaching and information through our wellness program provider, a free on-site fitness center staffed by a qualified fitness professional, regular workshops on healthy eating and nutrition through our food service provider and monthly health-related activities and challenges. On mental and emotional wellness, our policies provide employees with significant work schedule flexibility, including the previously mentioned paid time off programs as well as access to coaching and other resources for employees and dependents with life challenges through our Employee Assistance Program.

To facilitate financial wellness, in addition to our 401(k) plan and company match, we offer an Employee Stock Purchase Plan and educational opportunities to create greater financial awareness and understanding.

We offer our international employees comparable benefits; however there are some differences by country due to local practices and applicable laws and regulations.

## Did you know?

*In 2018, Dunkin' Brands won silver certification for Best Wellness Employer through Wellness Workdays™ in collaboration with experts from Harvard Medical School. This certification recognizes the outstanding achievements of businesses and organizations committed to creating best-in-class corporate wellness programs that promote a culture of wellbeing to engage employees. By participating in this certification, we help advance the field of workplace wellness and prevention by providing data and research about current practices and wellness outcomes. We are excited to highlight our successful program with this award, and the positive impact it has had on the lives of our employees.*



## TRAINING & PROFESSIONAL DEVELOPMENT

Attracting and retaining the best talent in the industry is critical to our future success. In support of this, we recognize that we need the best tools to proactively source, identify, and develop candidates. With that in mind, in 2018 we launched Jobvite, a recruitment software and applicant tracking system. Jobvite addresses every stage of the recruiting process and allows for better candidate relationship management.

Additionally, we strive to provide our employees with the tools they need to succeed and advance their careers. All Dunkin' Brands employees are given the opportunity to take a DISC evaluation which helps them assess their work style and better understand the diverse work styles of others. Our Talent Development team also leads a monthly, week-long new employee orientation. We also offer ongoing training via our on-line learning management system, The U, which can be accessed globally.

Annually, we hold a Training Day to give our employees an opportunity to focus on their professional develop-

ment and learn skills that can help them grow in their career. This Day consists of instructor-led and e-learning workshops.

We continue to enhance our training on data privacy and information security to ensure our employees understand the importance of protecting all data relevant to our business. To that end, bi-annually we conduct email phishing and information systems penetration tests to improve our overall security posture.

Over the past two years, we have taken steps to improve our diversity and inclu-

sion initiatives. Most recently, in 2018 we launched a Defeating Unconscious Bias e-learning module on Training Day. This course examines biases that we all have and explores solutions on how to manage the impact of these biases. This training was mandatory for all employees, and supplements additional training for Directors and Vice Presidents that was introduced the previous year. Understanding unconscious bias will help us make better business decisions and increase our diversity awareness.





## OUR FRANCHISEES & LICENSEES

Our franchisees, licensees and their employees are a large part of our brands, despite not being employed by us. We offer our U.S. franchisees a comprehensive training program at our Dunkin' Brands University location in Braintree, MA and online through The U. In 2017, we held our second People First Summit for our Dunkin' franchisees. This Summit included franchisees, members of their teams, vendors and Dunkin' Brands leaders. This event provided our franchisees and team members with an opportunity to learn

and develop best practices on people management from industry experts.

In addition, at our 2018 Global Convention we held several franchisee best practice panels. These panels were part of our discussion sessions, which were thirty-minute question and answer periods on various topics. These topics included retaining employees and leveraging on-line hiring tools.

### *Franchisees Give Back*

*Our franchisees recognize the importance of giving back to their local communities and they continue to play a vital role in strengthening their neighborhoods across the world. In 2017 and 2018 in addition to the support they provide to the Joy in Childhood Foundation, our U.S. franchisees donated nearly \$9.2 million to local charitable causes and organizations.*



## JOY IN CHILDHOOD FOUNDATION

As part of our commitment to the communities where our brands operate, the Joy in Childhood Foundation®, powered by Dunkin' and Baskin-Robbins and the generosity of our franchisees, crew members, guests and brand employees, has granted \$20 million since 2006 primarily to bring joy to kids battling hunger or illness.

### CHILDREN'S HUNGER

When kids have proper nutrition, they can play more, learn better and have the energy to just be kids – that's why the Joy in Childhood Foundation is focused on ensuring kids have enough to eat at school and at home. The Foundation gives grants to hundreds of local hunger relief organizations across the country every year, and since 2007, has provided more than \$3.5 million to national partner Feeding America®, to fund [BackPack programs](#), [Kids Cafes](#) and other initiatives to combat childhood hunger around the country.

Dunkin' Brands franchisees, crew members and brand employees also volunteer in food banks across the country. In 2017, we hosted our fourth Week of Joy during which 2,220 volunteers packed more than 350,000 meals for children and families at 85 Feeding America partner food banks and local hunger relief organizations nationwide.

### CHILDREN'S HEALTH

When children face health issues, it robs them of the simple joys of childhood. The Joy in Childhood Foundation's goal is to help kids feel like kids, even on their most difficult days.

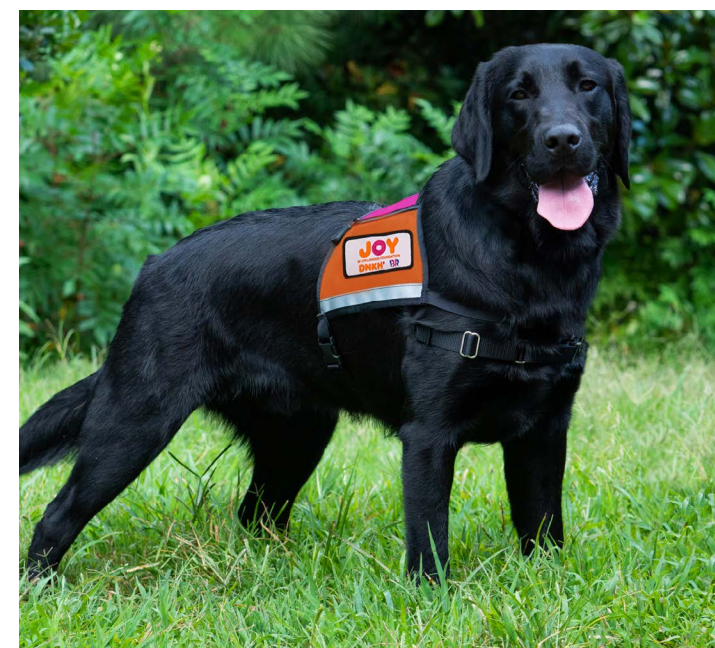
The Foundation provides grants to hundreds of children's hospitals and local organizations focused on providing joy to kids – from child life specialists to play, music and art therapy programs, to birthday parties for hospitalized kids and more.

At a national level, in 2017 and 2018 the Joy in Childhood Foundation partnered with Starlight Children's Foundation to provide Starlight Gowns – high-quality, comfortable hospital gowns in fun, cheerful designs – to pediatric patients and build Starlight Sites in hospitals around the country. Starlight Sites are bright, kid-friendly spaces that bring joy to children in hospitals, including teen lounges, therapy kitchens, healing gardens and more.

In 2018, the Foundation launched Dogs for Joy, a national in-residence facility dog program that aims to increase the number of

service dogs who work full-time in children's hospitals. In-residence dogs provide comfort and joy to pediatric patients, but can also play a key role in their therapeutic care. With the launch of "Dogs for Joy", the Foundation adopted its own in-residence dog, Cooper Dunkin', who serves as Chief Joy Officer and the "Dogs for Joy" program ambassador.

For more information about the Joy in Childhood Foundation, its programs and its 2017-2018 financials, please view the [Foundation's Impact Reports](#).





## TWO JOY-FILLED YEARS

# 25,000

## STARLIGHT GOWNS

PROVIDED TO PEDIATRIC  
PATIENTS NATIONWIDE

WE BEGAN BUILDING

# 10 STARLIGHT SITES

TO BRIGHTEN THE LIVES  
OF PEDIATRIC PATIENTS  
ACROSS THE COUNTRY

# 6.2 MILLION

## MEALS PROVIDED

## TO CHILDREN & FAMILIES

THROUGH FEEDING AMERICA®

## \$4.2 MILLION DONATED

## BY OUR GUESTS

## OVER THE PAST TWO YEARS

THROUGH OUR IN-STORE FUNDRAISERS,

## COMMUNITY CUPS® &

## COMMUNITY CONES®



## EMPLOYEE GIVING & VOLUNTEERISM

We encourage our employees to give back to the community, and as part of our benefits package we give them five hours of paid volunteer time per quarter. Our employees volunteer with various organizations across the globe from Habitat for Humanity to veterans organizations and homeless shelters. In 2017 and 2018, our INspire ERG employees participated in the annual AIDS Walk & Run Boston, a fundraiser for the non-profit AIDS Action Committee (AAC) of Massachusetts. Team INspire was AIDS Walk & Run Boston's strongest emerging team. In 2018, Dunkin' Brands received the Bette Byrnes Award for our support of the event and expanded our support for the Walk

as the official breakfast sponsor. In 2018, we had 29 participants on our team, up from 23 in 2017. We also raised \$25,621 in 2017 and 2018. Additionally, the Joy in Childhood Foundation provided Youth on Fire—one of AAC's core programs for homeless youth—with grants for \$15,000 and \$5,000 in 2017 and 2018 respectively.

We continued to deepen our impact through one of our most cherished programs, Coffee For Our Troops. In 2017 and 2018 we donated 26,112 pounds of coffee to U.S. troops overseas, equaling more than \$71,000 in total donations from employees and the Brand.

### *Bette Byrnes Award*

*In 2018, Dunkin' Brands and Team INspire accepted the Bette Byrnes Award for our support of Youth on Fire. Together with the AAC we will help change the lives of thousands of people impacted by HIV/AIDS.*

**Dunkin' Brands CEO Dave Hoffmann  
accepts Bette Byrnes Award**





## CHARITABLE PARTNERSHIPS

In addition to their support of the Joy in Childhood Foundation, Dunkin' and Baskin-Robbins franchisees support many non-profit organizations and community causes across the country. For example, our franchisees have partnered with the American Red Cross in support of numerous disaster relief efforts. In 2017 and 2018, Dunkin' franchisees partnered with the Red Cross to donate coffee and breakfast items to area shelters and first responders affected by the hurricanes in Texas, Florida, North Carolina and South Carolina and helped raise money for the Red Cross in stores. Baskin-Robbins franchisees also worked

with the Red Cross to raise money during the California wildfires.

In 2017 and 2018, nearly 200 volunteers from Dunkin' Brands and our partners participated in the annual Jimmy Fund Scooper Bowl® in Boston, MA, scooping ice cream over three days to help raise money for cancer care and research at Dana Farber. Since 1983, the Scooper Bowl has raised \$6.7 million. We are proud to continue to participate in this event annually.

In addition, our international licensees support a number of charitable organizations outside of the U.S.

### *All You Can Eat Ice Cream*

*Nearly 200 volunteers from Dunkin' Brands & our partners scooped more than 40,000 scoops of Baskin-Robbins ice cream for attendees over the course of the three day Scooper Bowl event in 2018.*



### *Coffee for Runs*

*Our local New York franchisees partnered with the Syracuse Chiefs Baseball team to donate one pound of coffee for every run scored during their 2017 season at home. This amounted to 273 pounds of coffee donated to the Food Bank of Central New York.*



## GOVERNANCE & ETHICS

At Dunkin' Brands, we consider strong corporate governance and ethical conduct as the foundation for corporate social responsibility and key to business success.

### CORPORATE GOVERNANCE

Our [Board of Directors](#) sets high standards for our employees, officers and directors. As of May 2019, the Board is chaired by former Chief Executive Officer of Dunkin' Brands, Nigel Travis. The board is comprised of ten members, including two women and eight men. Eight of the Board's ten members are independent. The Board of Directors assess the independence of its non-management members at least annually in accordance with the listing standards of the NASDAQ Global Select Market, the Sarbanes-Oxley Act of 2002, the regulations of the Securities and Exchange Commission and Dunkin' Brands' Corporate Governance Guidelines.

### ETHICS AND COMPLIANCE

Our success is dependent upon how we conduct ourselves and do business with our franchisees, vendors, suppliers and other business partners. Our principles for business conduct are outlined in our [Code of Business Ethics and Conduct](#).

All global Dunkin' Brands employees, including temporary workers and interns, are required to complete mandatory, comput-

er-based training on our Code of Business Ethics and Conduct. This training must also be completed annually thereafter. At Dunkin' Brands we also maintain an ethics hotline, which employees can access by phone or online to report concerns anonymously. In addition, we require all employees to complete a register of interest upon hire and annually thereafter. The register of interest is designed to identify any real or potential conflicts of interest that may negatively impact our business.

At Dunkin' Brands, we are committed to conducting business in an ethical, legal, and socially responsible manner. We've previously established a Supplier Code of Conduct (Code), most recently updated in 2017, which defines the minimum standards we require any agent, contract, consultant, supplier or vendor approved to do business with the Dunkin' Brands system to follow in the conduct of their businesses. Our suppliers may also be required to comply with additional separate policies developed to address specific product risks applicable to their respective business. Our code is based on core International Labor Organization (ILO) conventions and the UN Guiding Principles on

Business and Human Rights (UNGPs). In order to become or remain an approved supplier in the Dunkin' or Baskin-Robbins system, a supplier must acknowledge and agree to the terms of our Code. The Code provides that corrective actions must be taken in the event of a violation, and failure to do so results in removal of approval status in our system. View our Code [here](#).

In addition to our Code, we have strict upfront vendor due diligence procedures in place to ensure we are only selecting the best vendors and suppliers that make sense for our business, and keeping our guest's safety, security and satisfaction a top priority. These procedures help us to define issues of risk, and help to inform us on all potential suppliers before they become approved suppliers in the Dunkin' or Baskin-Robbins system. Lastly, our Supply Chain team has been conducting the due diligence process to find third-party verification parties that will provide an independent verification of continued compliance by approved suppliers with the Code.

## PUBLIC POLICY

### LOBBYING

At Dunkin' Brands we believe it is necessary to participate in the legislative and regulatory process around key issues that affect our business. We have a dedicated Government Affairs team that engages with federal, state and local policymakers to advocate on behalf of our franchisees and our brands. The team is also engaged in legislative and regulatory affairs in our international markets. Our advocacy efforts are both direct and indirect, and include utilizing a Political Action Committee (PAC) and memberships in national and regional associations.

### PAC & DIRECT POLITICAL CONTRIBUTIONS

We have a voluntary Political Action Committee, the Dunkin' PAC, comprised of contributions from both employees and franchisees. Corporate funds are not contributed by the PAC, per federal law. We disclose PAC expenditures to the Federal Election Commission (FEC) quarterly as required by law. PAC and Lobbying disclosures can be found [here](#). Guidelines regarding political contributions and activities are outlined in our [Code of Business Ethics and Conduct](#).

### TRADE ASSOCIATION MEMBERSHIPS

- Coffee Quality Institute
- International Franchise Association
- National Coffee Association
- National Restaurant Association (including all state restaurant associations)
- National Retail Federation
- New Jersey Retail Merchants Association
- Specialty Coffee Association
- Illinois Retail Merchants Association





## ABOUT THIS REPORT

### REPORT PROFILE, SCOPE & BOUNDARY

This is Dunkin' Brands' fifth Sustainability Report. Previous reports were published in [2010](#), [2012](#), [2014](#), and [2016](#) and are available for download on the [Responsibility](#) section of Dunkin' Brands' website.

Dunkin' Brands publishes Sustainability Reports on a biannual basis. Data, case studies, and information in this report pertain to our fiscal years 2017 and 2018 (01.01.2017 – 12.31.2018). This report covers our U.S. corporate operations, corporate headquarters, and corporate learning facility. Where we can, we share information and data from our U.S. franchised restaurants, Central Manufacturing Locations (CMLs) and National DCP, LLC (NDCP). All references to currency are in U.S. dollars, unless stated otherwise.

As an increasingly global company, we share some information, where available, on our international supply chain and operations. Due to our franchise business model and differences in our U.S. and international tracking and reporting systems, some data is unavailable for our international operations. In cases where data is unavailable, we have disclosed it in this report.

This report was produced in accordance with the Global Reporting Initiative (GRI) Standards. Please refer to the [GRI Content Index](#) for a listing of all standard disclosures covered in this report.

### CONTENT & MATERIALITY

To determine the content for this report, we conducted a materiality assessment to identify the sustainability issues most material to our business and our stakeholders. You can read more about our materiality process on [p. 5](#).

### ASSURANCE

An internal review of all data and assertions contained in this report was conducted by Dunkin' Brands internal subject matter experts to ensure accuracy of the content. In

addition, all members of Dunkin' Brands' Leadership Team reviewed and approved the report. Dunkin' Brands does not have a policy regarding external assurance, and this report was not externally verified by an independent third party.

We encourage your feedback on this report. Please contact us at [CSR@dunkin-brands.com](mailto:CSR@dunkin-brands.com), or Sustainability Department, Dunkin' Brands, Inc., 130 Royall Street, Canton, MA 02021.



# NOTES

<sup>1</sup> Our definition of optionality is providing a wide array of menu options to our guests, including better-for-you, gluten-free, non-dairy, vegan, plant-based and healthier food and beverage choices.

<sup>2</sup> Our definition of optionality is providing a wide array of menu options to our guests, including better-for-you, gluten-free, non-dairy, vegan, plant-based and healthier food and beverage choices.

<sup>3</sup> Our definition of a vegan menu item is a food or beverage with no animal sources: no meat, fish, shellfish, milk, egg or honey products, and no enzymes and rennet from animal sources. All of our menu items (vegan and non-vegan) are prepared in the same area. We cannot guarantee that there will be no cross-contact between products or ingredients.

<sup>4</sup> Energy use is measured by collecting utility bills from corporate buildings and fuel records from the corporate fleet. Building energy use was recorded in EPA Portfolio Manager, and the GHG footprint from buildings is calculated using this tool (more information available here: <https://www.energystar.gov/buildings/facility-owners-and-managers/existing-buildings/use-portfolio-manager>) Utility bills were not available for all company-owned restaurants – for example, some of them are in larger facilities such as airports where restaurant-based metering is not available. Where data was not available, we estimated energy use by applying the weighted average monthly energy use per square foot from other facilities in similar geographic regions to the facility with missing data. Dunkin' Brands is 100% franchised, with no company-owned restaurants, as of October 2016.

We calculated the GHG footprint of the corporate fleet using the EPA Center for Corporate Climate Leadership emissions calculator (more information is available here: <https://www.epa.gov/climateleadership/center-corporate-climate-leadership-simplified-ghg-emissions-calculator>).

<sup>5</sup> Corporate facilities include our Brand Central headquarters, Dunkin' Brands University, our Burbank, California training facility (which ceased operations in May 2018), and our ice cream manufacturing plant in Canada (which ceased operations in October 2012).

<sup>6</sup> Direct energy use represents consumption of natural gas.

<sup>7</sup> Indirect energy use represents consumption of electricity.

<sup>8</sup> Our corporate fleet is comprised of standard and hybrid vehicles used by corporate employees for business travel.

<sup>9</sup> Dunkin' Brands has operated only a small number of Dunkin' company-owned restaurants in past years: a total of 12 in 2010 (8 were in operation for the full year); 17 in 2011 (12 were in operation for the full year); 28 in 2012 (21 were in operation for the full year); 31 in 2013 (25 were in operation for the full year); 46 in 2014 (18 were in operation for the full year); 43 in 2015 (31 were in operation for the full year); and 30 in 2016 (none were in operation for the full year). As of 2017, Dunkin' Brands no longer owned corporate restaurants.

<sup>10</sup> Total annual energy use per square foot was only calculated for restaurants that were owned and operated for the full year. As of October 2016, Dunkin' Brands sold all company-owned restaurants; as such 2016 normalized figures are not available.





Dunkin' Brands  
130 Royall Street  
Canton, MA 02021

For general questions or to provide feedback to this report, please contact us at [CSR@dunkinbrands.com](mailto:CSR@dunkinbrands.com).

**Instagram:**

<https://www.instagram.com/dunkin>

<https://www.instagram.com/baskinrobbins>

**Facebook:**

<https://www.facebook.com/DunkinUS>

<https://www.facebook.com/baskinrobbinsUS>

**Twitter:**

<https://twitter.com/DunkinDonuts>

<https://twitter.com/BaskinRobbins>