



2015-2016  
CORPORATE SOCIAL  
RESPONSIBILITY REPORT





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## Welcome from Nigel

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Dear Stakeholders,

Welcome to Dunkin' Brands 2015-2016 Corporate Social Responsibility (CSR) Report.

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*At Dunkin' Brands, our responsibility is, first and foremost, to our guests - we want to energize them, to flavor their days, to bring them joy.*

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But we are also accountable to our employees, our franchisees, our shareholders, our communities and the planet. Balancing the needs of all these stakeholders is not easy, but we know that finding responsible solutions to the issues facing our business is mission critical, and it is a challenge we gladly accept.

When I reflect on 2015 and 2016, I am pleased at the progress we have made against the goals we set in our 2014 CSR Report and excited about the new priorities we lay out in this report, including our responsible sourcing commitments. We believe climate change poses a real threat to our planet's natural resources, including some of the commodities we source, and we are committed to ensuring that we, and our suppliers, are sourcing products responsibly. In collaboration with an outside consultant and our franchisee-owned distribution and supply chain cooperative, National DCP, LLC (NDCP), we have increased our responsible sourcing efforts.

In addition to working against the existing goals in our Guidelines for Sourcing Palm Oil and Animal Welfare Policy, we issued



our new Sustainable Pulp and Paper Sourcing Guidelines, and we reissued our animal welfare policy after setting a new goal to source 100% cage-free eggs for the U.S. Dunkin' Donuts menu by 2025. We also strengthened our relationship with the Rainforest Alliance by investing in a two-year project to provide technical training to smallholder farmers in Peru and launching 100% Rainforest Alliance Certified™ espresso in July 2016. I am pleased to announce that in 2017, we will be launching Fair Trade Certified™ espresso in some of our international markets. By the end of 2018, we also plan to have removed all synthetic dyes from the Dunkin' Donuts and Baskin-Robbins U.S. menus, with the exception of some supplier-branded ingredients produced by other companies.

We have also worked to improve the environmental impact of our restaurants. We had a stated goal to open 100 DD Green Achievement™ restaurants in the U.S. by the end of 2016, and I am delighted to report that we met that goal several months early. Additionally, in 2016 we re-launched an in-depth toolkit designed to help our franchisees implement energy savings projects in their restaurants. We also launched companion toolkits for franchisees who want to implement energy savings programs in their manufacturing facilities or recycling programs in their restaurants.

In 2016, we rebranded our foundation as the Joy in Childhood Foundation<sup>SM</sup>, a name that reflects its larger purpose and new mission: to provide the simple joys of childhood to sick and hungry kids. Finally, we have done a tremendous amount of work to increase the diversity and inclusion of our corporate workplace since our last report. We know this is paramount to our employees and we believe our success as a company starts with making Dunkin' Brands the best workplace it can be.

Again, thank you for being here. I invite you to provide feedback on this report by contacting [CSR@dunkinbrands.com](mailto:CSR@dunkinbrands.com).

With best regards,

A handwritten signature in dark ink that reads "Nigel Travis". The signature is written in a cursive, flowing style.

Nigel Travis  
Chairman and CEO  
Dunkin' Brands



## About Dunkin' Brands

Dunkin' Brands Group, Inc. (Nasdaq: DNKN), headquartered in Canton, Mass., is the parent company of two of the world's most recognized and loved brands: Dunkin' Donuts™ and Baskin-Robbins™. As one of the world's leading franchisors of quick service restaurants (QSR), we have more than 20,000 points of distribu-

tion in nearly 70 countries worldwide. In 2016, we reported \$10.8 billion in system-wide sales and company revenues of \$0.9 billion. Dunkin' Brands opened 723 and 495 net new restaurants globally in 2016 and 2015, respectively.

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

1,043 U.S. franchise owners

56 international operators

8,828 U.S. restaurants

3,430 restaurants in 44 international markets

### Baskin-Robbins Restaurants\*

797 U.S. franchise owners

135 international operators

2,538 U.S. restaurants

5,284 restaurants in 51 international markets

*\*All numbers as of the end of FY 2016*



### Hello World!

Dunkin' Brands expanded its footprint to 11 new countries in 2015 and 2016. You can now find Dunkin' Donuts restaurants in Egypt, China and Iceland, and if you happen to be traveling to South Africa, you can now get both your favorite coffee and your favorite ice cream at new Dunkin' Donuts and Baskin-Robbins shops.

Our more than 20,000 restaurants globally are supported by our corporate entity as franchisor, but they are ultimately powered by a network of more than 2,000 independent businesses. Dunkin' Brands owns three buildings in the U.S. – our corporate headquarters in Canton, MA and our two learning facilities in Braintree, MA and Burbank, CA. 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 employment, operations and training, among other business matters. All of their companies have their own names, leadership teams, employees and operations. The majority of franchisees own the land for their franchised restaurants and most manage their own supply chains independent of Dunkin' Brands. As such, the scope of Dunkin' Brands' influence is different than that of our competitors who own all or a greater proportion of their restaurants. For example, the following are the sole responsibility and purview of our franchisees:

**1 Labor & Employment Issues:** Crew members who work in Dunkin' Donuts restaurants and Baskin-Robbins shops are employees of our franchisees. We do not have any control over how much they are paid, how many hours they work or what benefits they are offered.

**2 Energy & Water Use:** Dunkin' Brands provides equipment specifications and continuously explores options for energy-efficient equipment. However, as sole owners and proprietors of their franchise businesses, franchisees do not report their energy and water use to Dunkin' Brands.

**3 Waste Management & In-Store Recycling:** Our franchisees manage their own waste disposal contracts and we advise that all franchisees comply with local regulations.

All of our locations around the world are independently owned and operated by our franchisees. As our restaurants carry our name, we work closely with our franchisees to make sure they are the best representation of our values and brand.



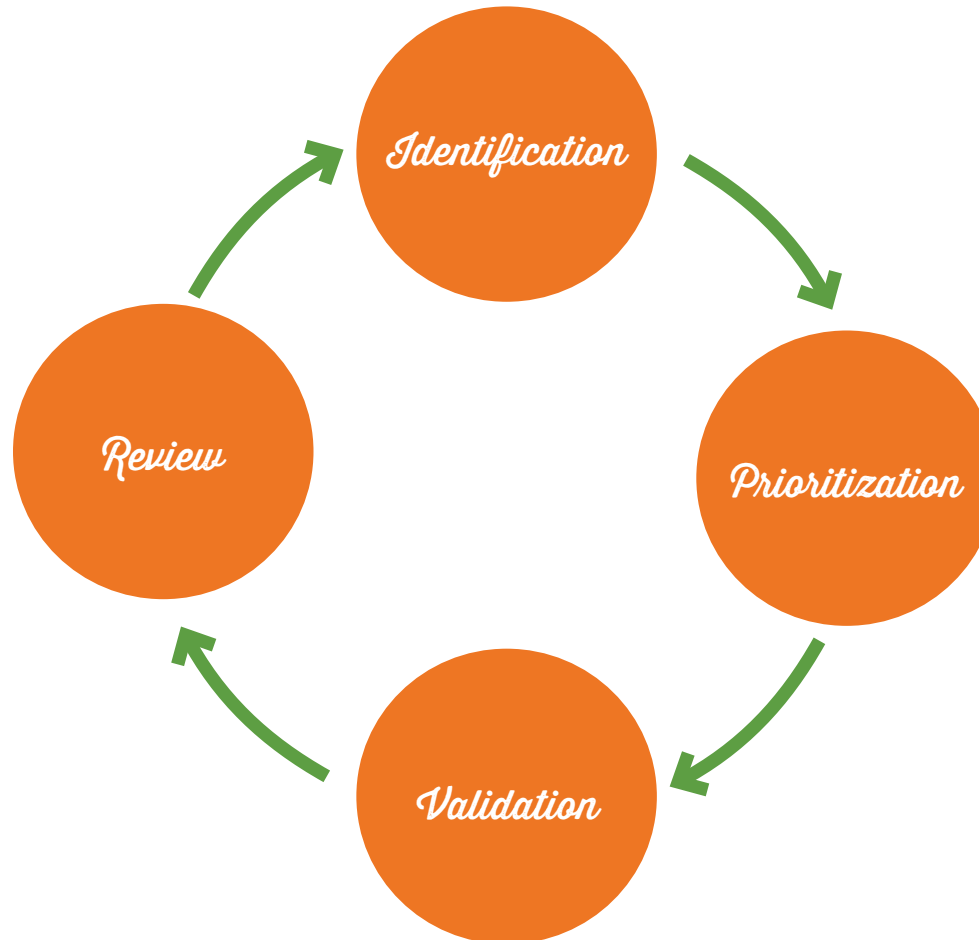


# Materiality Assessment

The Global Reporting Initiative's (GRI) Principles for Defining Report Content serves as the basis of the company's materiality assessment process. There are four major steps in this process, including identification of the material topics, prioritizing

the issues, validating the material issues and aspects internally and reviewing them with stakeholders. Dunkin' Brands, Inc. (DBI) engaged an independent consultant to help us identify and prioritize the material issues.

## MATERIALITY PROCESS



## STEP 1: IDENTIFICATION & BOUNDARY SETTING

We reviewed a wide range of internal and external sources, including company financial and Corporate Social Responsibility (CSR) reports; business plans and enterprise risk assessments; internal CSR and sustainability documents; shareholder inquiries and resolutions; stakeholder feedback; media audit reports; influencer and expert communications; investor and reputational indices; industry and corporate peer sustainability reports; among other inputs. In addition, 25 internal interviews were conducted with senior management and subject matter experts (SMEs).

To determine what topics are material and where the impacts occur, each potential issue was analyzed against a set of criteria, such as:

- Is this topic an existing priority for Dunkin' Brands, or was it considered material in the past?
- 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 which could harm the company's reputation or impact performance?
- 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?
- Does the company have control or influence over this topic?
- Is this topic frequently raised by stakeholders through various feedback and media channels?
- Is the topic considered material by rating, ranking or reporting agencies?
- Is the topic material to industry peers and do they report on it?

The result was the identification of 29 discrete issues that fell into 9 groupings.

## STEP 2: PRIORITIZATION & MATERIAL ASPECTS

After all the issues were identified and defined, we conducted an internal survey in order to rank the importance of each issue from a company perspective. The survey was completed by more than 20 employees at varying levels in Dunkin' Brands who have some involvement with specific CSR/sustainability issues as part of their jobs. The survey asked respondents to evaluate the importance of each specific issue on a 5-point scale – from not relevant to very important to the business. Along with the findings from the internal stakeholder interviews, the survey results were used to plot the issues along the “X” axis, indicating the degree of importance to the company.

Stakeholder feedback, including two reports from our partners [Ceres](#), guest feedback and shareholder communications, were valuable inputs, as were the findings from the external research and benchmarking described above, to plot the “Y” axis, representing the importance to stakeholders.

We then mapped each material topic to the appropriate GRI G4 material aspect, as well as to the GRI's Food Processing Sector Supplement.



### STEP 3: VALIDATION

The issues were plotted in a nine-box matrix, with the upper right square representing the highest priority to both the company and to stakeholders. The findings of the materiality assessment and prioritization rankings were vetted internally among senior leaders and SMEs to ensure the identified issues were material and appropriately defined, and that the survey results accurately depicted the appropriate level of priority to the company.

### STEP 4: REVIEW & STAKEHOLDER FEEDBACK

To ensure stakeholder inclusiveness, DBI shared the materiality assessment with Ceres and asked specifically for feedback on the prioritization of issues from a stakeholder perspective. Based on this input, we reprioritized certain issues to ensure we balanced our external stakeholders' feedback with that of our internal stakeholders. Ceres also provided feedback to our goals prior to the publication of this report.



\*Dunkin' Brands is 100% franchised. Wages paid to crew members are at the sole discretion of the franchisee.

\*\*Reference to corporate employees only. As a 100% franchised organization, Dunkin' Brands does not have control over franchisees' individual operations.

## 2014 Goals: Progress at-a-Glance

GOAL	PROGRESS	MORE DETAIL
<b>NUTRITION</b>		
Reduce the sodium content across our U.S. Dunkin' Donuts menu by 10% by December 31, 2015 (goal set in 2012).	We reduced sodium across the national menu by 6.6% by removing menu items and reformulating others, such as our ham, egg and hot chocolate. We are continuing to look at our product portfolio to optimize our menu and achieve further reductions in sodium.	Our Guests, p. 15-16
Reduce the sugar content in our U.S. Dunkin' Donuts beverage portfolio by 10% by December 31, 2017.	We are making progress but have encountered challenges, with more work to be done. We anticipate being able to achieve a 6% reduction by the end of 2018.	Our Guests, p. 15-16
Implement new DDSMART guidelines, including calorie, sugar, sodium and saturated fat thresholds by December 31, 2015.	We are continuing to evaluate our DDSMART® menu, which is geared toward the health-conscious guest. Our guests' lifestyles are constantly evolving and we want to ensure we are keeping up with their various dietary preferences. Our current DDSMART® menu is available in restaurants and, with the rollout of our new menu boards, items are now even easier for guests to identify.	Our Guests, p. 15-16
Test new Baskin-Robbins smoothies with a reduced amount of sugar and calories in the U.S. by the end of 2015.	The test did not meet the success criteria. In an effort to continuously improve our menu and product offering, Baskin-Robbins will continue to evaluate recipes for opportunities to incorporate better-for-you items and meet consumer needs.	Our Guests, p. 15-16



GOAL	PROGRESS	MORE DETAIL
<b>SUSTAINABLE PACKAGING</b>		
Identify an alternative to our current foam cup and establish a phased implementation plan and timeline for that transition in the U.S. by the end of 2015.	While there is no perfect cup commercially available, we have determined that the best alternative, at this time, is a double walled paper cup. We will continue to work with our suppliers to produce a double walled paper cup that will satisfy local regulatory requirements, meet consumer and franchisee expectations and minimize environmental impacts. While we are not prepared to make a transition at this time, we remain committed to finding a long-term alternative to our current cup.	Our Planet, p. 21-22
<b>RESPONSIBLE SOURCING</b>		
Issue a global sustainable paper and pulp policy for Dunkin' Donuts and Baskin-Robbins by the end of 2016.	We issued our Sustainable Pulp and Paper Sourcing policy in December of 2016. The policy can be found at: <a href="http://www.dunkinbrands.com/responsibility/policies-and-statements">http://www.dunkinbrands.com/responsibility/policies-and-statements</a> .	Our Planet, p. 22
Source palm oil that is 100% fully traceable to the mill by December 31, 2015 for our U.S. operations.	Since the original release of our guidelines, new tools and standards and other industry developments have taken place. We plan on releasing revised and updated Guidelines for Sourcing Palm Oil in 2017, which will include a goal of fully traceable palm oil to the mill by a timebound date, while continuing to work with suppliers to improve traceability data.	Our Planet, p. 32-34
Source palm oil that is 100% fully traceable to the plantation, RSPO certified and compliant with Dunkin' Brands' Responsible Palm Oil Principles by December 31, 2016 for our U.S. operations.	We have instructed U.S. suppliers to source certified sustainable materials and expect to be able to verify compliance by December 2017.	Our Planet, p. 33

GOAL	PROGRESS	MORE DETAIL
<b>RESPONSIBLE SOURCING (CONTINUED)</b>		
Source 10% of the eggs for U.S. breakfast sandwiches from cage-free sources by December 31, 2016; Map our international supply chain to understand the feasibility of transitioning to 100% cage-free eggs globally, and based on the assessment, establish a global target with interim deliverables.	In December 2015, we announced a commitment to source 100% of the eggs for our U.S. menu from cage-free sources by 2025. This followed an announcement in March 2015 that Dunkin' Donuts would source 10 percent of the eggs for U.S. breakfast sandwiches from cage-free sources by December 31, 2016, a goal that we met. We have determined that approximately 95-97% of our global egg supply is cage-free.	Our Planet, p. 34
Eliminate gestation crates from our U.S. pork supply chain by 2022, and develop interim deadlines in the meantime to ensure positive progress.	We are working with animal welfare groups, suppliers and producers to understand the roadmap for achieving this goal by 2022.	Our Planet, p. 34
<b>SUSTAINABLE BUILDING</b>		
Open 100 new DD Green Achievement™ restaurants by the end of 2016 in the U.S.	We opened our one hundredth DD Green Achievement™ restaurant in Orange Country, California in October 2016.	Our Planet, p. 22-23
Launch Phase 2 of DD Green Achievement™ for U.S. Dunkin' Donuts remodels by the end of 2015.	We launched Phase 2 of DD Green Achievement in July 2015, with the first remodel opening in Brewer, Maine.	Our Planet, p. 22-23
Publish an interim progress report on DD Green Achievement™ in 2016, including baselines for energy and water use, reduction targets and achievements to date.	We published our interim report on Dunkin' Donuts energy programs in November 2016. The report can be found at: <a href="http://www.dunkinbrands.com/responsibility/corporate-social-responsibility-reports">http://www.dunkinbrands.com/responsibility/corporate-social-responsibility-reports</a> .	Our Planet, p. 22-23
Increase single-stream recycling rates at our corporate headquarters by 15% by the end of 2016.	We have not yet been able to identify and secure a new recycling vendor to help us implement our new recycling program. Our recycling rates remained flat.	Our Planet, p. 22

GOAL	PROGRESS	MORE DETAIL
<b>CLIMATE &amp; ENERGY</b>		
Establish 2020 and 2025 energy and scope 1 and scope 2 GHG emission reduction targets, to be published in our next report.	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. 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.	Our Planet, p. 24-31
Conduct a comprehensive review of energy reduction efforts in our corporate facilities between 2010-2016 and publish results in our next report.	Between 2010 and 2016, we saw a 35% drop in electricity use at Brand Central and a 19% reduction in heating use. Between 2010 and 2016, we saw a 57% drop in electricity use at Dunkin' Brands University and a 34% reduction in heating use.	Our Planet, p. 24-31
<b>OUR PEOPLE</b>		
Pilot employee training to build cultural awareness and intelligence in 2016.	We completed unconscious bias training for all officers and directors with plans to roll out a similar training for all employees in 2018.	Our People, p. 37
Hold Dunkin' Brands' inaugural People First Summit in 2015 to provide franchisees a forum to learn from industry experts and share best practices on people management.	We hosted our inaugural People First Summit for 550 Dunkin' Donuts franchisees in October 2015. We also held our second People First Summit in 2017.	Our People, p. 39-41



# Path to Continuous Improvement

## DUNKIN' BRANDS' CORPORATE SOCIAL RESPONSIBILITY AND MENU IMPROVEMENT JOURNEY\*

**2004**

We launched **Fair Trade Certified™ espresso** in the U.S.

**2005**

We introduced **sugar-free flavor shots** in the U.S.

**2006**

We launched the Dunkin' Donuts & Baskin-Robbins Community Foundation, now the **Joy in Childhood Foundation**

**JOY** in  
childhood  
FOUNDATION

**2007**

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

**2008**

We introduced the Dunkin' Donuts **DDSMART®** menu featuring our egg white veggie breakfast sandwich and iced tea

**DDSMART**

**2009**

We launched the Baskin-Robbins **BRight Choices®** menu, featuring reduced fat, no sugar added and light ice cream flavors, as well as frozen yogurt and sorbets



**2011**

We published our first CSR Report



**2012**

We published our **animal welfare policy**; made our first commitment to source **cage-free eggs**

We set a goal to **reduce the sodium content** across our U.S. Dunkin' Donuts menu by 10% by 2015

We introduced oatmeal, bananas and oranges in stores

**2014**

We launched **DD Green Achievement™**, our sustainable restaurant program



We introduced **almond milk** at Dunkin' Donuts restaurants

We published our **Guidelines for Sourcing Palm Oil**

We launched **30% Rainforest Alliance Certified™ Dark Roast Blend**



**2015**

We made a commitment to source 100% gestation crate-free pork by December 31, 2022

We set a goal to **reduce the sugar content** in our U.S. Dunkin' Donuts beverage portfolio by 10% by December 31, 2017

**2016**

We published our **Sustainable Pulp and Paper Policy**

We set a goal to source **100% of the eggs for our Dunkin' Donuts U.S. menu from cage-free sources** by 2025

We began offering **100% Rainforest Alliance Certified™ espresso**

We posted **calories on menu boards** nationally for both brands

The Joy in Childhood Foundation turns 10; **\$14 million in funds granted** since 2006

**2017**

We announced plans to **remove synthetic dyes** from Dunkin' Donuts and Baskin-Robbins products in the U.S. by the end of 2018

\* U.S. data only

# Stakeholder Engagement

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Together with our nearly 1,200 corporate employees and more than 2,000 U.S. and international franchisees and licensees, Dunkin' Brands operates two brands in nearly 70 countries. As such, effective and continuous stakeholder engagement is paramount to our success. In our last report, we provided a full

chart description of our engagement mechanisms by stakeholder (please see [www.dunkinbrands.com/responsibility](http://www.dunkinbrands.com/responsibility)). Since then, we have further updated our engagement mechanisms to improve communication and transparency:

**FRANCHISEES:** Following our quarterly financial earnings calls, Nigel Travis, Chairman and CEO, now records a video highlighting our company results by business unit. We have also debuted several new monthly newsletters, including editions on food safety, government affairs and international affairs.

**EMPLOYEES:** We launched a new Employee Resource Group (ERG) for LGBTQ employees and allies and relaunched our Women's Integrated Network, and as of the publication of this report we have also launched a Veterans ERG (see p. 39 for more information on our ERGs). We also evolved our internal communications strategy to increase our emphasis on video and began piloting an internal social networking platform to better connect our employees.

**GUESTS:** In 2015 and 2016, we made a number of changes to our customer service mechanisms to better service our guests, including condensing our guest satisfaction survey, expanding our social media team, expanding our phone team to reduce wait time and we now take feedback through our Dunkin' Donuts mobile application. We also created a series of videos to educate our guests on how to use the Dunkin' Mobile app to help improve their experience. For more information, visit Our Guests on p. 19.

**LEGISLATORS & POLICYMAKERS:** We seek to engage policymakers, legislators and regulators to be part of solutions to issues facing our company and our industry. In 2015 and 2016, we focused on educating legislators and policymakers on Dunkin' Brands' business model, challenges, opportunities and contributions to society – for example, by conducting site visits to restaurants and bringing in franchisees for discussions.



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*“At Dunkin’ Brands, everything we do is focused on improving the guest experience.”*

– Nigel Travis, Dunkin’ Brands Chairman & CEO

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At Dunkin’ Brands, we approach everything we do – from product development to restaurant operations to communications – through a guest-centric lens. Today’s consumers are more sophisticated than ever before: They want to know where their food comes from, how it was made and what they’re consuming – and we want to help empower them with the right information.

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### **IMPROVING MENU QUALITY**

We strive to offer all of our guests authentic, high-quality menu items and to this end, in 2014, we established formal guidelines for Dunkin’ Donuts new product development. These guidelines help us evaluate ingredients, sodium and sugar levels and potential nutritional claims for our products, whether we are developing a new beverage or an indulgent treat. In 2012, we set a goal to reduce sodium across the entire Dunkin’ Donuts U.S. menu by 10% by December 31, 2015. While we were not able to reach the full 10% reduction, we did reduce sodium across the national menu by 6.6% by removing menu items and reformulating others, such as our ham, egg and hot chocolate. We are proud of this accomplishment and will continue to explore opportunities to further reduce sodium across our entire menu. In 2014, we also set a goal to reduce the sugar in our U.S. Dunkin’ Donuts beverage portfolio by 10% by December 31, 2017. Since then, we have explored potential sugar reductions in our hot, iced and frozen beverages, as well as our syrups and swirls. Because our priority is to maintain



### *Time to make Donuts!*

We’re always looking for the perfect new donut to delight our guests. Between 2015 and 2016, we launched 25+ new donuts in the U.S. – and tested countless others.



the taste profile of the beverages our guests know and love, the effort has been met with mixed success. However, we anticipate being able to achieve a 6% total sugar reduction across the U.S. Dunkin' Donuts beverage portfolio by the end of 2018.

One of our primary goals is to continuously improve our menu while offering guests the choice and great taste that they expect from Dunkin' Donuts. We take the same approach for our Baskin-Robbins brand. In our 2014 Report, we set a goal to test Baskin-Robbins smoothies with less sugar in 2015. While the test did not meet our success criteria, we continuously seek to improve our menu and product offering. In 2015, we launched six better-for-you flavors including a Greek frozen yogurt, a lactose-free ice cream and several allergen-free offerings to better meet our consumers' needs.

Prior to the publication of this report, we announced a goal to remove synthetic dyes from the Dunkin' Donuts and Baskin-Robbins U.S. menus by the end of 2018. As part of our company's ongoing efforts to offer guests great-tasting, high-quality products and cleaner menu labels, both the Dunkin' Donuts and Baskin-Robbins product development teams, in partnership with suppliers, have been working to eliminate synthetic dyes from food and beverages in the U.S. and replace the ingredients with naturally sourced colorings.

Specifically, within the next two years, Dunkin' Donuts will remove synthetic dyes across its menu, including donut icings, fillings and toppings, as well as frozen beverages such as Fruit Smoothies and COOLATTA® frozen beverages, baked goods, breakfast sandwiches and coffee flavorings. Similarly, Baskin-Robbins will remove synthetic dyes from its menu, including ice cream sold both at its restaurants and in quarts and pints at retail locations, as well as its syrups, sauces, sprinkles and beverages, including Cappuccino Blast®. The exceptions on both brands' menus include select supplier-branded ingredients produced by other companies and used as toppings, ice cream inclusions or decorative elements. Additionally, Baskin-Robbins will require a longer period of time to identify replacements for the decorative elements on its ice cream cakes.



## PROVIDING CHOICE & INCREASING TRANSPARENCY

Our goal is to serve guests with a wide variety of dietary preferences and needs – whether they are looking for a dairy-free option, a kosher menu item or lighter fare. Our DDSMART® menu is geared specifically toward the health-conscious guest and is available in all Dunkin' Donuts restaurants in the U.S., and with the rollout of our new menu boards in 2016, items are now even easier for guests to identify. BRight Choices®, our Baskin-Robbins better-for-you menu, previously contained only products meeting certain calorie, fat and sugar thresholds. Since our last report, we decided to evolve the program to better meet our guests' needs. The new program is focused on accommodating guests with dietary restrictions and allergen concerns while also providing better-for-you offerings through a core offering of broad-appeal flavors.

We believe our guests should know the nutritional content of the food and beverages they purchase from us. We make all of our ingredient information available on the Dunkin' Donuts and Baskin-Robbins websites and mobile apps, and our customer relations associates are trained on how to respond to the wide variety of nutrition-related inquiries we receive. We also continue to be strong advocates for federally mandated menu labeling in the U.S. so that consumers easily see the caloric content of the food and beverages they are ordering at the point of purchase. While the federal menu labeling law has been postponed to May 2018, all our U.S. restaurants have already invested in implementing the national menu labeling requirements in advance of the law's requirements.



### *Brightening Your Day!*

In 2016, Baskin-Robbins U.S. introduced three new BRight Choices flavors, including USO Patriot Pop, which features naturally-colored red, white, and blue sorbets in a dairy-free, fat free and allergen-free flavor that highlighted Baskin-Robbins' partnership with the United Service Organizations (USO), as well as an all-new Berry Fruitful Greek Frozen Yogurt flavor and a new co-branded No Sugar Added Moose Tracks®[1] flavor.

[1] Denali® and Moose Tracks® are registered trademarks of Denali Flavors, Inc.



## OUR COMMITMENT TO FOOD SAFETY

Working to eliminate food safety risks in our Dunkin' Donuts restaurants and Baskin-Robbins shops depends on true collaboration between our brands, our franchisees and their employees. To this end, we are always improving our food safety systems in order to best serve our guests. Our franchisees must meet high quality and food safety standards as defined in our Food Safety Systems, and they are required to conduct monthly food safety self-assessments to review the effectiveness of their food safety practices. Our Operations Managers, food safety staff and third-party food safety support teams also assess restaurant-level food safety during restaurant assessments, and our manufacturing support team conducts similar assessments in our franchisee-owned Central Manufacturing Locations (CMLs).

When we audited our U.S. food safety systems in 2015, we were pleased to find that they met or exceeded the Food and Drug Administration's Model Food Code Update. Additionally, in keeping with new industry best-practice food safety standards, in 2015 and 2016, we made several key improvements to our systems:

- Bolstered our food safety communications to franchisees, including a new monthly Focus on Food Safety newsletter for all restaurants; the creation of Risk Assessment Documents covering each of our food safety systems; and the addition of required food safety standard video presentations at our quarterly District Advisory Council (DAC) meetings for franchisees.
- Engaged a pest management consultant specializing in manufacturing environments and expanded our pest management standards to include our franchisee-owned Central Manufacturing Locations (CMLs).
- Worked with our vendors to transfer all of our restaurants to the Occupational Safety and Health Administration (OSHA) SDS Standard.
- Created a digital temperature management brand standard to help our franchisees as they switch over to digital systems.
- Introduced a standalone Food Safety Review that more closely aligns food safety assessments to the FDA Model Food Code and places increased importance on the CDC's most common risk factors to food.
- Conducted Food Safety calibration exercises with every Operations Manager & Operations Director, employing new tools that increase compliance with food safety standards and the diagnosis of imminent health risks.



### *Relentless*

We are relentless about food safety. In 2015 & 2016, our U.S. and international operations teams conducted more than 66,000 food safety assessments in Dunkin' Donuts and Baskin-Robbins restaurants around the globe.



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

- Updated our International Supplier, Distributor and Central Manufacturing food safety standards in-line with current global food safety regulation and best practices.
- Established our International supplier registration and certification requirements with more than 1,000 suppliers registered and risk assessed.
- Achieved 100% GFSI certification with all our Baskin-Robbins Ice Cream suppliers, in addition to 100% annual factory audit by DBI Quality Assurance teams.
- Established 2nd party auditing and verified food safety standards at International Dunkin' Donuts Central Manufacturing Locations with regular audits conducted to ensure standards are being maintained.
- Updated and successfully independently tested our supply chain major incident management response preparedness.
- Continued to develop our investment and relationship with NSF International globally with audits of suppliers, CMLs and distributors. We are now migrating our International supplier management system to the world class NSF TraQtion application.
- Added dedicated resources and built relationships with key international advisors to proactively monitor and ensure compliance with the constantly changing world of food regulation.

## INFORMATION SECURITY

We live in an era where all companies are at risk of data breaches. To safeguard our guests' personal data, we have a team dedicated to preserving information security across all of our systems and to implementing new security controls in our U.S. restaurants, Mobile Applications, Websites and Corporate systems.

In 2015 and 2016, we implemented new measures to ensure maximum levels of security for our guests, including, but not limited to:

- Successfully deploying several security enhancements to our Dunkin' Donuts and Baskin-Robbins Store Network in-

frastructure 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' Donuts 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 regular and frequent security audits of our stores, e-commerce applications and corporate systems to ensure safeguards are operating effectively

## GUEST SATISFACTION

Whether we are creating a new donut or ice cream flavor, establishing new crew trainings or creating new restaurant cleanliness protocols, everything we do is with the goal of delighting our guests. We care about the guest experience in our restaurants, and we want to hear from them when we are exceeding or failing to meet their expectations. As such, we want to make it easy for our guests to connect with us. In 2015 and 2016, we expanded our customer relations team to better respond to our guests. This enabled us to reduce phone wait times for consumers and increase the speed of our social media responses. We also condensed our guest satisfaction survey to make it easier for customers to navigate and added a new feedback feature to our app. Additionally, we created a series of videos that demonstrate how to better use our app to help improve their experience.

## *Our Guests: 2018 Goals*

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- Remove synthetic dyes from the Dunkin' Donuts and Baskin-Robbins U.S. menus by December 31, 2018





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*“As a food and beverage company, we are committed to working with our suppliers to source our ingredients responsibly.”*

– Chris Fuqua, Senior VP, Operations Strategy & Supply Chain

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## SUSTAINABLE PACKAGING

At Dunkin' Brands, we are always looking for opportunities to make improvements to our packaging that make sense for the planet and for our business. To this end, we evaluate our packaging on an ongoing basis with suppliers and discuss opportunities to decrease the amount of material in our packaging; increase the amount of recycled and/or certified material in our packaging; and find packaging options that are recyclable, compostable, biodegradable or a combination of those. Today, 30% of our packaging is made with recycled content; 35% is compostable; and 30% is biodegradable.



In our Sustainable Pulp and Paper Policy, which we issued in 2016, we expressed our intent to continue looking for opportunities to use recycled or certified material in our packaging. As a result, we are setting a goal to source 80% of our packaging (from 60% today) for our Dunkin' Donuts restaurants and Baskin-Robbins shops from Sustainable Forestry Initiative (SFI) sources by the end of 2018.



## BYOM: *Bring Your Own Mug*

Since 2012 we have distributed nearly 5.5 million reusable mugs through promotions to Dunkin' Donuts guests. In 2016, we served nearly 18.5 million beverages in reusable mugs.



## Dunkin' Donuts Hot Coffee Cup

In our 2014 CSR Report, we set a goal in to identify an alternative to our Dunkin' Donuts foam cup and stated we intended to have a plan in place by the end of 2015 to gradually transition from foam in the future. We have worked extensively to find a replacement for our foam cup that would meet three criteria: be curbside recyclable and/or be made of renewable materials; meet the performance of our current cup (keep hands cool, product hot); and not be significantly more expensive for our franchisees.

While there is no perfect cup commercially available, we have determined that the best alternative, at this time, is a double walled paper cup. We will continue to work with our suppliers to produce a double walled paper cup that will satisfy local regulatory requirements, meet consumer and franchisee expectations and minimize environmental impacts.

While we are not prepared to make a transition at this time, we remain committed to finding a long-term alternative to our current cup.

## Recycling & Waste

Although we cannot mandate recycling in our restaurants, which are 100% franchisee-owned and operated, we are committed to providing Dunkin' Donuts franchisees in the U.S. with the tools for environmental stewardship in their restaurants. In 2014 and 2016 respectively, we made composting guidelines and a recycling toolkit available to our franchisees who wish to compost organic waste and recycle packaging from their restaurants.

## SUSTAINABLE BUILDING

In 2014, we launched DD Green Achievement™, a program designed to help Dunkin' Donuts franchisees build sustainable, energy-efficient restaurants in the U.S. DD Green Achievement restaurants are built with energy-efficient and sustainable elements, including LED lighting to reduce energy use, high-efficiency mechanical units, water reduction features such as low-flow faucets and more. We set a goal to open 100 DD Green Achievement restaurants by the end of 2016, and we are pleased to report that our franchisee opened the one hundredth restaurant in Lake Forest, CA, in October 2016. There are now approximately 150 DD Green Achievement restaurants around the country.

### *Greening Our Packaging\**

**2005:** Began sourcing a 4-cup carrier made of recycled newsprint for Dunkin' Donuts.

**2009:** Transitioned to napkins made with 100% recycled paper for Dunkin' Donuts and Baskin-Robbins; added recyclable content to our espresso sleeves, cup carrier and Box O' Joe®.

**2014:** Converted Dunkin Donuts bagel bags in the U.S. to 100% recycled paper, saving an estimated 20 million pounds of virgin paper per year.

**2015:** Began transitioning lids for cold beverage cups from PET to polypropylene, a change that will take 500,000 pounds of material out of the waste stream per year; transitioned Baskin-Robbins pink spoon to #5 recyclable polypropylene plastic.

**2016:** Decreased the plastic in our Box O' Joe, which will reduce the amount of resin used annually by 55 tons.

\*U.S. Packaging



In 2017, we will be evolving our sustainable restaurant strategy to maximize our franchisees' opportunities to open sustainable restaurants:

1. We will relaunch DD Green Achievement. Our second iteration of the program will be more streamlined and easier to use for our construction managers, architects and franchisees alike. We are setting a target to open 500 DD Green Achievement restaurants open in the U.S. by the end of 2020.
2. We are also setting a goal to launch a new store prototype incorporating some of the elements of DD Green Achievement. The new prototype will be utilized for new traditional restaurant openings in the U.S. starting in 2018. This will allow new Dunkin' Donuts restaurants in the U.S. built to this new prototype to operate more efficiently. Restaurants built to the new prototype, when executed properly, will utilize less water and 15-20% less energy than previous restaurants.



### *Meet Rob*

Rob MacDonald, a third generation Dunkin' Donuts franchisee, owns a DD Green Achievement restaurant in Brewer, Maine. "My water and sewer bill is down about \$200 to \$300 per month, and my trash bill is cut in half. That's hundreds of dollars in savings just for the trash - that's huge."

## ENERGY & CLIMATE



### Energy Reductions in our Corporate Holdings Corporate Facilities

Dunkin' Brands' corporate headquarters and learning facilities are not just office spaces – they are also interactive meeting spaces, innovation labs and high-tech test kitchens. In the past several years, we have focused on preventive maintenance, regular equipment updates, lighting retrofits, server virtualization and HVAC efficiency improvements in order to reduce our electricity and heating use.

In 2015 and 2016, we installed a building management system and transitioned 99% of our indoor and outdoor lightbulbs to LED at our global headquarters, Brand Central. We performed an energy savings audit, retrofitted our generator to be more efficient, performed a maintenance overhaul on our rooftop HVAC units and installed a robust lighting controls system with set shut off schedules. Between 2010 – when we first started capturing energy data – and 2016, we saw a 35% drop in electricity use and a 19% reduction in heating use at Brand Central.

In 2017 and 2018, we plan to upgrade the motion sensor system in our headquarters, retrofit our rooftop HVAC units with new control boards and fit our refrigeration units and walk-in coolers with motion controls.

In 2015 and 2016, at our Braintree, MA, learning facility, Dunkin' Brands University (DBU), we installed LEDs in 100% of the building and replaced the entire main switch gear. We also remodeled the building, leading to further efficiencies. As a result, between 2010 and 2016, we experienced a 57% drop in heating use and a 34% reduction in electricity use at DBU. In 2017 and 2018, we plan on installing a new building management system for our HVAC and exhaust fans at DBU to further increase energy savings.

### *Seeing Results at Brand Central*

Thanks to our investments in energy efficiency at our corporate headquarters, Dunkin' Brands' Energy Star score went from 34 in 2014 to 88 in 2016.

### Corporate Fleet

We continuously evaluate the efficiency of our corporate fleet and offer incentives to field-based employees who select more efficient vehicle options. Greenhouse gas emissions (GHGs) from our corporate fleet represent a significant portion of our total GHGs. Since 2010, absolute GHG emissions from the corporate fleet increased by 13.3%, due to an increase in annual miles driven by each vehicle and an increased size of the corporate fleet. However, when normalized for fuel economy to account for the expanded corporate fleet and increased miles driven, fuel efficiency in the corporate fleet has actually improved by 14.2%.

### Energy and Greenhouse Gas (GHG) Footprint

We continuously measure our energy and GHG emissions footprint for our corporate headquarters and facilities. An expert consultancy monitors the energy use and Scope 1 and 2 GHG emissions for our corporate holdings. This process helps to minimize the environmental footprint of our operations, informs our energy efficiency and conservation projects and directs future energy reduction strategies.

The following table summarizes our Scope 1 and 2 energy and GHG emissions data from 2010 to 2016. Overall, absolute direct and indirect energy consumption and emissions have fluctuated but are generally trending downwards from 2013 to 2016.



## DUNKIN' BRANDS ENERGY & GHG EMISSIONS DATA

	2010	2011	2012	2013	2014	2015	2016
<b>Corporate Facilities<sup>3</sup></b>							
Direct Energy Use (GJ) <sup>4</sup>	13,829	15,784	11,175	3,371	2,918	3,165	2,743
Indirect Energy Use (GJ) <sup>5</sup>	42,318	41,770	36,819	20,785	18,613	15,914	15,455
Total Energy Use (GJ)	56,147	57,554	47,994	24,156	21,531	19,080	18,197
Normalized Energy Use (GJ/Sq Ft)	0.22	0.22	0.23	.12	0.10	0.09	0.09
GHG Emissions (MT CO <sub>2</sub> e)	3,394	3,446	3,010	2,040	1,819	1,588	1,394
<b>Corporate Fleet<sup>6</sup></b>							
Fuel Usage (Gallons)	242,138	270,273	292,224	339,856	310,946	287,835	276,586
Normalized Fuel Usage (Miles Per Gallon)	24.0	24.5	24.4	23.5	27.6	28.4	27.4
GHG Emissions (MT CO <sub>2</sub> e)	2,143	2,392	2,586	3,007	2,755	2,527	2,428
<b>Company-Owned Restaurants<sup>7</sup></b>							
Direct Energy Use (GJ)	1,575	2,023	2,874	4,130	3,942	5,295	1,755
Indirect Energy Use (GJ)	6,577	8,217	16,868	18,827	15,842	22,988	10,098
Total Energy Use (GJ)	8,151	10,240	19,742	22,957	19,784	28,283	11,853
Normalized Energy Use (GJ/Sq Ft)	0.46	0.47	0.44	0.46	0.44	0.42	N/A <sup>6</sup>
GHG Emissions (MT CO <sub>2</sub> e)	1,079	1,281	2,629	3,003	2,446	3,262	1,399
Total Emissions Scope 1 (MT CO <sub>2</sub> e)	2,906	3,275	3,284	3,384	3,101	2,955	2,656
Total Emissions Scope 2 (MT CO <sub>2</sub> e)	3,708	3,845	4,941	4,665	3,920	4,422	2,565
Total MT CO <sub>2</sub> e	6,615	7,120	8,225	8,049	7,020	7,377	5,221



<sup>1</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. Utility bills were not available for all company-owned restaurants (Dunkin' Brands is 100% franchised, with no company-owned restaurants as of 2016) because some of them were located 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. We calculated the GHG footprint of the corporate fleet using the EPA Center for Corporate Climate Leadership emissions calculator. Recently, we improved the accuracy of data collection methods for the corporate fleet by estimating business miles traveled from personal miles traveled. These changes resulted in a different fuel and GHG profile than was reported in the 2014 CSR Report.

<sup>2</sup> Scope 1 includes GHG emissions from natural gas use in our corporate facilities and company-owned restaurants, and fuel use by our corporate fleet. Scope 2 includes GHG emissions from purchased electricity use in our corporate facilities and company-owned restaurants.

<sup>3</sup> Corporate facilities include our Brand Central headquarters, Dunkin' Brands University, our Burbank, California training facility and our ice cream manufacturing plant in Canada (which ceased operations in October 2012).

<sup>4</sup> Direct energy use represents consumption of natural gas.

<sup>5</sup> Indirect energy use represents consumption of electricity.

<sup>6</sup> Our corporate fleet is comprised of standard and hybrid vehicles used by corporate employees for business travel.

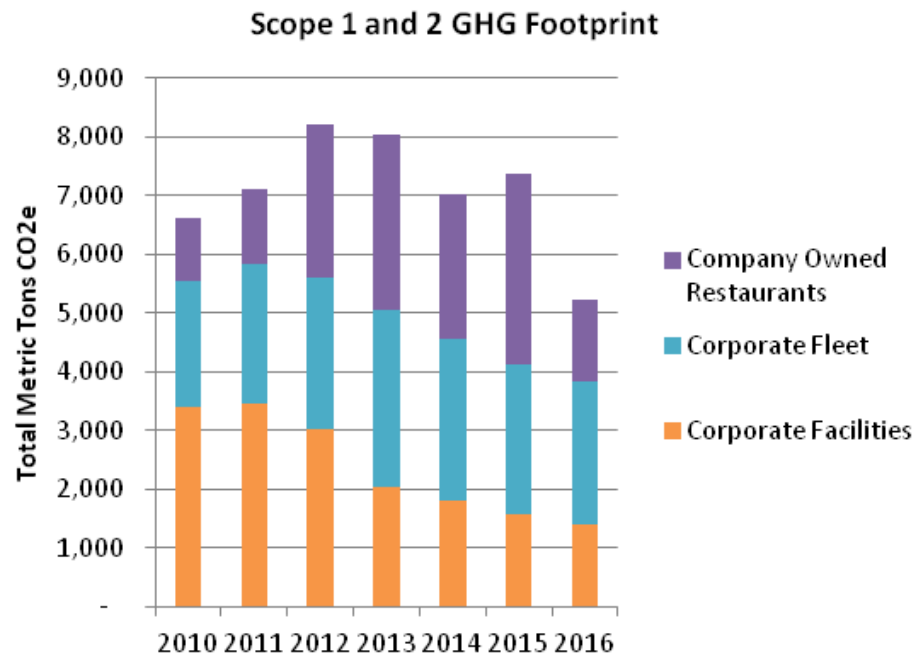
<sup>7</sup> Dunkin' Brands has operated only a small number of Dunkin' Donuts company-owned restaurants in past years: a total of 12 in 2010 (8 were in operation for the full year); 17 in 2011 (12 were in operation for the full year); 28 in 2012 (21 were in operation for the full year); 31 in 2013 (25 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).

<sup>8</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.



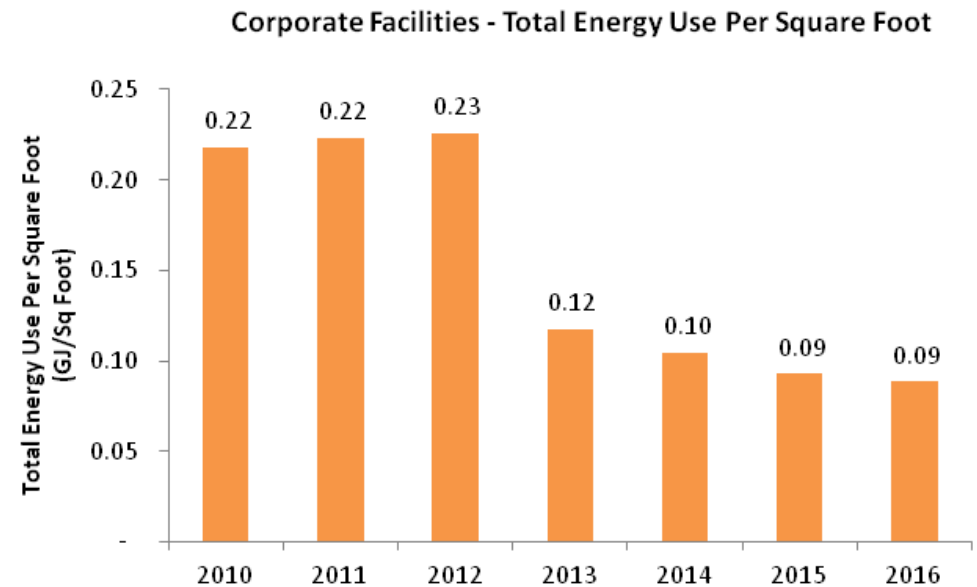


The following graph shows the relative contribution of our company-owned restaurants, corporate fleet and corporate facilities to the GHG footprint by year.

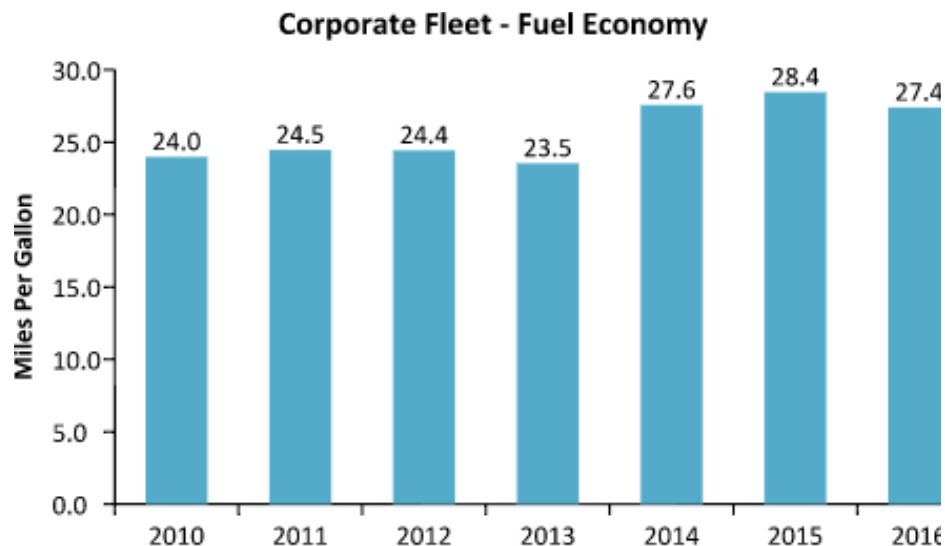


Aside from the energy and fuel efficiency measures we have pursued, there are many additional factors that can affect the energy and GHG profile of our corporate holdings from year-to-year. These factors include acquisition/divestment of corporate facilities and corporate-owned restaurants and growth/reduction 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. After normalizing, we found:

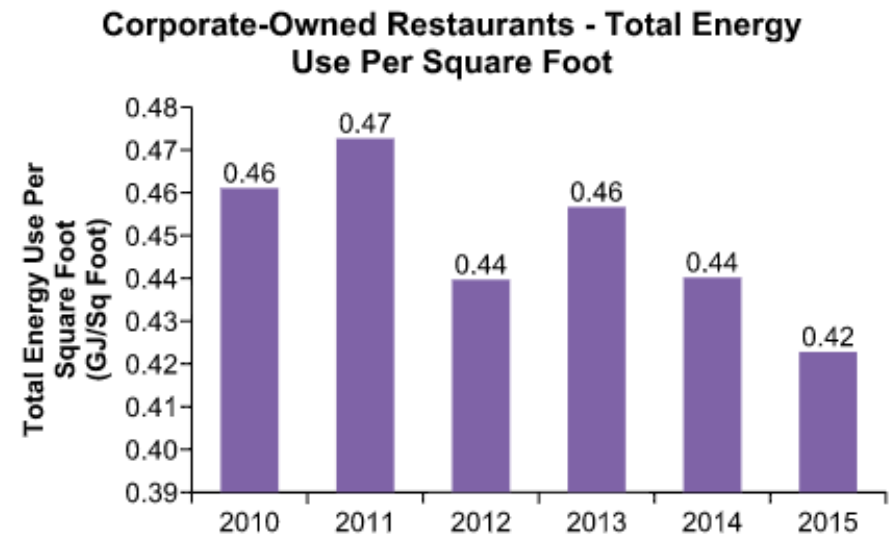
- For corporate facilities, total energy use per square foot has been declining steadily from 2011 to 2016. This indicates that the energy savings measures we have implemented are working.



- For the corporate fleet, we see that total fuel use has decreased steadily from 2013 to 2016. We also see that miles traveled per gallon, or fuel economy, has largely increased in that time frame, indicating that fuel efficiency upgrades to fleet vehicles have been effective.



- For corporate-owned restaurants, total energy use has fluctuated on an annual basis as well as on a normalized, square footage basis. Additional analysis indicates that this is mainly due to the different operational methods that affect both heating and electricity use. Note that 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, we sold all company-owned restaurants; therefore, 2016 normalized figures are not available.



## OUR ENERGY REDUCTION TARGETS

In our 2014 report, we set a goal to establish 2020 and 2025 energy reduction targets to guide future reductions in Scope 1 and Scope 2 GHG emissions. We are pleased to announce the following energy reduction targets:

- For our corporate facilities<sup>9</sup>, 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.
- 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.

We have committed to two separate energy reduction targets for corporate facilities and the corporate fleet because building energy and vehicle energy are distinct challenges, and they are overseen by separate management teams. We sold all corporate-owned restaurants in the latter part of 2016, so an energy reduction target was not set for corporate-owned restaurants.

We selected 2013 as the baseline year because we made improvements to energy data collection in 2013. Also during 2013, we began actively implementing a portfolio of energy reduction strategies for both the corporate facilities and corporate fleet.

Both targets are normalized - the corporate facilities target by square footage and the corporate fleet target by fuel efficiency. Normalizing our targets ensures that we are comparing energy reduction performance in our baseline and target years on a common scale by factoring out changes in energy use due to year-to-year differences in operations.

Targets were carefully set by analyzing our historic energy reduction trends and estimating projected energy savings of planned future projects. These targets are rigorous and support our ongoing efforts to identify and take action on energy reduction opportunities.

## Water

In 2017 and 2018, we will capture the water footprint for our corporate facilities, and based on the outcomes, we will develop water saving strategies for implementation by the end of 2020.

### *Snapshot on: Bellingham DCP 2015 Lighting Conservation Project*

In 2015, the Bellingham, MA, DCP, the franchisee-owned purchasing and distribution cooperative that provides products to Dunkin' Donuts restaurants nationwide, partnered with their local utility company to install state-of-the-art lighting energy conservation solutions. The project included the removal of antiquated High Intensity Fluorescents and a schematic re-design and installation of highly efficient LED lighting. The lighting re-design and installed technology resulted in optimized light levels to match the tasks and operations in various parts of the building and, of course, a dramatic reduction in energy consumption amounting to \$50,000 dollars per year in energy cost savings.

<sup>9</sup> Dunkin' Brands owns and operates three corporate facilities: Brand Central, Dunkin' Brands University, and the Burbank training facility. This target only includes Brand Central and Dunkin' Brands University as the Burbank training facility will be relocated in the upcoming months.

## Our Restaurants

We believe reducing our energy use as a company and in our franchised restaurants is smart business: it helps us and our franchisees save money, reduces our energy footprint and helps mitigate climate change. For this reason, multiple departments and cross-functional teams across Dunkin' Brands are involved in our energy reduction strategy, including the CSR, operations, construction, store planning and equipment teams.

Because our restaurants are independently owned and operated by our franchisees, Dunkin' Brands' role is to provide guidance, tools and resources to our franchisees to make energy reduction strategies as easy to opt into and implement as possible. Since 2014, these have included:

- Comprehensive energy toolkits, which provide strategies for energy reductions in franchisee-owned facilities;
- DD Green Achievement™, our sustainable restaurant program; and
- An energy management initiative, implemented in partnership with local utility companies.




## Toolkits for Franchisees

In 2016, we updated our Power Down, Profit Up toolkit, originally created in 2012, with the latest restaurant and equipment specs and industry standards. In addition, we created a companion kit for our U.S. Central Manufacturing Locations (CMLs), which are also franchisee-owned. The toolkits provide franchisees with tactics – ranging in difficulty and cost – they can implement in order to save energy in their restaurants and facilities.



## Energy Efficiency Toolkit



Energy Efficiency Toolkit						
Lighting Opportunities						
Every time you operate an old or low-efficiency lighting fixture, you are literally wasting energy and money with the flip of a switch.						
What to Do	What's Involved	Why Do It	Who to Contact	Investment Level	Difficulty	Typical ROI
Check Outdoor Parking and Safety Lighting	Inspect time clock and photocell lighting controllers and batteries to ensure that they are set properly and operating correctly.	<b>Maintenance Actions</b> When outdoor lighting goes on too early, stays on too late, or never goes off, you're spending money you can't afford to waste. <b>Investment Actions</b>	If controllers are malfunctioning, call the electrical maintenance company for your lighting control system for repairs.	\$	Easy	Immediate
Upgrade Linear Fluorescent Lamps	Replace T12 and T8 ceiling lamps with magnetic ballasts with T5 lamps (see photos below) with electronic ballasts.	The luminous efficacy of T5 lamps is about 100 lm/W, while those of T8 and T12 lamps are only about 80 lm/W and 70 lm/W respectively.	Call your utility company and check for rebates or incentives for lighting retrofits.	\$	Easy	1-3 years
Install Motion Sensors	Install sensors to control wasteful lighting use in less frequently used areas, like storage rooms and walk-in coolers.	You could save up to 30% in lighting-related energy consumption in rooms with motion sensors. <sup>3</sup>	You could try the DIY approach or call your electrician. But first, check with your utility for rebates or incentives.	\$\$\$	Easy	2-3 years <sup>4</sup>
Upgrade to LED Lighting	Replace indoor and outdoor lighting fixtures with LED fixtures.	Replacing energy-inefficient lights with LEDs could generate annual savings of up to 75% and reduce lighting maintenance costs. <sup>5</sup>	Coordinate the lighting upgrade with your utility company; rebates on LEDs can cut up to 75% off the price per lamp.	\$\$\$\$	Medium	3-5 years
Install Photo Sensors to Take Advantage of Natural Light	Daylight harvesting includes the integration of photo-electric sensors and electronic dimming ballasts into standard fluorescent fixtures. Sensors are activated when natural light levels in the space reach a certain point, triggering your Sales Area lights to dim or even shut off.	Daylight harvesting could reduce energy associated lighting costs by up to 35%. <sup>6</sup>	Ask the utility company to send a lighting expert to see if your location(s) is a good candidate. If you get approval, see if the utility company or city/state is offering incentives for daylight harvesting.	\$\$\$	Hard	Too many variables in system and building types to project
  						
<b>Investment Levels</b> 0 No Cost \$ \$5 - \$50 \$\$ \$100 - \$400 \$\$\$ \$500 - \$999 \$\$\$\$ \$1,000+						

<sup>3</sup> U.S. Department of Energy, "Lighting Controls", accessed December 18, 2015, <http://energy.gov/energyefficiency/lighting-controls>

<sup>4</sup> Assumes sensor saves at least 2 hours/day.

<sup>5</sup> U.S. Department of Energy, "New Energy-Efficient Light Bulbs Compare with Traditional Incandescent", accessed December 18, 2015, <http://energy.gov/energyefficiency/new-energy-efficient-light-bulbs-compare-traditional-incandescent>

<sup>6</sup> TIAA LLC and U.S. Department of Energy, "Commercial Building Toplighting: Energy Saving Potential and Potential Paths Forward", last modified June 2006, [http://apps1.eere.energy.gov/buildings/publications/pdfs/commercial\\_toplighting\\_tiaa\\_report.pdf](http://apps1.eere.energy.gov/buildings/publications/pdfs/commercial_toplighting_tiaa_report.pdf)



## **DD Green Achievement**

Our DD Green Achievement restaurants are located in more than 20 states across the country in different regions and climate zones – from California to New Mexico, Florida, Maine and Illinois. Opening a DD Green Achievement restaurant requires a small additional financial commitment from franchisees, who work with their construction manager and architect to incorporate a menu of sustainable options into the build of their new or remodeled restaurant.

When we launched DD Green Achievement, our goal was to set a target for energy and water reduction across our portfolio of DD Green Achievement restaurants in the U.S. In order to accomplish this, we worked with a consultancy to:

- Calculate a baseline of energy use in our conventional restaurants. We took a stratified sample of 138 restaurants belonging to 47 franchisees across geographic regions and climate zones and collected a year's worth of utility bills from those restaurants. Average annual energy use at conventional restaurants that provided both electricity and heating data was found to be 880 GJ per restaurant<sup>10</sup>.
- Conduct energy modeling to both estimate the average electricity and heating use of a conventional restaurant and predict the energy benefits of DD Green Achievement. Using the energy use data from the conventional restaurants in our sample, in conjunction with energy equipment and restaurants specifications, we modeled energy use for a conventional restaurant and a restaurant achieving DD Green Achievement status.
- Collect energy use data from a subset of DD Green Achievement restaurants that have been open for one year. After analyzing one year's worth of energy and gas bills for a sample of DD Green Achievement restaurants, we found that the average annual energy use for a DD Green Achievement restaurant is 694 GJ per restaurant, with a wide range of 232 GJ to 940 GJ.

Using the data we gathered and the work completed with our external consultancy, we feel confident that our DD Green Achievement restaurants are designed to save between 15-20% of energy compared to a conventional Dunkin' Donuts restaurant.



## **Energy Management Program**

In 2016, we kicked off a new energy management initiative for Dunkin' Donuts U.S. restaurants that draws on an innovative partnership model between Dunkin' Donuts, utility companies, vendor partners and control systems platforms. This energy management initiative is an optional pilot program for Dunkin' Donuts franchisees in limited markets in the U.S. Franchisees who choose to opt in commit to installing LED lighting, refrigeration controls/updates and an energy management system that provides controls for equipment temperature and on/off schedules. We believe this program has the potential to greatly reduce energy use at participating restaurants, while at the same time potentially saving our franchisees money. At the time of publication of this report, 313 Dunkin' Donuts restaurants in Massachusetts, Rhode Island and Connecticut have committed to participating in the program. Based on initial analyses, this could translate to approximately 6.5 to 7 million KWH over the course of a year. We are proud that Dunkin' Donuts Energy Management Program was selected as the winner of the Association of Energy Services Professionals' (AESPs) Energy Award for Outstanding Achievement in Non-Residential Program Design and Implementation.

<sup>10</sup> Figures based on a restaurant of 1,800 square feet.

## RESPONSIBLE SOURCING

Dunkin' Brands strives to create a fair value chain, from sourcing to distribution, that sustains the livelihoods of those involved and protects the ecosystems in which they are grounded. Feedback from stakeholder dialogues in past years demonstrated that we needed to focus more of our efforts on responsible sourcing, and since our last report, we have allocated significant resources to the development and implementation of sustainable purchasing policies. These are multi-stakeholder collaborative efforts between Dunkin' Brands, the NDCP, our franchisees and our suppliers.

In 2015, we updated and redistributed our Supplier Code of Conduct, which sets out minimum standards of compliance for our domestic suppliers. These standards are based on core International Labour Organisation (ILO) conventions, the internationally recognized Ethical Trading Initiative (ETI) base code and the UN Guiding Principles on Business and Human Rights. All Dunkin' Brands U.S. suppliers must comply with the Supplier Code of Conduct. We will continue to update this code to address new or updated laws and regulations, as well as business and industry changes.

We also developed Dunkin' Brands' **Sustainable Agricultural Vision**, which serves as an umbrella for all of our commodity-specific policies and commitments. Our Sustainable Agriculture Vision outlines how we aim to collaborate with suppliers to protect the environment and ensure sustainable communities and economies.



## What We Source<sup>11</sup>

A wide variety of ingredients and materials contribute to the delivery of the Dunkin' Donuts and Baskin-Robbins products that our guests know and love. Dunkin' Brands works with the NDCP and our franchisees to ensure that materials and ingredients sourced for Dunkin' Donuts and Baskin-Robbins restaurants are sourced responsibly.

Ingredients most sourced for the Dunkin' Donuts U.S. menu include:

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

Materials most sourced for Dunkin' Donuts packaging in the U.S. include:

- Polypropylene
- Paperboard
- Recycled paper
- EPS
- PET plastic

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

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

Materials most sourced for Baskin-Robbins packaging in the U.S. include:

- Paper
- Polypropylene
- PET plastic
- Polystyrene plastic

<sup>11</sup> Dunkin' Brands no longer releases ingredients and packaging information for Dunkin' Donuts and Baskin-Robbins in millions of tons. This information is now proprietary.

## PROGRESS AGAINST POLICIES



**Palm Oil:** In 2014, we published Dunkin' Brands' [Guidelines for Sourcing Palm Oil](#) to share our commitment to sourcing responsibly produced palm oil, set forth clear requirements for our suppliers and to guide our own decision-making regarding palm oil in our global supply chain. Since then, our supply chain, CSR and enterprise risk management teams have undertaken a multi-stakeholder engagement process – working with the NDCP, suppliers and our international field teams and franchisees – to map our U.S. and international supply chains and the capacity of the suppliers to the NDCP and our international franchisees to comply with our policy. We have made good progress on our goals from 2014:

- In 2016, our U.S. suppliers were instructed to source sustainably certified mass balance palm oil materials for all our U.S. operations.
- We completed a mapping of our palm oil supply chains across all our international operations and provided information to our international suppliers about our sustainable palm oil commitment and guidelines.
- We have instructed U.S. suppliers to source certified sustainable materials and expect to be able to verify compliance by December 2017.
- We applied for Roundtable on Sustainable Palm Oil (RSPO) membership with the goal of being able to report our sustainably certified palm oil volumes publicly as part of our policy reporting process.

Since 2016, we have been working with the Rainforest Alliance, a recognized leader in sustainable supply chains, to assist us to revise and update our policy – taking into account industry developments and new tools and standards that have taken place since we issued our policy – as well as to strengthen our implementation capacity. As part of our work together, we are undertaking significant investment to move forward with policy implementation, including the following activities:

- Reviewing and updating our Guidelines for Sourcing Palm Oil for 2017, including setting clear policy compliance dates for our global business operations, which will be released in Q3 2017.
- Completing a full supplier assessment for all our palm oil suppliers (domestic and international) to determine current policy compliance levels and improve traceability information.
- Creating an implementation plan for our sourcing teams to move to 100% compliance with our policy, especially in our international supply chains.
- Joining the RSPO formally as a member and participating in the annual reporting process and other stakeholder engagement opportunities.

Our engagement to date with franchisees and suppliers alike has been positive, and we will continue to work closely with these important stakeholders as we roll out our full implementation plan globally.



### *Roundtable on Sustainable Palm Oil*

Dunkin' Brands is now a member of the Roundtable on Sustainable Palm Oil (RSPO), a global, multi-stakeholder initiative whose vision is to “transform the markets by making sustainable palm oil the norm.”

**Animal welfare:** Dunkin' Brands is committed to continuing to research and improve our Animal Welfare Policy based on advances in science and changing consumer concerns. We work closely with the Humane Society of the United States (HSUS) to understand NGOs' and consumers' expectations of QSR brands' practices, and we have regular dialogue with our suppliers to understand what is feasible for our system from a logistics and cost perspective. In December 2015, we announced a commitment to source 100% of the eggs for our U.S. menu from cage-free sources by 2025. This followed an announcement in March 2015 that Dunkin' Donuts would source 10% of the eggs for U.S. breakfast sandwiches from cage-free sources by December 31, 2016. According to the Humane Society of the United States, Dunkin' Donuts' switch to 100% cage-free eggs will benefit approximately 1.4 million egg laying hens annually. Additionally, we pledged to map our international supply chain to determine the feasibility of transitioning to 100% cage-free eggs on a global basis. We have determined that approximately 95-97% of our global egg supply, sourced for the U.S. and parts of Europe, is cage-free or will be cage-free by 2025. The other 3-5%, which may not be cage-free, is sourced locally across the balance of our international markets where eggs represent a very small part of the menu. As 3-5% does not represent a material amount of egg use, we do not plan on mapping the feasibility of transitioning those markets to cage-free eggs and will be redirecting resources to more material issues where we feel we can have a greater impact.

In 2015, we also made a commitment to source gestation crate-free pork by the end of 2022. We will issue an update on our progress against this commitment by the end of 2019.

We also engage in ongoing dialogue with NGOs and organizations on the topic of antibiotics in animal proteins and by the end of 2018, any chicken offered in Dunkin' Donuts restaurants

will be raised with no antibiotics ever. In addition, Dunkin' Brands is committed to improving welfare conditions for broiler chickens and we plan to work with our suppliers to ensure that by 2024, we are sourcing only chickens certified to Global Animal Partnership (GAP) Level 1 standards and processed in a more humane manner. For more detail about our animal welfare commitments, please see our [animal welfare policy](#).

**Pulp & Paper:** In our 2014 report, we committed to issuing a Sustainable Pulp and Paper Policy, which we published in 2016 and can be found [here](#). Our policy, which applies to our U.S. supply chain, details our commitment to ensuring we are sourcing pulp and paper that is traceable, respects Free, Prior and Informed Consent and does not threaten High Conservation Value Forests. We are also committed to including recycled and certified content in our packaging where possible. Currently, approximately 60% of our U.S. packaging is certified by the Sustainable Forestry Initiative (SFI). We are striving to increase that number to 80% by 2018.

We are in the process of developing responsible sourcing policies for coffee and cocoa, which will be published in 2017.



## RAINFOREST ALLIANCE PARTNERSHIP

We believe in offering products containing certified ingredients when possible. We offer 100% Rainforest Alliance Certified™ espresso in the U.S. and select international markets, and our Dark Roast Coffee is 30% Rainforest Alliance Certified. We plan to transition our Dark Roast Coffee to 100% Rainforest Alliance Certified by the end of 2018.

Since 2010, Dunkin' Brands has provided the Rainforest Alliance with more than \$350,000 in grants to improve the lives of smallholder coffee and tea farmers in Colombia, Ethiopia, Guatemala, India and Peru. In 2015 and 2016, we granted funds to the Rainforest Alliance for a two-year project providing technical

support to smallholder farmers in Peru. Thanks to training on sustainable agriculture, water treatment best practices and use of mobile technology, almost 900 farmers are now trained in the Sustainable Agriculture Network (SAN) best practices and 580 new farms in our supply chain attained Rainforest Alliance Certified™ status and are now able to display the seal on their products.

At the time of publication of this report, we have also begun offering 100% Fair Trade Certified™ espresso in some of our international markets.



Coffee farmers in Peru receive technical training from the Rainforest Alliance





## *Our Planet: 2018 Goals*

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- ¡ Source 100% Rainforest Alliance Certified™ Dark Roast Coffee by the end of 2018.
- ¡ 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.
- ¡ Source 100% sustainably certified materials for direct palm oil purchases in U.S. by Dec. 31, 2018.
- ¡ Update our standard restaurant prototype for new restaurants to include new sustainability features by the end of 2017.
- ¡ Open 500 DD Green Achievement restaurants by the end of 2020.
- ¡ Map water use for 2017 and 2018 in our corporate facilities and design water reduction strategies to implement by the end of 2020.





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*“Our employees are the heartbeat of our company and we are committed to providing them with a workplace where they can grow, thrive and bring their whole selves to work.”*

– Rich Emmett, Chief Legal & Human Resources Officer

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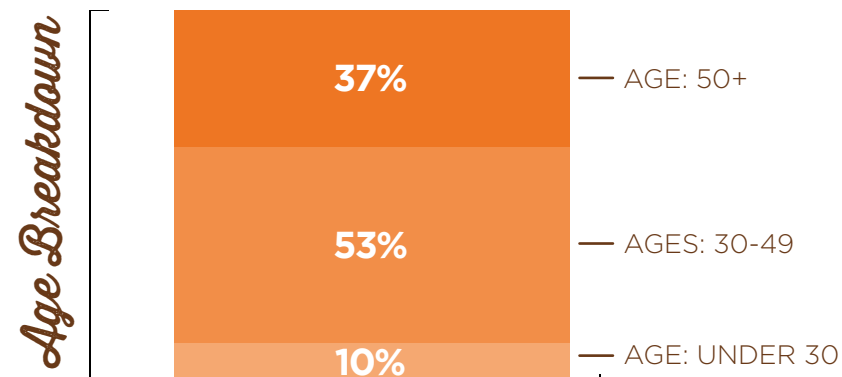
## OUR EMPLOYEES

As of December 30, 2016, Dunkin' Brands employed 1,171 people, 1,122 of whom were based in the United States and 49 based in other countries. Of our U.S. employees, 462 worked in the field or in our company-owned restaurants, and 660 worked at our corporate headquarters in Massachusetts or our Burbank, California office.

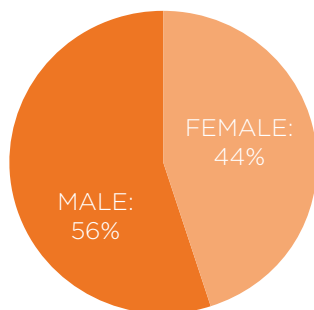


# 2016 Dunkin' Brands Workforce

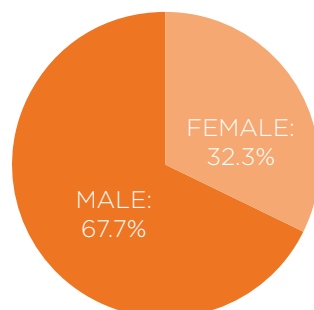
**1,171** TOTAL  
EMPLOYEES



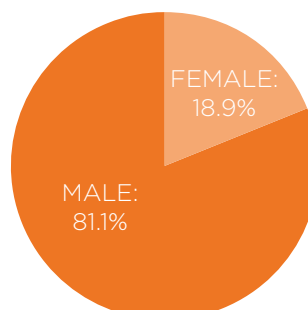
*Managers*



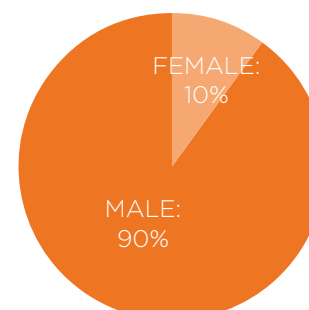
*Directors*



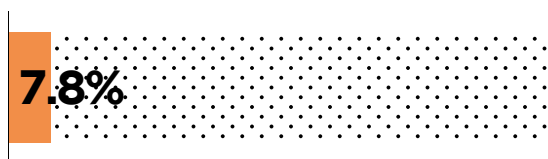
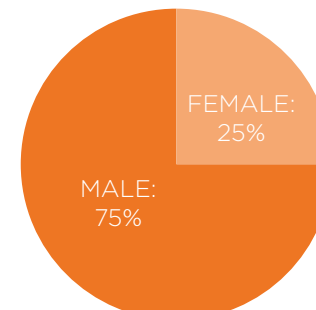
*Officers*



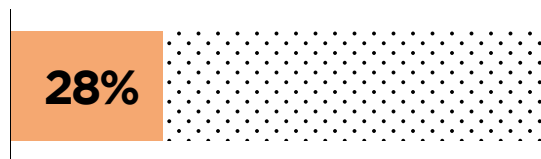
*Leadership Team*



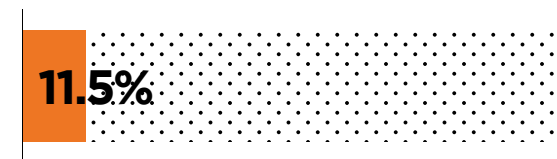
*Board of Directors*



PEOPLE OF COLOR AT DIRECTOR LEVEL OR HIGHER



FEMALES AT DIRECTOR LEVEL OR HIGHER



TOTAL NUMBER OF PEOPLE OF COLOR

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 at [www.dunkinbrands.com/responsibility](http://www.dunkinbrands.com/responsibility).



## DIVERSITY & INCLUSION

At Dunkin' Brands, we are committed to improving the diversity of our employee, franchisee and supplier base and to fostering an inclusive environment for all who come in contact with our Brand. In our last engagement survey, our employees told us they wanted more reflections of diversity and inclusion (D&I) at Dunkin' Brands, and we have since dedicated increased resources to our D&I strategy. Our strategy is three-pronged, focused on:

- Creating an inclusive workplace for our employees
- Building a stronger and more diverse workforce through inclusion
- Strengthening our position in the marketplace with a diverse franchisee base and culturally relevant marketing programs.

### Launch of Employee Resource Groups

In 2016, we increased our focus on Employee Resource Groups (ERGs). We launched INspire, Dunkin' Brands' Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) and Allies employee resource group, and we relaunched wIN, our Women's Integrated Network. Both of these ERGs serve as resources to our employees and provide members a forum to connect. The ERGs also provide guidance to Dunkin' Brands on LGBTQ and women's issues and advise on how to best reach external audiences, from guests to franchisees and potential candidates.

Beyond ERGs, we also made strides in celebrating our employees' diverse backgrounds and experiences – from recognizing our veterans to mobilizing some of our African-American employees to launch our inaugural Black History Month activities in 2017.



### *Calling all Managers*

In 2014 we set a goal to pilot a diversity awareness training. We're pleased to report that we have since completed unconscious bias training for all officers and directors with plans to roll out a similar training for the entire company in 2018.

### *An Engaged Workforce is a Happy Workforce*

91% of our employees completed our 2016 Employee Engagement Survey to tell us what we're doing well and what we can improve on.

## Equal Pay

Women make up 50% of our workforce, and we are committed to ensuring all of our employees are paid fairly for the work they produce. Since our last report, we conducted an internal analysis to validate pay equity across the organization, and in 2016 we made a public commitment to developing and paying women equally: we were one of the 100+ companies that signed the White House equal Pay Pledge, and we are members of the Boston Women's Workforce Council's 100% Talent Compact.

## Supplier Diversity

Dunkin' Brands is committed to increasing our suppliers' diversity and our system spend with diverse suppliers. To that end, in 2016 we attended several supplier diversity events, including the Federal Reserve Bank of Boston Supplier Diversity Conference, along with approximately 15 other companies, which helped us get an understanding of capabilities of new suppliers to consider for future business.

## Diversity in Franchising

Dunkin' Brands is committed to promoting diversity among our franchisee community. In 2014, we announced the Diversity in Franchising Initiative, which, together with the NAACP, seeks to increase awareness of franchising opportunities among people of color. Through this initiative, we worked with the NAACP and other partners to deliver Franchising 101 seminars to state conference leaders from across the country and have hosted hundreds of interested participants to learn more about Franchising as a business opportunity.

## DUNKIN' BRANDS EMPLOYEES' WELLBEING

Dunkin' Brands is committed to supporting the "Whole U" for our corporate employees. Health coverage, financial security benefits, wellness for all aspects of our corporate employees' lives and other perks create a leading total rewards package and help make Dunkin' Brands an employer of choice. Our comprehensive benefits program is available to all U.S. corporate employees who work twenty-one or more hours per week. Knowing that healthy employees are productive employees, we offer medical, dental and vision insurance at group rates, along with an employee assistance program which is fully paid for by the company. We also offer financial support – both for today and for tomorrow – with flexible spending accounts, short-term disability and life insurance programs, as well as a 401(k) plan, including company match, and an employee



### *Recognizing Veterans*

"As a retired reservist from the United States Air Force, I am proud to be the executive sponsor of Dunkin' Brands' Veterans Employee Resource Group to help foster inclusion and recognize veterans at all levels of the organization."

-Jack Clare, Chief Information & Strategy Officer, Dunkin' Brands



stock purchase plan. We recognize a great career also comes with great balance, so we offer generous paid time off programs, including holidays, vacation, sick time and family leave, as well as paid volunteer time to allow our employees to give back to the community and the causes important to them. We offer our international employees comparable benefits, though there are some variances by country based on company policies, applicable laws and local practices. In 2016 Dunkin' Brands introduced our extensive wellness program, the Whole U, available to all U.S. employees regardless of participation in our insurance programs. Employees can learn about their own health through health screenings and take part in various optional programs throughout the year focused on physical, mental, emotional and financial wellness. We actively encourage use of our complimentary, on-site fitness center; and for those employees located away from our home office, we offer reimbursements toward annual gym memberships. Because we believe so strongly in this program, our employees are offered financial incentives for participation and achievement in attaining goals.



24

24 is the number of ice-cream flavors in our dipping cabinet at any given time. Our Human Resources department hosts monthly ice-cream socials to give new employees an opportunity to meet and socialize with colleagues.



## TRAINING & PROFESSIONAL DEVELOPMENT

We believe in providing our employees with the resources and tools they need to succeed and advance their careers. All Dunkin' Brands employees take a DiSC evaluation, which helps them assess their work style and better understand the diverse work styles of others so they can be successful. We lead monthly, week-long new employee orientations and offer ongoing training opportunities via The U, our online learning management system, which employees can access from all over the world. Since 2014, we have focused on new information security training to protect information pertaining to our employees or our business. We rewrote our global data privacy policy to cover the global landscape and new regulations. We greatly enhanced our training on data privacy and information security, which has 99% compliance, and we conducted a series of penetration and phishing tests with enhanced training and consequences around failure.

## OUR FRANCHISEE & LICENSEE PARTNERS

While franchisees, licensees and their employees are not employed by us, they are a large part of the brands. In addition to our diversity initiatives, we offer U.S. franchisees a robust training program, both in person at our Dunkin' Brands University locations in Canton, MA and Burbank, CA, and online through The U. In October 2015, we hosted our inaugural People First Summit for 550 Dunkin' Donuts franchisees, representing half our restaurants in the U.S. The two-and-a-half day, one-of-a-kind event, included not only franchisees, but also members of their teams, a variety of vendor participants, and Dunkin' Brands leadership. The event provided franchisees and their teams with a forum to learn from industry experts and share best practices on people management. We have since held ongoing webinars with our franchisees to reinforce messaging from the Summit throughout the year. At our franchisees' request, we held our second People First Summit in 2017.



### *Skate to Where the Puck is Going*

In 2015, we became the first official sponsor of the National Women's Hockey League (NWHL). When we learned the League started facing financial difficulties and had to make the difficult decision to cut player salaries in order to keep the league going, we pledged an additional \$50,000 to go directly to players' salaries. In the wise words of Tom Manchester, our VP of Field Marketing, "as a sponsor, it's not about dasher boards and signage and traditional marketing elements. It's about growing the presence of women's hockey and showcasing the amazing talent of these players for years to come."



## *Our People: 2018 Goals*

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- ¡ Achieve a 3% improvement in overall employee satisfaction in our next corporate employee engagement survey in 2018.
- ¡ Launch company-wide unconscious bias training in 2018.





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*“Dunkin’ Donuts and Baskin-Robbins are neighborhood restaurants. As a franchisee, I am proud to partner with Dunkin’ Brands to make a positive impact in our communities and bring joy to our guests and the people who need it the most - sick and hungry kids.”*

– Alex Smigelski, Dunkin’ Donuts Franchisee

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At Dunkin’ Brands, we feel fortunate that our restaurants are part of the fabric of so many communities and neighborhoods around the globe, and our franchisees value the role they can play in strengthening their communities.

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## **JOY IN CHILDHOOD FOUNDATION**

In 2016, we re-launched our Foundation with a new mission, vision and name - the Joy in Childhood Foundation<sup>SM</sup> - to reflect our continued commitment to providing simple moments of joy to sick and hungry kids, and the rebranding coincided with an exciting milestone: the Foundation’s 10-year anniversary. Since 2006, the Joy in Childhood Foundation, formerly The Dunkin’ Donuts & Baskin-Robbins Community Foundation, has granted \$14 million to help improve the lives of children and families in the communities where we operate. To deepen our impact, in 2016 we launched a new Corporate Partnerships program, with commitments of over \$3 million through 2020 from Dunkin’ Donuts and Baskin-Robbins suppliers. 2016 also marked our most successful year ever for our in-store fundraisers, Community Cups<sup>SM</sup> and Community Cones<sup>SM</sup>, which raised \$1.3 million thanks to our generous guests.

For more in-depth information about the Joy in Childhood Foundation, its programs and its financials in 2015 and 2016, please refer to the [Foundation’s Neighborhood Impact Reports](#).

## *Franchisees For the Win!*

Our franchisees play a big role in their communities around the world. In 2015 alone, our U.S. franchisees gave more than \$4.5 million to local charitable causes and organizations. Following the 2015 Nepal earthquake that killed more than 9,000 people and injured another 22,000, one of our Canadian franchisees donated 50% of all store sales for one day to the Canadian Red Cross for relief efforts.





**MORE THAN 800,000**  
MEALS PACKED FOR HUNGRY KIDS DURING  
OUR ANNUAL **VOLUNTEER WEEK OF JOY**

**\$2.3 MILLION**

DONATED BY OUR GUESTS  
OVER THE COURSE OF TWO YEARS  
THROUGH OUR IN-STORE FUNDRAISERS,  
COMMUNITY CUPS<sup>SM</sup> &  
COMMUNITY CONES<sup>SM</sup>

**285 GRANTS**

GIVEN TO CHILDREN'S  
HEALTH & HUNGER  
ORGANIZATIONS  
FOR A TOTAL OF  
**\$3 MILLION GRANTED**

**MORE THAN 50**  
FUNDRAISING  
EVENTS ACROSS  
THE COUNTRY



## EMPLOYEE GIVING & VOLUNTEERISM

As part of our benefits package, Dunkin' Brands employees get five hours of paid volunteer time a year. In addition to the Week of Joy, our employees volunteer with various organizations in the community – from veterans organizations to animal rescue leagues and homeless shelters. One of our most beloved giving programs, Coffee For Our Troops, reached new heights in 2016, with 13,299 pounds of coffee going to U.S. troops overseas throughout the year, equaling more than \$33,200 in total donations from employees and the Brand.

## CHARITABLE PARTNERSHIPS

Dunkin' Donuts and Baskin-Robbins work independently with nonprofits to raise money for causes through various charitable partnerships. For example, in 2016, Baskin-Robbins contributed more than \$60,000 to the United Service Organizations (USO) following events on National Ice Cream Day and Veterans Day. Baskin-Robbins launched a new USO Patriot Pop flavor and brought back First Class Camouflage ice cream, and the brand also organized the delivery of customized cakes to multiple USO centers in honor of the organization's 75th anniversary. More than 190 Dunkin' Brands employees and partners participated in the 34th annual Jimmy Fund Scooper Bowl in Boston, MA, scooping ice cream over three days to help raise more than \$500,000 to help fight cancer. In 2015 and 2016, local Dunkin' Donuts restaurants continued their support of children's hospitals and local Special Olympics through their Iced Coffee Days promotions and "Cops on Rooftop" events.

Baskin-Robbins also partners internationally with charities – most notably **Operation Smile**, an organization that works to provide cleft palate surgery to children around the world. Baskin-Robbins Japan, which has always had a strong commitment to philanthropy, also partnered with the Second Harvest Food Bank in 2016 to donate ice cream to facilities for disabled individuals, nursing homes and mother and child centers. In 2016, international licensees held a fundraiser at the Baskin-Robbins regional meeting which raised more than \$15,000, or enough to provide 60 life-changing surgeries to children suffering from cleft palates.

### *Cops on Rooftops*

A yearly phenomenon where police officers take to the roofs of local Dunkin' Donuts restaurants in markets nationwide to raise funds and awareness for Special Olympics. The events raise millions of dollars for the organization every year.

### *Baskin-Robbins scoops for the Jimmy Fund!*

Every year, The Jimmy Fund at the Dana-Farber Cancer Institute hosts the largest ice-cream festival in the country, the Scooper Bowl, to raise money for cancer research. In 2016, 190 volunteers from Dunkin' Brands and our partners scooped more than 27,000 scoops of Baskin-Robbins ice cream for attendees over the course of the three day event.



# Governance & Ethics

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

## CORPORATE GOVERNANCE

Our **Board of Directors** sets high standards for our employees, officers and directors. As of May 2017, the Board is chaired by Dunkin' Brands CEO Nigel Travis and is composed of nine members, including six men and three women. Eight of the Board's nine members are independent. The Board of Directors assesses 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.

The Board of Directors follows Dunkin' Brands' **Corporate Governance Guidelines** and includes the following three standing committees, each operating under a written charter approved by the Board:

- **Audit Committee:** The Audit Committee ensures Dunkin' Brands' compliance with legal and regulatory requirements and assists with internal and independent audits. The Audit Committee also receives periodic summary reports of all ethics complaints and violations and liaises with Dunkin' Brands' Enterprise Risk Management team on their resolution.
- **Compensation Committee:** The Compensation Committee annually reviews, determines and approves compensation for the CEO and other executives using a sensible pay-for-performance program. We support the right of our shareholders to cast an annual advisory vote on executive compensation. Management and our board consider the results of such a vote in making executive compensation recommendations and decisions. The

Compensation Committee also reviews and recommends compensation and benefits for non-employee Board members.

- **Nominating and Corporate Governance Committee:** The Nominating and Corporate Governance Committee identifies and recommends potential candidates to fill open positions on the Board consistent with the Board-approved criteria and qualifications for membership.

Dunkin' Brands has a robust insider trading policy that prohibits its insiders from hedging their ownership of our common stock or pledging shares of common stock. We have also adopted a clawback policy that allows us to recover certain elements of compensation paid to executives in the event of fraud or other malfeasance.

## ETHICS AND COMPLIANCE

Dunkin' Brands' 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 interns and temporary workers, are required to complete mandatory, computer-based training on our Code of Business Ethics and Conduct. This training must also be completed on an annual basis thereafter. Dunkin' Brands maintains 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, which is designed to identify any real or potential conflicts of interest that may negatively impact our business.

## **PUBLIC POLICY**

### **Lobbying**

Dunkin' Brands participates in the legislative and regulatory process around key issues that affect our business. We seek to engage federal, state and local policymakers to advocate on behalf of our franchisees and our brands. We are also engaged in legislative and regulatory matters in our international markets. Our advocacy efforts are both direct and indirect, utilizing strategic tools including a Political Action Committee (PAC), as well as memberships in national and regional restaurant and retail associations.

### **PAC and Direct Political Contributions**

Dunkin' Brands has a voluntary PAC, comprised of employees and franchisees. Corporate funds are not used by the PAC; it accesses a completely separate fund. We disclose PAC expenditures to the Federal Election Commission (FEC) quarterly as required by law. PAC and Lobbying Disclosures can be located at [www.fec.gov](http://www.fec.gov) and guidelines regarding political contributions and activities are outlined in our [\*\*Code of Business Ethics and Conduct\*\*](#).

Trade Association Memberships:

- California Restaurant Association
- Coffee Quality Institute
- International Council of Shopping Centers
- International Franchise Association
- Massachusetts Restaurant Association
- National Coffee Association
- National Restaurant Association
- National Retail Federation/National Council of Chain Restaurants
- New Jersey Retail Merchants Association
- Specialty Coffee Association of America
- Illinois Retail Merchants Association
- Florida Restaurant and Lodging Association

# About this Report

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## REPORT PROFILE, SCOPE & BOUNDARY

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

Dunkin' Brands publishes CSR Reports on a biannual basis. Data, case studies and information in this report pertain to our fiscal years 2015 and 2016 (January 1, 2015 – December 31, 2016). This report covers our U.S. corporate operations, including our corporate headquarters and domestic owned and operated facilities. 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 otherwise noted.

As an increasingly global company, we also 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 made disclosures in this report.

This report was produced in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, and we have self-declared an application Level B. 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 process for materiality on p. 6.

## 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, and 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 welcome your feedback on this report. Please contact us at [CSR@dunkinbrands.com](mailto:CSR@dunkinbrands.com), or CSR Department, Dunkin' Brands, Inc., 130 Royall Street, Canton, MA 02021.

## 2016 Goals Recap

### DUNKIN' BRANDS 2016 CSR REPORT GOALS

<b>Our Guests</b>	Remove synthetic dyes from the Dunkin' Donuts and Baskin-Robbins U.S. menus by December 31, 2018
<b>Our Planet</b>	Source 100% Rainforest Alliance Certified™ Dark Roast Coffee by the end of 2018
	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
	Source 100% sustainably certified materials for direct palm oil purchases in U.S. by Dec. 31, 2017
	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
	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
	Update our standard restaurant prototype for new restaurants to include new sustainability features by the end of 2018
	Open 500 DD Green Achievement restaurants by the end of 2020
	Map water use for our corporate facilities for 2017 and 2018 in our corporate facilities and design water reduction strategies to implement by the end of 2020
<b>Our People</b>	Achieve a 3% improvement in overall employee satisfaction in our next corporate employee engagement survey in 2018
	Launch company-wide unconscious bias training in 2018



**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).

**Facebook:**

<https://www.facebook.com/DunkinDonutsUS>  
<https://www.facebook.com/BaskinRobbinsUS>

**Twitter:**

@DunkinDonuts (<https://twitter.com/DunkinDonuts>)  
@BaskinRobbins (<https://twitter.com/BaskinRobbins>)