



## **Dunkin' Brands Interim Progress Report on 2015 CSR Goals**

**March 2016**

At Dunkin' Brands, we are committed to continuous improvement in the four areas that govern our Corporate Social Responsibility (CSR) strategy: Our Guests, Our Planet, Our People and Our Neighborhoods. In our third CSR Report, [Broadening Our Horizons](#), which we issued in May 2015, we set goals for ourselves in the areas of nutrition, sourcing, packaging, green building, animal welfare, energy and people. These goals guide and inform our CSR strategy for Dunkin' Brands at the enterprise level and for our two brands, Dunkin' Donuts® and Baskin-Robbins®. In our Report, we committed to achieving a number of our goals by the end of 2015. We're pleased to provide an update on our progress toward these goals, some of which we have achieved, and some of which we are still working to achieve.

### **Our Guests**

As a food and beverage retailer serving millions of guests every day, menu variety and transparency remain key priorities for us. We continue to work with our [Nutrition Advisory Board](#) to look for ways to incorporate better-for-you items into our menus.

#### ***Dunkin' Donuts***

We strive to offer our guests authentic, high-quality menu items. To this end, in 2015, we established formal guidelines for Dunkin' Donuts new product development. These guidelines help us evaluate ingredients, sodium and sugar levels and potential claims for our products, whether we are developing a DDSMART® better-for-you menu item 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 6.4% by removing menu items and reformulating others, including our Ham, Egg, English Muffin, and Hot Chocolate. We are proud of this accomplishment and will continue to explore opportunities to further reduce sodium across our entire menu. One of our primary goals is to continuously improve our menu while offerings guests the choice and great taste that they expect from Dunkin' Donuts.

We are also evaluating our DDSMART menu, which is geared specifically toward the health-conscious guest, with the intention of updating the program now that the new U.S. Dietary Guidelines have been issued. 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.

#### ***Baskin-Robbins***

In our 2014 Report, we set a goal to test Baskin-Robbins smoothies with less sugar in 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.

Additionally, in our 2014 Report we indicated that we would be evolving the positioning of our Baskin-Robbins better-for-you menu, BRight Choices®, to include other products beyond those meeting certain calorie and fat thresholds. We are currently finalizing a new BRight Choices program which will soon also

accommodate guests with dietary restrictions and allergen concerns, and focus on more broad-appeal flavors – because everyone deserves a treat.

### **Our Planet**

In 2014, we set a number of packaging, sourcing, and climate and energy goals which had 2015 deadlines. All updates related to our palm oil sourcing goals can be found on our website at <http://www.dunkinbrands.com/responsibility/policies-and-statements>.

#### ***Foam cup alternative***

In 2014 we set a goal to identify an alternative to our Dunkin' Donuts foam cup and establish a phased implementation plan and timeline for that transition in the U.S. by the end of 2015. We remain committed to finding a long-term recyclable alternative to our Dunkin' Donuts foam cup that meets our guests' expectations and reduces our environmental impacts. Based on our efforts to date, we believe that an expanded recyclable polypropylene (#5 plastic) cup is currently the best available alternative to foam, and we are using this cup in restaurants located in municipalities that have imposed a foam ban. This cup is the result of a number of years of research by Dunkin' Donuts to find a cup that would keep beverages hot, hands cool and be accepted in many municipal recycling programs.

However, this #5 polypropylene cup does not fully satisfy all our criteria for performance, environmental impact and cost. Customer feedback has indicated that many are not satisfied with the lid on the new cup. In addition, this lid is made from High Impact Polystyrene (HIPS), which is not accepted in many municipal recycling programs and is also banned by many communities. Lastly, the cup and lid combination is significantly more expensive than our current polystyrene cup and lid set.

As such, we are not prepared to transition fully out of foam at this time. We think this decision makes sense for both our customers and our franchisees. We will continue to test all available cups and lids until we have found the best solution based on performance, environmental impacts and cost.

#### ***DD Green Achievement***

In our 2014 CSR Report, we announced our new sustainable restaurant program, DD Green Achievement®, for franchisees who want to open more energy- and water-efficient restaurants. We set a goal to open 100 DD Green Achievement restaurants by the end of 2016, and we're pleased to announce that to date, we have opened 68 DD Green Achievement restaurants across the country, including in California, Florida, Virginia, Maryland, New Jersey, Georgia and Texas. We also set a goal to launch Phase 2 of DD Green Achievement for Dunkin' Donuts remodels in 2015, which we did in July. Our first DD Green Achievement remodeled restaurant opened December 5, 2015 in Brewer, Maine.

Additionally, we set a 2016 goal to calculate baselines for energy and water use in our U.S. Dunkin' Donuts restaurants and, using these baselines, set reduction targets for DD Green Achievement restaurants. Over the course of the past year, in collaboration with our franchisees, we have collected data on energy and water use for hundreds of restaurants of different sizes and formats from each of the five climate zones. This data will be analyzed to create the baselines and set the reduction targets, both of which will be published in an interim report on DD Green Achievement in 2016.

#### ***Animal welfare***

At Dunkin' Brands, we care about the way animals are raised and treated, and we recognize animal welfare as a key part of a sustainable supply chain. In December 2015, we announced a commitment to source 100 percent 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. According to The Humane Society of the United States, Dunkin' Donuts' switch to 100 percent cage-free eggs will benefit approximately 1.4 million egg laying hens annually. Additionally, we have pledged to map our international supply chain to determine the feasibility of transitioning to 100 percent cage-free eggs on a global basis.

We also updated our [animal welfare policy](#) in 2015 based on the current status of the industry and guidance from subject matter experts. The updated policy includes more detail on our commitment to sourcing gestation crate-free pork. We support industry efforts to transition to gestation crate-free pork and in 2014, we committed to eliminating gestation crates from our U.S. pork supply chain by 2022. To ensure positive progress, per our updated policy, we will publish interim reports on our efforts by December 31, 2018 and December 31, 2020.

### Our People

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.

Following the Summit, we surveyed attendees, and were pleased that more than 90% rated the event as effective in helping them with their "people" plans. Since then, we have seen Dunkin' Donuts franchisees hold meetings with their management teams to discuss topics including recruitment and retention, onboarding processes and employee engagement mechanisms. At our franchisees' request, we hope to hold our second *People First Summit* in 2017.

We're grateful for the opportunity to demonstrate our progress, and we are committed to showing constant improvement in the area of corporate social responsibility. We look forward to sharing our further progress in our next Corporate Social Responsibility report, which we will publish in 2017. For the latest on The Dunkin' Donuts & Baskin-Robbins Community Foundation please visit our [website](#), where we will be posting our 2015 *Neighborhood Impact Report* in the spring of 2016.