









Serving Responsibly





2010 Corporate Social Responsibility Report

### **Dear Stakeholders:**

I am pleased to share Dunkin' Brands first corporate social responsibility (CSR) report, entitled **Serving Responsibly**. More than just a title, Serving Responsibly defines Dunkin' Brands' commitment to always consider the needs of Our People, which includes our employees and franchisees, Our Guests, Our Neighborhoods and the interests of Our Planet with every key business decision.

Dunkin' Brands is at the beginning of its CSR journey. While we have made progress in many areas, we recognize there is much more for us to do. We know that with nearly 100 percent franchised restaurant operations, our business model presents specific sustainability and reporting challenges and opportunities. However, by working closely with our franchise community and an independent stakeholder advisory group, we are committed to addressing the social and environmental issues that face our business.

Over the past few years, we have tackled a variety of CSR issues, ranging from providing more nutrition information for our guests to decreasing the impact our packaging has on the environment. We have introduced a line of "better for you" products through our DD Smart and BRight Choices menu items, established a Nutrition Advisory Board, and launched a zero grams trans fat menu for both Dunkin' Donuts and Baskin-Robbins.

We have also made efforts to understand our impact on the environment with the opening of our first LEED certified store in St. Petersburg, Florida, and another opening later this year. We are actively engaged in finding more sustainable building and utility solutions that reduce costs for our franchisees while benefiting the environment.

Additionally, we launched a 100% Fair Trade Certified<sup>TM</sup> espresso line to support farmers in coffee-growing countries, and in 2006, we partnered with our franchisees to establish The Dunkin' Donuts & Baskin-Robbins Community Foundation to deepen our impact in communities we serve. More information on these and other initiatives are detailed in this report.

We realize that the most prominent sustainability issue we must deal with is our Dunkin' Donuts foam cup. While there is currently no single-use hot beverage cup on the market that meets our criteria for performance cost and recyclability, we are committed to solving this and other packaging issues, by working with our industry partners, manufacturers and material engineering researchers. In addition, we have initiated a variety of in-store tests including reusable mug programs and recycling programs for everything from cups to coffee grounds.

Certainly this is not an exhaustive list of our CSR focus areas, nor is it a static list. As quickly as we find solutions, other challenges will emerge. However at Dunkin' Brands, we are committed to growing our business in a way that is profitable and sustainable for the employees, the franchisees, the communities and the planet we so proudly serve.

We look forward to sharing our ongoing journey with you and invite you to share your thoughts with us at CSR@dunkinbrands.com.



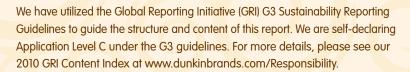


Nigel Travis
CEO, Dunkin' Brands Inc. &
President, Dunkin' Donuts U.S.

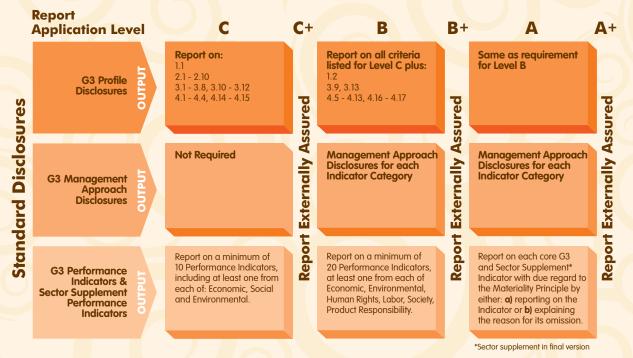


### **About This Report**

We are pleased to present Dunkin' Brands' first corporate social responsibility (CSR) report, Serving Responsibly. This report focuses on our corporate functions and North American facilities owned and operated by Dunkin' Brands or our subsidiaries for the year 2010. We plan to report on a two-year cycle. We will explore opportunities to report data from our franchised restaurants, franchisee owned and operated distribution centers, and our supply chain, in future reports.







We welcome your feedback at CSR@dunkinbrands.com, or CSR Department, Dunkin' Brands, Inc., 130 Royall Street, Canton, MA 02021







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Dunkin' Brands, Inc. is the parent company of two of the world's most recognized and beloved brands – Dunkin' Donuts and Baskin-Robbins. We strive to be the premier Quick Service Restaurant (QSR) franchisor with a leading position in the coffee, bakery and ice cream segments of the QSR category.

Dunkin' Brands has more than 16,100 Dunkin' Donuts and Baskin-Robbins restaurants worldwide, nearly 100 percent of which are currently owned and operated by franchisees. Both brands offer flexible concepts for single units and multi-store developments in formats that include freestanding restaurants, travel plazas, universities and other retail environments.



Dunkin' Donuts is the world's leading baked goods and coffee chain, selling almost 2.5 million donuts a day and more than 1 billion cups of coffee a year.



Baskin-Robbins is the world's largest chain of ice cream specialty shops serving premium ice cream, specialty frozen desserts and beverages to more than 300 million customers each year.

In addition to our Canton, Massachusetts headquarters, our corporate-owned facilities in 2010 included our ice cream manufacturing facility in Peterborough, Canada, training facilities in Burbank, California and Braintree, Massachusetts, two company-owned restaurants in Massachusetts and 13 restaurants in Texas through DBI Stores, LLC. Dunkin' Brands, Inc. is a subsidiary of Dunkin' Brands Group, Inc., which, on July 27, 2011, began trading on the NASDAQ under the symbol "DNKN". Prior to July 27, 2011, a consortium of private companies owned the Company. Those private companies continue to own a controlling interest in the Company.

Strong customer sentiment for our brands is evident through the numerous awards and recognitions we have earned throughout the years. We have been named #1 in "Customer Loyalty in Coffee" for the past five years by Brand Keys Customer Loyalty, and in 2010 earned the titles of "Best Airport Franchisor" in Airport Revenue News and #18 in the "Top Franchises to Start" by Forbes Magazine.

Also in 2010, QSR Magazine named Dunkin' Donuts #7 and Baskin-Robbins #36 in the Quick Service Restaurant Top 50.

### 2010 Total Global System-wide Sales: \$7.7 billion

# 2010 Total Worldwide Locations: 16,193 in 52 countries

- Dunkin' Donuts: 9,760 in 31 countries
- Baskin-Robbins: 6,433 in 42 countries

## 2010 Total U.S. Locations: 9,319 in 47 states and the District of Columbia

- Dunkin' Donuts: 6,772 in 36 states and the District of Columbia
- Baskin-Robbins: 2,547 in 45 states and the District of Columbia

### **Number of Franchisees**

1,932 U.S. franchisees; 27 international franchisees



### SERVING RESPONSIBLY

Our report is titled Serving Responsibly, which represents our commitment to responsibly serve Our People (employees and franchisees), Our Guests, Our Neighborhoods, and Our Planet. Serving Responsibly is the guiding principle of Dunkin' Brands CSR efforts – providing the framework that helps us measure where we are today, set goals for where we want to be in the future, and engage with internal and external stakeholders.

To support this commitment, we completed our first-ever issues assessment to prioritize and focus our CSR efforts. We worked with a consultant to identify the full spectrum of challenges facing both Dunkin' Donuts and Baskin-Robbins. We also took into consideration input provided by a group of external independent stakeholders convened in partnership with Ceres. We recognize that this Issues Assessment Grid represents a snapshot in time and that the materiality of these issues could evolve based on various factors. We will continue to monitor our material issues to ensure that we are responsive to both business needs and stakeholder concerns.

### **Issues Assessment Grid**

#### **Nutrition Governance & Ethics Product Quality & Safety Packaging** ■ Foam Cup; Pink Spoon ■ CSR Strategy ■ Portion Size ■ Stakeholder Engagement ■ Stakeholder Engagement Nutrition Nutrition ■ Choice, Transparency ■ Sodium Content Sourcing Sourcing ■ Supplier Code: Sustainable Sourcing Sustainable Buildina Program; Human Rights **Workplace Practices** ■ Animal Welfare (Cage Free Eggs; Farms) ■ Franchisee Relations ■ Labor Practices; Health & Safety ■ Employee Engagement & Support Other Packaging Nutrition **Governance & Ethics Environmental Footprint (Franchisees)** Caffeine Public Policy ■ Energy/Water Use; Waste Management **Guest Engagement** Interest to Stakeholders ■ Customer Education (CSR, Nutrition) Sourcing Other Commodities (Cocoa, Sugar) ■ Feedback Mechanisms ■ Hormones, rBGH Dairy **Community Engagement** ■ Water Use ■ DD & BR Community Foundation Nutrition ■ Product Donations ■ High Fructose Corn Syrup **Environmental Footprint** ■ Trans Fats (HQ, owned stores) **Workplace Practices** ■ Carbon Footprint/GHG Emissions ■ Advertising (Esp. Children, Baskin-Robbins ■ Energy/Water Use, Waste Management ■ Diversity (Workplace, Supplier) **Environmental Footprint Environmental Footprint Environmental Footprint** ■ Food Waste ■ Product Impact (Life Cycle Assessments) Collaboration & Partnerships ■ Coffee Grounds (e.g. Fleet Efficiency)

**Interest to Business** 



### STARTING OUR JOURNEY

Dunkin' Brands is at the beginning of its CSR journey. In 2007, the CSR department was formed to address the environmental, social and economic issues that touch our business. In 2009, Dunkin' Brands joined Ceres, a network of investors, environmentalists and public interest groups that works with companies to address sustainability challenges. Developing our first CSR report provided an opportunity to formally engage a cross-functional group of internal and external subject matter experts to identify material issues, review the Company's efforts to date and establish short-and long-term goals. This report is the first step in an ongoing process to grow our business in a manner that is both profitable and sustainable – taking into consideration the needs of our employees, our franchisees, the communities we serve and the environment.



# Ceres

As is the case with many QSRs, our franchise business model presents specific sustainability and reporting challenges – and opportunities. Dunkin' Brands supports franchisees in areas including menu innovation, marketing, training and providing operational standards and oversight. However, franchisees are responsible for operational execution, landlord negotiations and services such as waste disposal, landscaping, utility usage and hiring. The successful execution of sustainable business practices throughout the system requires stewardship by our franchisees. In many cases, franchisees are the source of our CSR innovations and successful charitable initiatives. We share these best practices across the system.

### Stakeholder Engagement

Dunkin' Brands is committed to engaging in a dialogue with external stakeholders about the issues most material to our business to inform our CSR strategy. As we developed this report, we worked with Ceres to convene a group of independent external stakeholders. These individuals are members of the Ceres network who have issuespecific expertise. We met with this group of stakeholders to review material issues, identify gaps in reporting and ensure credibility of goals and targets. We also followed up separately with individuals from the stakeholder group regarding specific issues and questions throughout the reporting process.

Because Dunkin' Brands' ability to execute a meaningful CSR strategy depends on implementation by our franchisees, we have put systems in place to foster an active dialogue with the franchise community. We currently maintain a multitiered franchisee advisory council system that provides timely feedback and input on all of our major initiatives. We also administer a resource called the Navigator, which is a direct corporate point of support to respond to franchisee questions and help them address a variety of business issues. This ongoing dialogue helps to drive system-wide improvements.

In addition to engaging with our franchisees around business issues, we also work closely with them on community and charitable initiatives. In 2006 we formed The Dunkin' Donuts & Baskin-Robbins Community Foundation, a corporate-franchisee charitable foundation that works in concert with ongoing community outreach by franchisees in the communities they serve. The National Foundation Board includes seven seats designated for franchisees and seven for corporate representatives. Regional chapters have also been created with similar board structures. Working together, franchisees and corporate employees engage in strategy development, fundraising and grantmaking.

Moving forward, our goal is to continue to work with internal and external stakeholders to further define and execute the strategies outlined in the report.



### **BRIEF BRAND HISTORY**



Originally founded in 1950 in Quincy, Massachusetts, by Bill Rosenberg whose goal was to "make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores," Dunkin' Donuts now sells 52 varieties of donuts, more than a dozen coffee beverages and an array of baked goods to more than 3 million customers worldwide each day. As of December 2010, Dunkin' Donuts had 9,760 restaurants in 31 countries ground the world.



In 1946, two brothers-in-law, Burton "Burt" Baskin and Irvine "Irv" Robbins, shared a dream to create an innovative ice cream shop that would be a neighborhood gathering place for families. In 1945, Irv opened Snowbird Ice Cream in Glendale, California, and Burt opened Burton's Ice Cream Shop in Pasadena, California. Eventually they combined to become Baskin-Robbins. As of December 2010, Baskin-Robbins had 6,433 shops in 42 countries around the world.

Baskin-Robbins and Dunkin' Donuts were individually acquired by Allied Domecq PLC in 1973 and 1989, respectively. The brands were organized under the Allied Domecq Quick Service Restaurants subsidiary, which was renamed Dunkin' Brands, Inc. in 2004. Allied Domecq was acquired in July 2005 by Pernod Ricard S.A. Pernod Ricard made the decision to divest Dunkin' Brands in order to remain a focused global spirits company. In March of 2006, the company was acquired by investment funds affiliated with Bain Capital Partners, LLC, The Carlyle Group and Thomas H. Lee Partners, L.P. In 2011, Dunkin' Brands Group, Inc. filed for an initial public offering, and on July 27, 2011, the Company began trading on the NASDAQ under the symbol "DNKN." The consortium of private companies, Bain, Carlyle and Lee, continue to own a controlling interest in the Company.

## **DUNKIN' BRANDS TIMELINE**

## 1946

Baskin-Robbins is founded by Burt Baskin and Irv Robbins.

## 1950

Dunkin' Donuts is founded by Bill Rosenberg.

## 1953

Baskin-Robbins introduces "31 Flavors" concept based on a different flavor for each day of the month.

## 1982

Dunkin' Donuts introduces Fred the Baker; TIME TO MAKE THE DONUTS® advertising campaign begins.

## 1994

Baskin-Robbins
introduces Cappuccino
Blast®, one of the
first coffee-based ice
cream beverages in
the industry.

## 2004

Dunkin' Donuts is the first brand to introduce a line of espresso sourced from 100% Fair Trade Certified coffee beans.

## 2005

Baskin-Robbins introduces Bold Breeze® beverages.

## 2006

The Dunkin' Donuts & Baskin-Robbins Community Foundation is established.

## 2007

Dunkin' Donuts partners with Procter & Gamble to launch Dunkin' Donuts coffee at retail outlets.

Dunkin' Brands Nutrition Advisory Board is formed.

## 2008

Dunkin' Donuts breaks ground in St. Petersburg, Fla. for its first Leadership in Energy and Environmental Design (LEED) certified restaurant.

Dunkin' Donuts launches DDSMART® menu, a line of better-for-you products.

Baskin-Robbins launches Soft Serve, becoming the only national ice cream chain to offer both Soft Serve and hand scooped ice cream.

## 2009

Dunkin' Donuts and Baskin-Robbins switch to napkins that are made from 100% recycled fiber.

> Baskin-Robbins launches BRight Choices®, a line of better-for-you products.

## 2010

Dunkin' Donuts launches Iced Dunkin' Dark Roast, our darkest, boldest iced coffee yet.

Baskin-Robbins opens its 1,000th shop in Japan.

## 2011

Dunkin' Brands files for an initial public offering and on July 27 begins trading as a public company under the symbol "DNKN" on the NASDAQ



### **OUR GUESTS**

We are passionate about offering our guests delicious products they will enjoy, giving them plenty of menu options, and providing accurate nutrition information so they can make the best choices for themselves.

### Nutrition

### **Nutrition Advisory Board**

In 2007 Dunkin' Brands established a Nutrition Advisory Board comprised of leading experts on nutrition, health and wellness to assist with the development and reformulation of products that meet the evolving needs of our customers. This research and perspective helps us better understand and anticipate health and wellness trends and incorporate current nutritional science into our menu development. Additionally, these experts share new developments in nutrition and health-related research that impact Dunkin' Brands' products, while ensuring that relevant issues such as menu labeling and the communication of nutrition information remain at the forefront. The board meets twice a year to share research and insights.

During its tenure, the board has provided input on a variety of issues including our transition to a zero grams trans fat menu and the development and launch of DDSMART and BRight Choices. The board is now providing guidance on core menu optimization for each brand. A complete list of board members and their related experience can be found at: http://www.dunkinbrands.com/nutrition.

### **Menu Labeling**

At Dunkin' Brands we understand and embrace our responsibility to provide health-related public information. We have been providing our guests with nutrition information for several years through in-store brochures, our brands' websites and through our Consumer Care 1-800 team. Since the passage of menu labeling in New York City in July 2008, multiple cities and states across the country have enacted menu labeling laws and regulations. This city-by-city and state-by-state approach has created a complex, highly localized regulatory approach to menu labeling. A localized approach is confusing to customers as

well as costly and disruptive to multi-state operators such as Dunkin' Donuts and Baskin-Robbins. As a result, Dunkin' Brands joined restaurant industry groups to lead the way to federally mandated menu labeling legislation, which was introduced in Congress in September 2008 and enacted by President Obama as part of the health care reform legislation in March 2010. This legislation established one national nutrition disclosure standard for restaurants across the country.

We believe that having one uniform menu labeling law across America is not only better for consumers but also more equitable for our franchisees. Consumers deserve a consistent and complete nutritional picture, and the new menu labeling law will accomplish that goal. Dunkin' Brands continues to work with federal agencies and Congress to implement the nutrition information and disclosure provisions in the law.

Corporately, we had no incidents of non-compliance regarding menu labeling in 2010. We provide our franchisees with the information and support required to comply with labeling regulations at the restaurant level.



### **Nutrition & Better-for-You Choices**

Dunkin' Brands recognizes that there is growing concern over the ingredients found in prepared foods, including sugars, fats and salt. For many years we have tested and launched better-for-you menu items. As consumers increased their focus on health and wellness, we took steps to ensure that we were delivering the products our guests wanted, and that these better-for-you products were easily identifiable on our menu boards through the use of the DDSMART and BRight Choices logos.

In 2010, Dunkin' Donuts conducted a comprehensive review of our current menu portfolios to identify nutritional gaps and new product opportunities. In addition, we revised the Dunkin' Donuts website to add nutrition information to ensure that our guests had access to information necessary to make informed decisions about menu items. We also established a nutrition filter and goals to support product development. In 2011, we will apply the learnings from our work on Dunkin' Donuts menu portfolio to achieve similar objectives for Baskin-Robbins.

### **Zero Grams Trans Fat**

In 2007, Dunkin' Donuts became the first major QSR chain to introduce a donut with zero grams trans fat. This was the culmination of nearly four years of effort by the Dunkin' Brands Research & Development and Supply Chain teams to move toward an entirely zero grams trans fat menu in the U.S. After testing more than 28 alternative oils and proprietary blends and conducting 80 independent tests, the teams found a suitable oil blend that delivers the quality, flavor and taste our quests have come to expect. Since October 2007, all Dunkin' Donuts menu offerings nationwide have been zero grams trans fat. Baskin-Robbins' offerings, including its ice cream inclusions and ribbons, became zero grams trans fat in 2008.

# **DSMART**

When it comes to making healthy choices, some guests want to cut calories, some want to increase fiber consumption while others want to reduce their fat intake. Dunkin' Brands developed the DDSMART menu to help guests identify better-for-you menu items in our restaurants. The DDSMART menu helps quests easily identify our greattasting foods and beverages that fit their dietary wants and needs. All DDSMART menu items are identified by a special green running figure logo on restaurant menu boards.

### All DDSMART menu items are:

Reduced in calories, fat, saturated fat, sugar or sodium by at least 25% when compared to a base product or appropriate reference AND/OR contain nutritionally beneficial ingredients.

Our DDSMART program goes beyond the menu by encouraging an active lifestyle. Since its launch, DDSMART has sponsored running and cycling teams and triathlon clubs. We provide free, online training programs for guests who run their first 5k.

### **Nutrition Case Study**

A highlight of the DDSMART menu is Dunkin' Donuts' Eaa White Flatbread Sandwiches, In 2008, Dunkin' Donuts became the first national QSR to introduce egg white sandwiches. The DDSMART menu includes two varieties: Turkey Sausage (featuring turkey sausage, spinach and reduced-fat cheddar cheese) and Veggie (featuring peppers, onions, mushrooms and reduced-fat cheddar cheese). Both are under 300 calories, with 10 grams of fat or less, and are served on wholesome toasted multigrain flatbread.



Egg-White Turkey Sausage & Veggie Flatbread Sandwiches (Under 300 Calories per Serving)

Baskin-Robbins introduced its BRight

Choices menu of better-for-you frozen treats in January 2009. The line features Premium Churned Light ice cream; Premium Churned Reduced Fat No Sugar Added ice cream; fruit based

and non fruit based indulgent frozen yogurt; and dairy free options. BRight Choices options range from 80 to 140 calories per 2.5 ounce scoop. All BRight Choices offerings are indicated by a special pink star decal on the ice cream flavor strips in stores and are available year-round.

### **BRight Choices Criteria**

- Premium Churned Light: 50% less fat and 20% fewer calories (compared to our regular ice cream)
- Premium Churned Reduced Fat No Sugar Added: 25% less fat (compared to our regular ice cream)
- Sorbet/Ice: Fat Free, Dairy Free
- Frozen Yogurt: Made with live and active cultures

### **Consumer Care**

Dunkin' Brands has created a variety of opportunities for ongoing interaction with our guests. Our guests receive a receipt with each purchase inviting them to provide feedback on their experience via an online Guest Satisfaction Survey. Additionally, our Consumer Care team, located in our corporate office, interacts with our guests via phone calls, emails, and letters as well as through social media channels. Actively listening and engaging our guests helps us and our franchisees continuously improve our business.

### **Guest Satisfaction Survey**

In May 2009, we implemented the Guest Satisfaction
Survey, a powerful tool that provides insight into the guest
experience to help us maximize guest satisfaction and
loyalty. Through in-depth analysis of guest comments and
survey responses, we have identified key components of
a positive guest experience, and as a result have worked
closely with our franchisees, restaurant managers, and crew
members to create a guest-first culture in our restaurants.
Since the inception of this program we have recorded
feedback from over one million guests and noted increasing
satisfaction with the Dunkin' Donuts experience.

### **Marketing to Children**

Dunkin' Brands encourages healthy, balanced lifestyles to address growing concerns about childhood obesity. We work diligently to provide a variety of choices in our product offerings that appeal to guests of all ages.

Dunkin' Brands recognizes that the food and beverage industry plays an important role in families' dietary choices, including the responsible marketing of products. Dunkin' Brands does not conduct any child-directed advertising. Additionally, we have established an internal working group to keep abreast of federal guidelines and laws applicable to children's advertising. As the Federal Trade Commission and other federal agencies develop guidelines on children's advertising, Dunkin' Brands is committed to providing guidance to our brands, employees, and franchisees about best practices to ensure compliance. In addition, Dunkin' Brands and our franchisees encourage a "calories-in, calories-out" lifestyle by sponsoring activities, programs and organizations that involve physical activity.



### **Nutrition Goals**

### **Long-Term Goals:**

- Continue to look for ways to incorporate better-for-you choice options on Dunkin' Donuts and Baskin-Robbins menus
- Review and explore Dunkin' Brands advertising practices that may reach younger audiences to encourage balanced lifestyle options

### **Baskin-Robbins Short/Mid-Term Goals:**

- Review current menu portfolios and Identify nutritional gaps and new product opportunities by 2013
- Establish nutrition filter and goals
- Revise website to include nutrition content by 2013

### Food Safety

Food safety and quality are of paramount importance to Dunkin' Brands. We have rigorous procedures in place to ensure to the best of our ability that we provide safe, high quality products to our guests. We maintain comprehensive Food Safety Systems, standards and requirements based on Hazard Analysis and Critical Control Point (HACCP) principles, as well as government regulations, global industry best practices, and our own high standards. Through our Food Safety System we work together with our suppliers, distributors, manufacturing facilities, franchisees and restaurant crews to ensure the safety our products.

Dunkin' Brands reviews the health and safety impacts of 100% of our products throughout their life cycle, from concept and development through manufacturing and production, marketing, distribution, use and consumption.

In the event that a specific product fails to meet our food safety standards at any point in its life cycle, our Quality Assurance team will take immediate steps to recall the product or withdraw it from our system. In 2010, we had no outstanding food safety violations or product recalls through our supply chain.



### **Suppliers**

Dunkin' Brands screens and assesses the quality and food safety management systems of new suppliers entering our supply chain to ensure they meet our strict brand standards. Dunkin' Brands monitors the performance of key suppliers on an ongoing basis and requires regular food safety audits and global food safety certifications by third parties to ensure the highest standards are maintained.

### Restaurants

Our franchisees follow stringent quality and food safety protocols for handling food as it flows through our restaurants – from delivery, receiving and storage, to preparation, cooking, holding and service. These protocols are defined in our online global food safety systems manual, which is easily accessible online. Franchisees and restaurant managers must successfully complete food safety training and achieve certification through a nationally recognized, American National Standards Institute (ANSI)-certified examination. Dunkin' Brands also provides franchisees and their employees with comprehensive training programs and support materials available 24/7 via Dunkin' Brands Online University. In addition, we monitor guest impressions of cleanliness in our restaurants through ongoing surveys to help us identify opportunities for improvement.

Restaurant managers conduct Monthly Food Safety Self Assessments to review the effectiveness of food safety practices, identify any gaps and take corrective actions if necessary. They also measure any imminent health risks along with sanitation processes, time and temperature standards, documentation procedures, employee health and hygiene. Dunkin' Brands operations managers also assess restaurant-level food safety performance during regular Restaurant Operations Reviews. For select restaurants we also utilize our global Quality Assurance team and qualified third-party restaurant food safety specialists for assessment and training to reduce risk in our operations and ensure that our systems are deployed and effective.

### Allergens

We recognize that allergens are a serious concern for certain guests, and proper allergen protocols are a key component of our food safety system. Our restaurant managers and crew members are trained on major food allergens and the symptoms of an allergic reaction, along with proper storage, display, preparation, cleaning and transport procedures to minimize the risk of cross-contamination. Where appropriate, we provide supplemental information to restaurant staff about proper handling of specific menu items. We also communicate allergen information to our guests through signage in our restaurants, on our brand websites, and through our Consumer Care team.

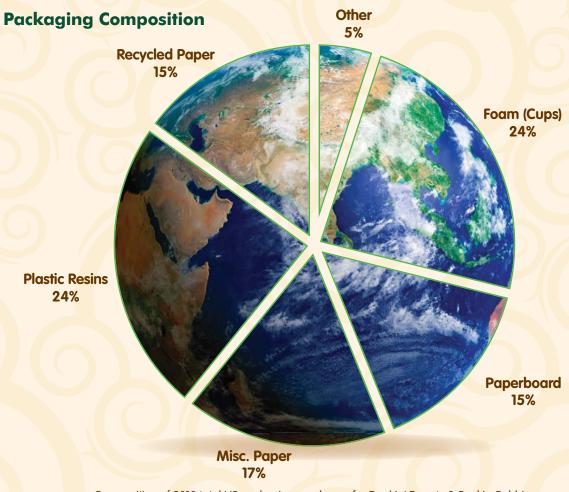


## OUR PLANET

We recognize that everything we do has an impact on the environment. From the materials we use, to the way we construct and operate our stores, to the products we source, we are committed to adopting better, more sustainable approaches whenever feasible.

### **PACKAGING**

Dunkin' Brands strives to offer packaging that balances the expectations of our guests and franchisees while minimizing our impact on the environment.



### **Our Quest for the Cup**



We know that many people are concerned about the environmental impact of Dunkin' Donuts foam cups. We are concerned too; in fact, it's our #1 sustainability priority. Our guests count on us to keep them running with delicious coffee served in a convenient, affordable cup that can hold up to their busiest days. We continue to work hard to find a cup solution that works for our guests, franchisees and the environment.

Our research shows that our guests love the benefits of our current expanded polystyrene (EPS) foam cup: it keeps coffee hot longer while keeping hands cool, it is very durable, and its lid prevents spills and dangerous incidents from hot beverages. We are searching for a cup that provides similar benefits to our guests, has an improved environmental profile and is affordable for our franchisees. Over the past four years, we have reviewed or tested nearly every type of single-use hot cup available on the market in our quest for an alternative to the foam cup, and there is simply no single-use hot cup on the market today that meets all of our performance, cost and environmental criteria.

We have also considered lined paper cups since they are made from a renewable resource; however, they are not recyclable in most communities because special equipment is needed to separate the paper from its petroleum-based inner lining. We have also studied compostable paper cups, but currently these cups can only be composted at a few commercial facilities, not in backyard compost bins. Additionally, while they may appear to be environmentally preferable, paper cups of all types require more energy, raw materials and water to produce than foam, and they take up more landfill space.

So while there is no suitable replacement for our foam cup today, we are committed to searching for a viable alternative on our own and in collaboration with our suppliers, peers and external experts. Some promising innovations such as bioresins are in development, but most are not commercially available today. To reduce waste in the interim, we reduced the weight of both our foam hot cup and our plastic cold cup in 2009, which reduced the amount of materials sent to landfills by 4.6 million pounds annually. Additionally, we are preparing to test an in-store foam cup recycling program and we offer a reusable mug program as an option for our franchisees.



### Delan Brossin

We are also testing alternatives to the current Baskin-Robbins polystyrene pink spoon. We believe we are close to a new material that will be recyclable, strong enough to scoop hard ice cream and affordable for our franchisees. If the new material meets our standards, we will plan to roll it out by 2013.

We continue to search for ways to minimize the impact of our packaging by substituting materials or using post-consumer recycled content whenever possible. In 2009, we switched to a new, 100% post-consumer fiber napkin system-wide, saving annually:

- 38 million gallons of water
- 16,000 cubic yards of landfill space
- 22 million kilowatts of energy
- 11,000 gallons of oil
- 323,000 lbs of air pollutants
- 92,000 trees

We also introduced new napkin dispensers that reduce waste by controlling usage. Together, these changes resulted in a 25% reduction in napkin waste overall. We have established an internal baseline for packaging that identifies environmental impacts and helps inform purchasing decisions.

We recently announced an agreement with Green Mountain Coffee Roasters, Inc., (GMCR) to produce Dunkin' Donuts K-Cup® portion packs for the Keurig® Single-Cup Brewing system. GMCR is a leader in specialty coffee and coffee makers, as well as a leader in sustainability. We recognize the concerns with single-serve packaging, and we support GMCR's efforts to reduce the environmental impact of its single-serve portion packs.



## **Packaging Goals**

### **Long-Term Goals:**

- Develop a holistic packaging scorecard for use with all suppliers to drive continuous improvement on environmental impacts
- Perform waste/recycling audit on sample DD and BR restaurants, and seek diversion opportunities for top three waste items

### **Short/Mid-Term Goals:**

- Develop a comprehensive strategy in 2012 to achieve a sustainable cup solution:
  - Formalize internal cross-functional working group
  - Convene an external working group comprised of external SMEs such as researchers, other EPS foam users within the industry and suppliers
  - Develop clear goals and timeline for internal and external working groups
- Test a reusable mug program option for iced beverages in 2011
- Pilot test in-store foam cup recycling program by 2013
- Identify franchisees with in-store recycling programs and gather best practices to share across the system by 2013
- Complete testing of Baskin-Robbins pink spoon alternatives with plans to transition to a more sustainable material brand-wide by 2013





### SUSTAINABLE INGREDIENT SOURCING

Dunkin' Brands understands that consumers are increasingly interested in knowing where their food comes from and how it is produced. We also understand that sourcing our ingredients in a responsible way is a key component of a strong supply chain. We are in the process of developing a holistic approach to sourcing that balances cost with sustainability issues.

### **Dunkin' Brands Supply Chain**

Dunkin' Brands	Franchisees	Suppliers
Dunkin' Brands develops products, selects menu items, sets product specifications, approves suppliers and provides quality assurance in the supply chain for both Dunkin' Donuts and Baskin-Robbins.	Dunkin' Donuts Distribution Centers (DCPs) purchase, warehouse and distribute food and supplies for U.S. Dunkin' Donuts franchisees. The DCPs are cooperatively owned by their franchisee members.	For Dunkin' Donuts, suppliers are approved by Dunkin' Brands but contract directly with DCPs.
Dunkin' Brands also manufactures and distributes select ice cream products for Baskin-Robbins International at a company-owned plant in Peterborough, Canada.	Franchisees may only purchase DBI approved product from DBI approved sources.  International franchisees work with Dunkin' Brands to identify approved local sources in our international markets.	For Baskin-Robbins, suppliers contract directly with Dunkin' Brands.  Baskin-Robbins' U.S. supply chain is managed by Dunkin' Brands, and production and distribution is outsourced to Dean Foods.

### **Supplier Code of Conduct**

Dunkin' Brands Supplier Code of Conduct requires suppliers to comply with all laws, ordinances, rules, regulations and orders of public authorities pertaining to the business that supplies the Dunkin' Brands system. Currently the Code addresses human rights concerns including child labor, workers' rights, compensation, discrimination and bribery. We plan to complete a review of the Code to ensure it addresses issues most material to our business, explore ways to ensure compliance and work with franchisee-owned distribution centers to integrate the Code's elements more clearly into RFPs and procurement decisions.



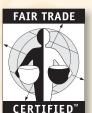
### **Volumes For Our Top Ingredients**

### **Dunkin' Donuts Ingredients Per Year**



### Coffee

Coffee is the main commodity of the Dunkin' Donuts brand. We select only high quality, 100% Arabica coffee beans from Central America, South America and other regions for our proprietary blends. There are many steps required to bring Dunkin' Donuts coffee from the tree to your cup, and we are proud of the strong relationships we have built with our partners along the way.



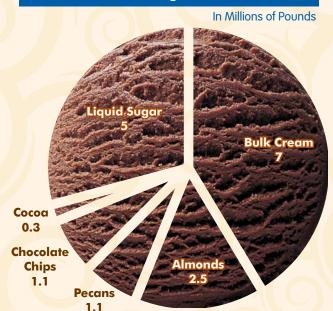
In 2004, Dunkin' Donuts partnered with Fair Trade USA to begin purchasing Fair Trade Certified™ coffee for our espresso. Dunkin' Donuts was the first national brand to sell a full line of espresso beverages made exclusively with 100% Fair Trade Certified™ coffee. Our Fair Trade purchases help farmers and their

families earn a better income, hold onto their land, keep their children in school and invest in the quality of their harvest. As of December 31, 2010, we purchased 25,893,440 pounds of Fair Trade Certified™ coffee and delivered \$1,877,640 dollars in premiums back to farming communities, impacting an estimated 30,000 people annually.



In 2008, we began exploring additional partnerships to help broaden our support of coffee farmers. We provided a \$70,000 grant to the Rainforest Alliance in

### Baskin-Robbins Ingredients Per Year



2010 that provided technical assistance and infrastructure improvements to groups of small farmers from three coffee-growing communities in Colombia. By the end of the 12-month project all three groups had earned Rainforest Alliance Certified™ status, giving them access to the global market for certified coffees. As a result of this success, we are exploring additional opportunities to work with the Rainforest Alliance on projects that provide training and value to farmers around the world.

### **Animal Welfare**

We recognize that animal welfare is an important part of a safe and sustainable food supply chain, and like many of our stakeholders we care about the way animals are raised and treated. Through our issues assessment process, we are identifying and tracking animal welfare issues that matter most to our stakeholders and to the quality and safety of our products.

Dunkin' Brands is committed to actively exploring opportunities to source ingredients that meet high animal welfare standards. We are currently considering the use of cage-free eggs and gestation crate-free pork in our products – researching available quantities, feasibility and food safety, among other issues. As we develop a holistic approach to sustainable sourcing, we plan to establish an animal welfare policy; incorporate standards regarding the fair treatment of animals into our Supplier Code of Conduct; and set meaningful, achievable goals for improving our performance in this area.

### Palm Oil

We recognize that irresponsible palm oil production is associated with deforestation, harm to wildlife and other negative impacts, so we continue to work with our suppliers to purchase the oils for our blend from sustainable sources. Dunkin' Donuts currently prepares all of its donut products using a blend of palm, soy and cottonseed oil. This blend was introduced in 2007 when we began transitioning our entire menu to 100% zero grams trans fat.

# Sustainable Sourcing Goals Long-Term Goals:

- Reassess the Supplier Code of Conduct to ensure alignment with core human rights principles and high sustainability standards
- Work to understand how the company can ensure compliance with the Code and integrate its elements more clearly into RFPs and procurement decisions

### **Short/Mid-Term Goals:**

- Develop a holistic approach to sustainable sourcing of commodities that balances cost with sustainable filters
- Create a sourcing filter to guide future purchases and establish goals for its use
- Explore sourcing an additional certified commodity in 2012
- Establish an animal welfare policy by 2013
- Complete feasibility and research of available quantities of cage-free eggs and gestation crate-free pork by 2013

# OUR NIME S DONNEYS

### **SUSTAINABLE BUILDING**

At Dunkin' Brands, we recognize that sustainable building and remodeling has the potential to boost reputation, reduce costs and save energy throughout our franchisee community. In this report, we share initial data about the impacts of our corporate facilities, but we know that our restaurants are the main source of our environmental impacts, including carbon emissions that contribute to climate change. Our franchisees manage their own utility bills and contracts. We do not currently have the ability to capture or track restaurant utility data at the corporate level. However, in 2010 Dunkin' Brands acquired and began operating a small number of Dunkin' Donuts stores in order to better support our franchisees. One area of focus will be tracking impacts, to help determine feasibility and scalability of sustainability efforts. We have also joined the Environmental Defense Fund's Climate Corps program for 2011, which will provide us with an estimated baseline of energy spend in U.S. Dunkin' Donuts restaurants along with recommended energy efficiency projects and strategies for engaging our franchisees.

We are committed to providing our franchisees with the tools and support necessary to reduce our collective environmental footprint while improving profitability. In 2008, we hired professional energy consultants to review our restaurant specifications and recommend opportunities to improve building design and energy efficiency. We have implemented many changes to our prototypical drawings based on their recommendations, which means building a new Dunkin' Donuts restaurant is now more efficient and affordable, and long-term operating costs for our franchisees are lower. We have also developed low- to no- cost energy reduction measures that existing stores can implement, from solar shades and motion sensors to daylight harvesting. We continue to partner with our franchisees to test new energy efficient technologies for our restaurants across the country. Improving franchisee profitability and reducing our carbon footprint is a priority. To help share what we're learning, we have created an online sustainable building resource for approved franchisees, architects, contractors and engineers to access government energy rebates and incentives, energy calculators, and a host of other sustainable building information.

### Examples of efficiency improvements to our Dunkin' Donuts prototype

### PLUMBING

- added aerators as mandatory on all faucets
- specified new water-friendly fixtures
- specified tankless "on-demand" hot water heater





### **ELECTRIC**

- utilized most efficient lamping and fixtures
- added new LED options on sign package
- added light harvesting control devices / sensors

### **HVAC**

- added new efficiency guidance
- provided new brand minimum EER ratings
- better EER ratings affect unit performance positively, reducing utility cost

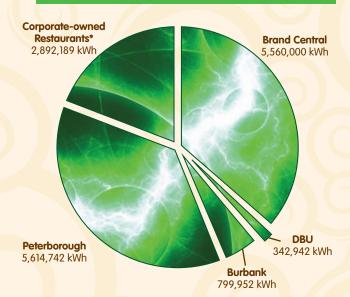


In 2011, we will complete the first significant renovation of Dunkin' Brands University (DBU) since the building was constructed in 1967. This world-class training facility will include an energy management system, energy efficient lighting, a white membrane roof, advanced heating and air conditioning systems, and a storm water management system to help protect the local watershed.

### Corporate Facilities - Electricity Usage, Natural Gas Usage

Corporate facilities in 2010 included our Brand Central headquarters, Dunkin' Brands University (DBU), our Burbank, California training facility, our Peterborough, Canada ice cream plant, and 15 corporate-owned restaurants in Texas and Massachusetts.

### **Corporate Electricity Usage**



### In Kilowatt Hours per Year

\*Calculations based on data collected from 12 of 15 corporate-owned restaurants

### **Corporate Natural Gas Usage**



### In Therms per Year

\*Brand Central is a rented building; natural gas usage data could not be obtained





"We congratulate Dunkin' Donuts for achieving LEED Silver Certification at their restaurant in St. Petersburg," said John Toppe, President of the Florida Gulf Coast Chapter of the U.S. Green Building Council. "Third party certification through the Green Building Certification Institute is not easy for a quick serve restaurant to achieve, and we appreciate the extra effort that it took for Dunkin' Donuts and its franchisee to work through the process as a pioneer in the QSR industry."

In 2008, franchisee Robert Aziz built the first "green"
Dunkin' Donuts restaurant in St. Petersburg, Florida which achieved Leadership in Energy and Environmental Design (LEED) Silver certification in 2010. This restaurant serves as a model for future green construction projects and restaurant remodeling. In addition to LEED design and construction components, the restaurant features a reusable mug program, donation of leftover baked goods to the local food bank, and coffee grounds composting. In 2011, we will break ground on a second "green" Dunkin' Donuts restaurant in St. Petersburg, once again targeting LEED certification.

The restaurant has composted over 50,000 pounds of used coffee grounds and paper products since opening in 2008.

LEED is a valuable resource for identifying opportunities to enhance sustainability and inspire rigor and accountability in our building initiatives. While we have found that LEED certification is not feasible for every new construction project or every franchisee, we continue to implement many LEED recommendations to make our restaurants greener. By working with the EDF Climate Corps to understand restaurant energy consumption and potential savings, and continually enhancing our construction specifications, we strive to make sustainable building more achievable and desirable for our franchisees.

Dunkin' Brands, Inc. joined the U.S. Green Building Council in 2008

## **Sustainable Building Goals**

**Long-Term Goals:** 

- Reduce franchisee utility costs
- Reduce carbon footprint
- Develop estimated baseline of energy spend in U.S. Dunkin' Donuts restaurants
- Develop energy efficiency recommendations and implementation plan for U.S. Dunkin' Donuts restaurants
- Utilize Dunkin' Donuts learnings to improve the sustainability of Baskin-Robbins shops

### **Short/Mid-Term Goals:**

- Create sustainable building filter and goals for new construction in 2012
- Two members of DBI Design and Construction Services Department to achieve full LEED Accreditation by 2011
- Open second "green" Dunkin' Donuts restaurant in St. Petersburg, FL in 2011, targeting LEED certification
- Incorporate improved sustainable materials into Dunkin' Donuts new store design in 2012





## **OUR PEOPLE**

From our employees to our franchisees and crew members, we believe in treating everyone with respect and fairness.

Dunkin' Brands is committed to the success of our employees, franchisees and crew members. Through our recruiting strategy and workforce planning, we attract, hire, develop and promote top performing talent who demonstrate our values and drive our business results. We are focused on fostering a culture that is wight-after and fueled by high-performing people who grow while delivering strong global results.

As of December 31, 2010, Dunkin' Brands employed 1,086 people – 1,014 were based in the U.S. and 72 were based in other countries. Of our domestic employees, 425 worked in the field and 589 worked at our Brand Central headquarters in Massachusetts or our satellite office in California. In addition, our ice cream manufacturing

facility in Peterborough, Canada, employed 56 full-time employees. Other than 28 employees in Peterborough who are represented by the National Automobile, Aerospace, Transportation & General Workers Union of Canada, Local 462, none of our employees are represented by a labor union. In 2010, Dunkin' Brands, Inc. had 20 reported work-related injuries and illnesses involving corporate employees, resulting in 31.5 days of missed work. Twelve incidents occurred at our headquarters, and eight occurred either off-site or during business travel.



### **Diversity**

The following charts represent Dunkin' Brands 1,014 corporate employees in the United States. We are fully reporting ethnicity for the United States only as we are not required to solicit this information from non U.S. employees. Our franchisees are independent business owners; they and their employees are not included in our employee count.

		GENDER			
BASED	ETHNICITY	FEMALE	MALE	GRAND TOTAL	
NON US	Asian (Not Hispanic or Latino)		1	1	
	Did Not Disclose	1	8	9	
	Hispanic or Latino		1	1	
	Two or More Races (Not Hispanic or Latino)	1		1	
	White (Not Hispanic or Latino)	6	12	18	
	#N/A	12	30	42	
NON US TOTAL		20	52	72	
US BASED	ETHNICITY	FEMALE	MALE	GRAND TOTAL	
	American Indian or Alaska Native (Not Hispanic or Latino)	3	1	4	
	Asian (Not Hispanic or Latino)	18	15	33	
	Black or African American (Not Hispanic or Latino)	16	8	24	
	Did Not Disclose	10	4	14	
	Hispanic or Latino	12	18	30	
	Native Hawaiian/Other Pacific Islander (Not Hispanic or Latino)	1	2	3	
	Two or More Races (Not Hispanic or Latino)	2	4	6	
	White (Not Hispanic or Latino)	431	460	891	
	#N/A	4	5	9	
US TOTAL		497	517	1014	
TOTAL		517	569	1086	

### **Gender - Corporate Employees**

BASED	GENDER	TOTAL	
NON US	FEMALE	20	
	MALE	52	
NON US TOTAL	L	72	
US	FEMALE	497	
	MALE	503	
	#N/A	14	
US TOTAL		1014	
GRAND TOTAL		1086	

### Gender - Leadership Team

GENDER	TOTAL
FEMALE	2
MALE	7
TOTAL	9
% FEMALE	22%





### **Employee Value Proposition**

Dunkin' Brands has developed Employee Value Propositions (EVPs) for Dunkin' Donuts and

Baskin-Robbins employees and crew members to outline the points of differentiation that make a unique culture in our restaurants. In 2010, we launched training programs

designed to highlight the EVP for crew members and restaurant managers called "There's no Dunkin' without U" and "BRing your Best!"

As a result of the positive feedback and success of the brand EVPs, we are now in the process of developing an EVP for our corporate employees.

### **Organizational Development**

Dunkin' Brands is committed to a corporate culture in which individuals take ownership of their own career success with consistent guidance from managers and support from the organization. We offer a comprehensive training program beginning with an orientation program for all new employees. Training is tailored to the demands of the position. For example, new Operations Managers receive over 300 hours of classroom and on the job training to prepare them to support our franchisees and restaurant managers. We also offer a performance management process with tools that support development planning and evaluation. One hundred percent of eligible employees receive performance reviews annually. In 2010 we introduced Fierce Conversations®, a training program designed to improve effectiveness and results by empowering employees to communicate openly across all levels of the organization. To date, over 600 employees have participated. In 2011 we will increase our support for leaders in the organization through supplemental leadership training programs and feedback.

### **Health and Wellness**

At Dunkin' Brands, we support our employees' efforts to maintain a healthy lifestyle. Our Brand Central headquarters features a free fitness center with cardiovascular and strength training equipment; classes such as spinning, yoga and muscle conditioning; and monthly educational programs

highlighting ways to stay healthy and improve overall wellness. Field-based corporate employees are eligible for a monetary reimbursement to be used towards the purchase of a gym membership.

### **Green Team**

Employees can channel their passion for environmental sustainability by joining the Green Team, a group of professionals who work together to promote green practices such as recycling and reducing waste and energy use, and improve our sustainability efforts both at home and at work. In the past, the team has hosted initiatives including an electronics recycling day and a foam cup recycling program at our headquarters. The team has also worked to secure designated carpool and hybrid parking spaces and organized outdoor volunteer projects.

### Women's Integrated Network (WIN)

Since 2009, Dunkin' Brands has hosted the Women's Integrated Network (WIN), a forum for discussion about issues facing women in the workplace. Now 300 individuals strong, WIN organizes programs and speaking events pertaining to community outreach, networking and continuing education. These programs are designed to support personal and professional development for women.

### **Disaster Relief Fund**

Dunkin' Brands Disaster Relief Fund provides disaster relief and emergency hardship assistance in the form of funds, services, facilities or goods to Dunkin' Brands employees, franchisees, affiliates and their families in the United States who have become victims of federally declared disasters. Since 2005, we have awarded over \$300,000 in grants to mitigate both personal and business related hardship.



### **Tuition Reimbursement**

Dunkin' Brands offers a tuition reimbursement program to support the continuing education of our employees. We will reimburse employees up to \$5,000 per calendar year for undergraduate or graduate courses that support their work or prepare them for future positions within the company.

Employee Tuition Reimbursement Program: In 2010 we gave \$86,100 to 26 corporate employees.

### **Dunkin' Brands Scholarship Program**

Each year, the Dunkin' Brands, Inc. Scholarship Program, sponsored by the Dunkin' Brands Charitable Trust Fund, awards scholarships to children or grandchildren of Dunkin' Brands employees and U.S. Dunkin' Donuts and Baskin-Robbins franchisees. Up to eight scholarships of \$2,000 each are awarded annually for full-time study at any accredited post-secondary institution of the student's choice.

Scholarship recipients are selected on the basis of academic record, leadership and participation in school and community activities, honors, work experience, a statement of educational and career goals, and an outside appraisal.

### **Employee Benefits**

Dunkin' Brands benefits program is designed to deliver value to our employees and to meet individual needs and circumstances. The summary of benefits highlighted is just part of our package for U.S. employees, which also includes competitive base salaries, incentive pay opportunities, and additional value-added benefits that are intended to enhance our employees' quality of life.

### **Summary of Benefits**

- Medical
- Dental
- Basic Life Insurance
- Basic Accidental Death& Dismemberment Insurance (AD&D)
- Short-and Long-Term Disability
- Flexible Spending Accounts (FSA)
- Long-Term Care Insurance
- Employee Assistance Program (EAP)
- 401 (k) Plan
- Paid Time-Off: Vacation, Holidays, Sick, Personal, Bereavement

Part time employees (21 hrs per week) are not eligible for benefits except for 401k, EAP and Paid Time-Off. Part time employees are also eligible for voluntary benefits such as movie passes and pet insurance.

### Franchisee & Crew Member Training

Dunkin' Brands offers a comprehensive series of training programs for Dunkin' Donuts and Baskin-Robbins crew members, restaurant managers and franchisees. We also offer a robust library of online and instructor-led courses designed to foster deep connections to our brands' heritage and to help both franchisees and crew members grow, so they can better serve their customers and enhance the profitability of their restaurants.

Dunkin' Brands' award-winning and innovative training programs cover topics ranging from product knowledge to product assembly, food safety, guest service, retail technology, human resources, operations management, profitability, leadership and others. Our performance-based curriculum is filled with scenarios that mirror real-life work experiences to provide the most impactful learning experience for trainees.

### **People Goals**

### Long-Term Goals:

- Develop a long-term strategy on diversity and multicultural initiatives
- Continue to introduce training programs that improve the guest experience and business results at the restaurant level

### **Short/Mid-Term Goals:**

- Launch supplemental leadership training programs and feedback mechanisms to support leadership development across all levels of the organization
- Develop and communicate an Employee Value Proposition for corporate employees by 2012
- Reassess our New Franchisee Training process to ensure new franchisees have the tools to be successful. Introduce revised learning path by 2013





### **OUR NEIGHBORHOODS**

We are dedicated to serving the basic needs of our local communities – from providing food for the hungry and support for children's health and wellness, to ensuring our neighborhoods are safe and secure.



### The Dunkin' Donuts & Baskin-Robbins Community Foundation

At Dunkin' Brands, community is the heart of our business. That's why we joined together with our franchisees to establish The Dunkin' Donuts & Baskin-Robbins Community Foundation (DDBRCF) in 2006. The DDBRCF's mission, serving our neighborhoods through hunger relief, safety and children's health, has evolved to closely align with the charitable interests of our franchisees. At the national level we partner with a very limited number of national organizations whose missions are aligned with our focus areas. Through the generosity of our franchisees, employees, vendors and guests, The DDBRCF raises funds to support national partners and regional grantmaking. Since 2006, The DDBRCF has awarded more than \$2 million in grants.

## The DDBRCF focuses support on three critical issue areas that are relevant to the neighborhoods we serve:

### 1. Hunger Relief

Fulfilling critical hunger needs in our communities through partnerships with local food banks and hunger relief organizations. The DDBRCF has had a long-term national partnership with Feeding America®, the largest domestic hunger-relief organization, donating nearly \$1 million to support local food banks. In addition, our franchisees have held food drives and organized volunteer days at their local food banks to address hunger in their communities.



- Supported 15 backpack programs in 12 states
- Distributed 126,476 bags of food
- Provided food to 7,617 children
- Programs exceeded goal for number of children served by 11%

## 2. Safety

Ensuring the safety of our neighborhoods and communities through partnerships with organizations that support our firefighters, public safety officers, and troops at home and abroad. In 2010, The DDBRCF launched a national partnership with the USO through an \$82,500 grant to provide morale,

welfare and recreation-type services to troops and their families. The DDBRCF also has a long-term partnership with the National Fallen Firefighters Foundation (NFFF) to support families of firefighters who have lost their lives in the line of duty. To date, we have given \$350,000 to the NFFF.



- Coffee delivered to more than 80 USO Centers nationwide
- Impact more than 3 million service members and their families

## 3. Children's Health

Improving the health and wellness of children through partnerships with children's hospitals and organizations that support children's physical activity. In 2010, The DDBRCF gave a grant to Do Something to create "Get Well Soon" grants. These grants supported young people nationwide who led projects dedicated to helping hospitalized children. To date we have given \$225,000 to Do Something.

- 20 Get Well Soon grant winning projects
- 3,014 people involved with the projects
- 561,170 people impacted by the projects



### **Regional Chapters**

In additional to national fundraising and partnerships, The DDBRCF also engages in local community engagement and grantmaking through our eight regional chapters. Regional chapters are led by franchisees and corporate employees who volunteer their time to raise awareness of The DDBRCF's mission and partners, plan and participate in community-based fundraising events and make grants to local organizations.



**Pint for a Pound: The DDBRCF's Northeast Regional Chapter** has partnered with the Rhode Island Blood Center (RIBC) and American Red Cross (ARC) in Massachusetts to combat shortages in blood supply during the winter months. Anyone who donated blood through the RIBC or ARC in January 2010 received a certificate for a free pound of Dunkin' Donuts coffee. Since the program started in 2008, enough blood has been donated to help more than 1,000,000 people.



**Southeast Golf Tournament: In 2010, The DDBRCF's Southeast Regional Chapter** hosted their second annual golf tournament. This tournament has raised more than \$95,000 over the past two years to support local grantmaking in the Southeast region.

**Dunkin' Cup: The DDBRCF's Mid-Atlantic Regional Chapter** hosted the 3rd Annual Dunkin' Cup, a golf tournament to benefit The DDBRCF. Over the past three years, the Dunkin' Cup has raised more than \$245,000 to support local grantmaking in the Mid-Atlantic region.

### **Employee Engagement**

Our employees are passionate about giving back to their community. Each summer, we host a back-to-school backpack drive to benefit The Home for Little Wanderers in Boston. In 2010, we collected 115 backpacks for children in need. Additionally, on an annual basis, Dunkin' Brands employees are invited to participate in our week-long "Season of Giving" in early December. In 2010, we provided more than 175 children and three families in need with gifts, volunteered at 13 organizations, donated coats and personal care items to local shelters and sent more than 3,000 pounds of coffee to troops overseas. Employees are also invited to participate year-round in "Donation Nation," a centralized location to collect toiletry items and recycle unwanted cell phones, printer cartridges and eyeglasses.

Our corporate volunteer program allows each full-time employee five hours of paid volunteer time per quarter. In 2010, Dunkin' Brands employees committed 1,445 volunteer hours in local communities.



In 2010, we organized two large-scale backpack stuffing events. Together, employees and franchisees filled bags with nutritious food and beverages to ensure children are eating healthy foods on the weekends when school meals are not available. At our Canton headquarters, 250 employees stuffed 1,500 backpacks to benefit The Greater Boston Food Bank. In New Orleans, 250 franchisees and employees stuffed 6,600 back packs to benefit the Second Harvest Food Bank of Greater New Orleans and Acadiana.



### **Charitable Giving**

In addition to supporting The DDBRCF, Dunkin' Brands and our franchisees are actively engaged in giving back to the community.

Below are just a few of the non-profit groups & fundraisers our franchisees and employees supported in 2010:

### Coffee for Our Troops

Coffee for Our Troops was our first ever national cause marketing promotion. Between November 1 - 14, 2010, for every two pounds of coffee purchased by a guest, Dunkin' Donuts donated one pound to the troops through our partnership with the USO, up to 100,000 pounds. The coffee was donated to more than 80 USO centers in the United States for use at deployments, homecomings and other special events attended by military men, women and their families.



### **Baskin-Robbins FunRaisers**

Throughout the year, Baskin-Robbins shops nationwide host old-fashioned ice cream socials to benefit local causes. A portion of proceeds from each event is donated to a community-based organization as designated by the franchisee. In 2010, Baskin-Robbins shops hosted 703 FunRaisers, totaling over \$76,000 in donations to local schools and other organizations.

### Dana-Farber Cancer Institute and Jimmy Fund®

Over the past 10 years, Dunkin' Donuts, Baskin-Robbins and our franchisees have helped raise more than \$9 million to support the Jimmy Fund® and Dana-Farber Cancer Institute in Boston. In 2010, we participated in several events to support cancer research. Dunkin' Donuts franchisees and



our National Distribution Center hosted the annual George Mandell Golf Tournament in memory of George Mandell, a Dunkin' Donuts and Baskin-Robbins franchisee.

Dunkin' Donuts also sponsored the Pan-Massachusetts Challenge, an annual fundraising bike ride across the state. Baskin-Robbins participated in the Jimmy Fund Scooper Bowl®, an annual ice cream fundraising event in Boston.



### **Special Olympics**

Many Dunkin' Donuts and Baskin-Robbins franchisees hosted fundraising events in 2010 to support the Special Olympics.

### **Rhode Island/Southeastern Massachusetts:**

On National Coffee Day, September 29, Dunkin' Donuts and our franchisees donated 50 cents for every cup of hot coffee sold to the Special Olympics Rhode Island and Massachusetts South Section. Franchisees also hosted the John Henderson Invitational Golf Tournament, to benefit the Special Olympics Rhode Island. Since 1988, franchisees in Rhode Island and Southeastern Massachusetts have donated more than \$1 million to the Special Olympics through funds raised at these events.

### Cops on Top:

Franchisees in Indiana, Maryland and Illinois participated in the Special Olympics' "Cops on Top" fundraising event. Police officers secured donations for every hour they sat on Dunkin' Donuts rooftops to raise more than \$250,000 for the local Special Olympics.

### Product Donations & Community Engagement

**Product Donations:** While we do not formally track in-kind donations, Dunkin' Donuts and Baskin-Robbins franchisees generously donate tens of thousands of dollars worth of product each year to support local community organizations and events.

### **Community Engagement**



### El Sueño: Dunkin' Brands and the Culinary Institute of America:

In 2010, Dunkin' Donuts and The Culinary Institute of America (CIA) dedicated the nation's first Dunkin' Donuts Bakeshop, located on the CIA's San Antonio, Texas campus. Dunkin' Brands made a \$900,000 pledge to become a founding donor of the CIA's "El Sueño" initiative, which educates students and industry professionals about traditional Latin American baked goods and provides them with industry-specific skills. In addition to opening the Dunkin' Donuts Bakeshop, Dunkin' Brands is offering a culinary internship to a CIA student who is interested in cake design, product development and commercialization.

### **Coffee for Our Troops Lottery Program**

In 2003, the Dunkin' Donuts Consumer Care team began sending coffee to the troops in Iraq. Each month we send approximately 50 cases of coffee to troops stationed overseas. We increase that number to 100 cases during the holidays. To date, Dunkin' Brands has sent over 160,000 pounds of coffee to U.S. troops stationed overseas.

### **Local Scholarship Programs**

Dunkin' Donuts has local scholarship programs in Hartford, Connecticut; Springfield, Massachusetts; Providence, Rhode Island; Philadelphia, Pennsylvania and New Hampshire. These programs collectively have granted more than \$3 million in scholarships.



**TOTAL GIVING\*** 

2010 Foundation Grants: **\$428,227** 

2010 CSR Donations (corporate): **\$242,766+** 

\*Does not include franchisee giving.





### **OUR COMPANY**

By responsibly serving the needs of all of our stakeholders, upholding high ethical standards and practicing good corporate governance, we believe we will be able tofulfill our responsibility to our investors: strong, sustainable financial performance.

Dunkin' Brands' success is dependent upon the way we conduct ourselves and do business with our franchisees, vendors, suppliers and other business partners. We strive to live up to the highest standards of ethical behavior and to live our core values: honesty, transparency, humility, integrity, respectfulness, fairness and responsibility.

Dunkin' Brands, Inc. is a subsidiary of Dunkin' Brands Group, Inc., which, on July 27, 2011, began trading on the NASDAQ under the symbol "DNKN". Dunkin' Brands Group, Inc. has a nine member board of directors. Of the nine, one is an employee (Nigel Travis), one is a former employee (Jon Luther), one is independent (Michael Hines) and the remaining six are divided equally among the three sponsors: Bain Capital, The Carlyle Group, and Thomas H. Lee Partners. Each board committee operates under a charter that will be approved by our board of directors. Further details including a description of the composition and responsibilities of the board and respective committees as well as a list of members can be found by visiting http://investor.dunkinbrands.com/.

Dunkin' Brands' Code of Conduct outlines a strong set of requirements for employees. It is expected that all Dunkin' Brands employees comply with both the letter and spirit of the Code. One hundred percent of our corporate employees have been trained on our Code of Conduct, which includes our anti-corruption policy. A portion of this training also includes a brief description of the Foreign Corrupt Practices Act (FCPA). Dunkin' Brands has implemented a training program requiring employees working with or having international responsibilities to complete FCPA training. As of December 31, 2010, a total of 99 employees had ongoing or known international responsibilities, and 100% had completed the Overview and Risk Assessment portion of the training. Of these 99 employees, 31 (31.31%) employees were part of management and 68 (68.69%) employees were part of non-management.

### Lobbying

Dunkin' Brands is engaged in the legislative and regulatory process around key issues that affect our business, including health and wellness, tax and financial matters, labor issues and franchisee-related legislation. We operate in an evolving and interrelated public policy environment and 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 such as a Political Action Committee as well as memberships in national and regional restaurant and retail associations.

### **PAC & Direct Political Contributions**

Political Action Committee and Lobbying
Disclosures can be located at www.fec.gov

### **Trade Association Memberships**

- National Restaurant Association
- International Franchise Association
- National Council of Chain Restaurants
- U.S. Chamber of Commerce
- International Council of Shopping Centers
- California Restaurant Association
- Massachusetts Restaurant Association
- New York State Restaurant Association
- National Coffee Association
- Specialty Coffee Association of America
- Coffee Quality Institute



