

The left side of the slide is decorated with three large, overlapping geometric shapes: a large orange triangle pointing downwards from the top-left corner, a medium blue diamond centered vertically, and a large dark blue triangle pointing upwards from the bottom-left corner.


National DCP: America Runs on Dunkin' and Dunkin' Runs on NDCP

Sintercafe

Matthew Daks
Thursday, November 8th 2018
Intercontinental Hotel
San Jose, Costa Rica

Presentation Outline

- 1 History of the Dunkin' Cooperatives**
- 2 Organizational Structure**
- 3 Membership**
- 4 Coffee Strategy**
- 5 Sustainability**



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History of Dunkin's Cooperatives



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History of Dunkin' Cooperatives



5 Regional Coops Merge Into 1 National DCP

2012

Created **25-year Relationship Agreement** that shifted sourcing for all Distribution Centers to one umbrella under NDCP

2014 - 2016

Implemented Project Freshstart. Recognized with **2016 Information Week Elite 100 Award**

2015

Achieved sustainable service reliability. Original Perfect Order rate of 59% in 2013 now sustained at over 80% nationwide. Today we have **99.8% Order Fill Rate** across **2,000 SKU's**

2016

Developing **equipment** strategy and **small wares** pilot program

2016

Exploration of international expansion, manufacturing to include baked goods and roasting and new customer acquisition to further reduce member costs

9300 STORE FRONTS

1 SUPPLY CHAIN COOP

77 MILLION CASES EACH YEAR

2012

Successfully **merged** five regional operating companies into National DCP

2013

Moved headquarters to **Duluth, Georgia** to access new talent, skillsets and drive culture change

2015

Developed and implemented an active **commodities expertise** and management program

2015

Right-sized distribution network through launch of **Network Optimization**, resulting in a New Phoenix DC that opened in March 2016, a Twinsburg DC in October 2016 and a Georgia DC slated for Q2 2017

2015 - 2016

Continued focused, **professional culture** improvement through employee engagement, training and communications initiatives



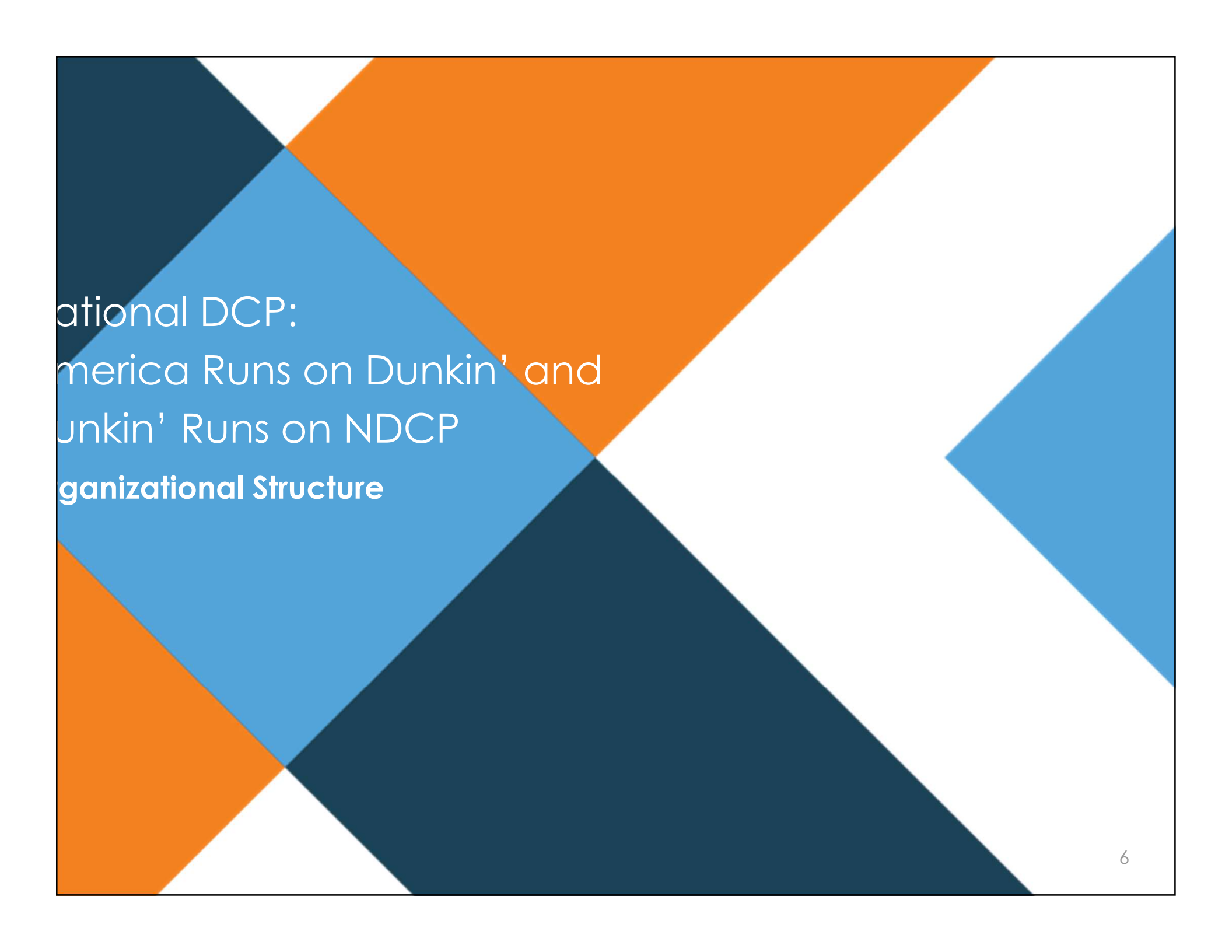
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History of Dunkin' Cooperatives



Who We Are Today





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rganizational Structure



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NDCP Organizational Structure



NDCP and its members play an integral role in supporting the Dunkin' system

Dunkin' Brands International

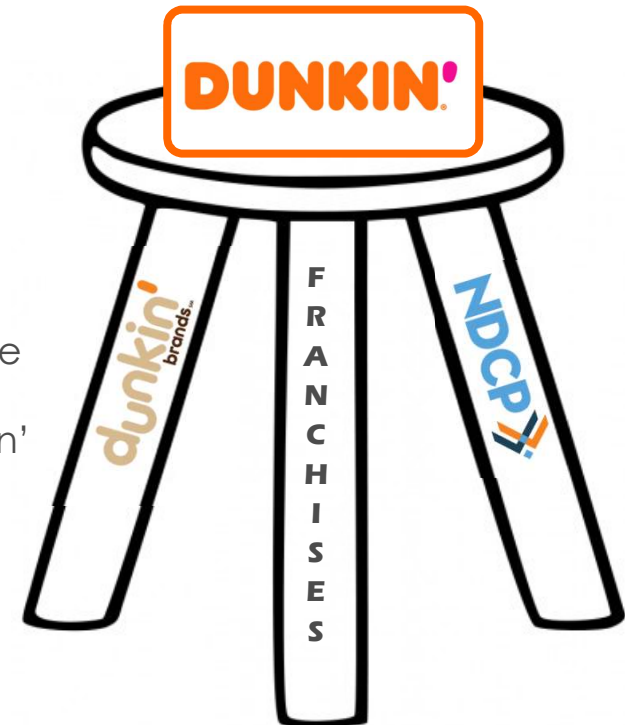
- DBI provides the resources to build a brand
- Dunkin' QA manages all product specification
- Culinary development, Q&A and Commercialization experts bring new ideas to market
- Marketing stays on top of trends and delivers media support to new products

Franchisees

- Franchisees commit their own resources to expanding the Dunkin' system
- A strong and unified approach helps DBI grow the Dunkin' Brand

National DCP

- NDCP owns the supply chain and supplier relationships
- Expertise in sourcing and supplier management
- Own and operate our own distribution centers
- Deliver products to all 9300+ stores nation wide





National DCP: Dunkin' Runs on NDCP

NDCP Organizational Structure



National DCP is the Fulcrum of the Dunkin' Coffee Supply Chain

DD STORES

- **Prepare** and sell products to Dunkin specs
- Sit on **Board of Directors** for the NDCP
- Place orders with DC's on a weekly basis
- Sell **80 cups of coffee every second**

DIST CENTERS

- Receive and ship over **70 MM cases** per annum
- **Warehouse** dry, refrigerated and frozen products
- **Distribute** to 9,300 Dunkin' stores every day



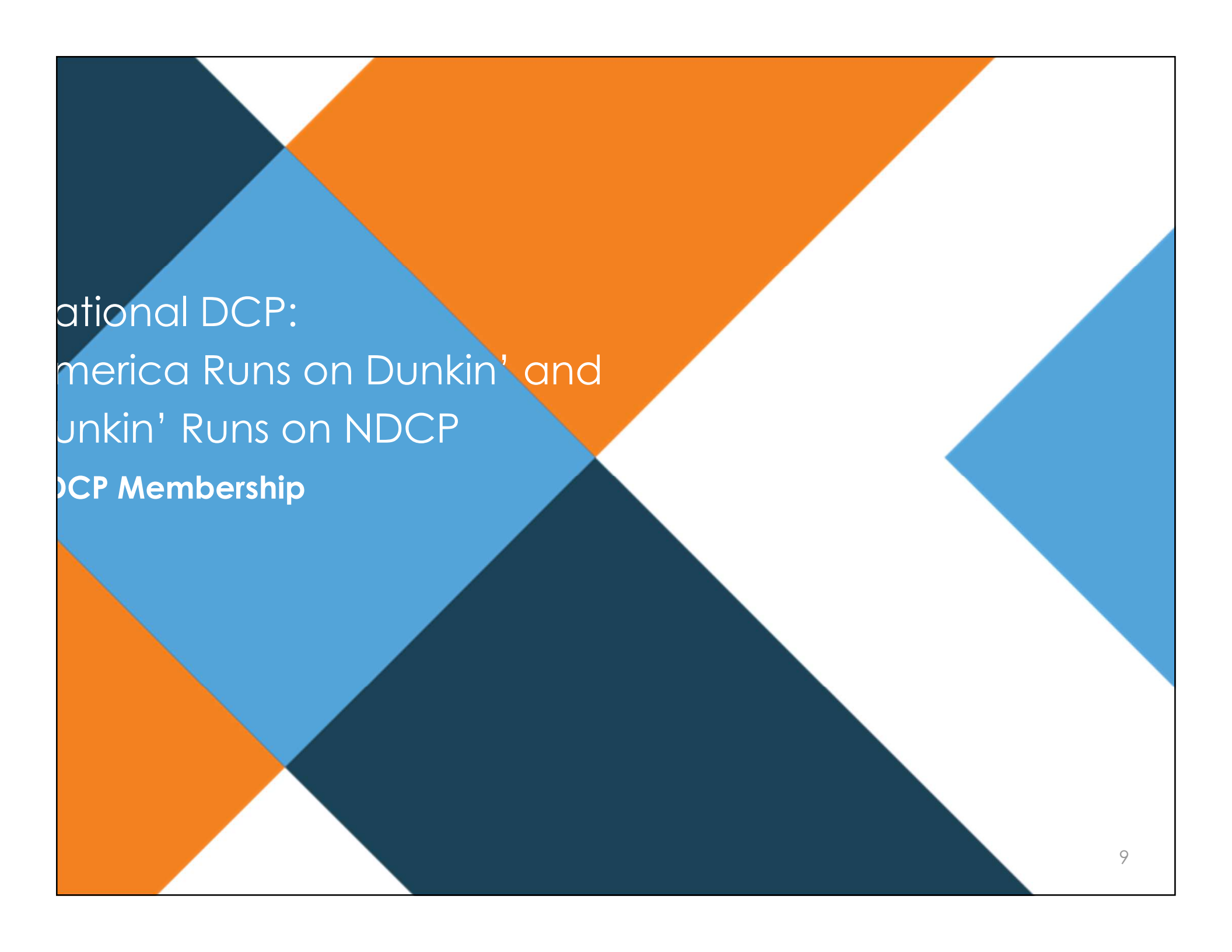
- Make all **green buying decisions**
- Ask for **offers and indications** from roasters
- **Confirm** offers or place bids
- **Formula pricing** for finished products
- **Issue PO's** to roasters for finished product

ROASTERS

- Receive **offers and indications** from the trade and pass along to NDCP
- **Work bids** as directed from NDCP
- **Principal** on green coffee contract
- **Roast, package and deliver** coffee to DC's

TRADE

- **Understand** DD quality requirements
- **Make markets**
- **Mill and prepare** for export according to DD spec
- Work closely with DD 3rd party labs to **ensure DD quality certs** are in place 8



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DCP Membership



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NDCP Membership



Our Members are as Diverse as Our Customer Base

1,400 members owning and operating **9,300 stores**

The smallest members may own a single store, while the largest own several hundred

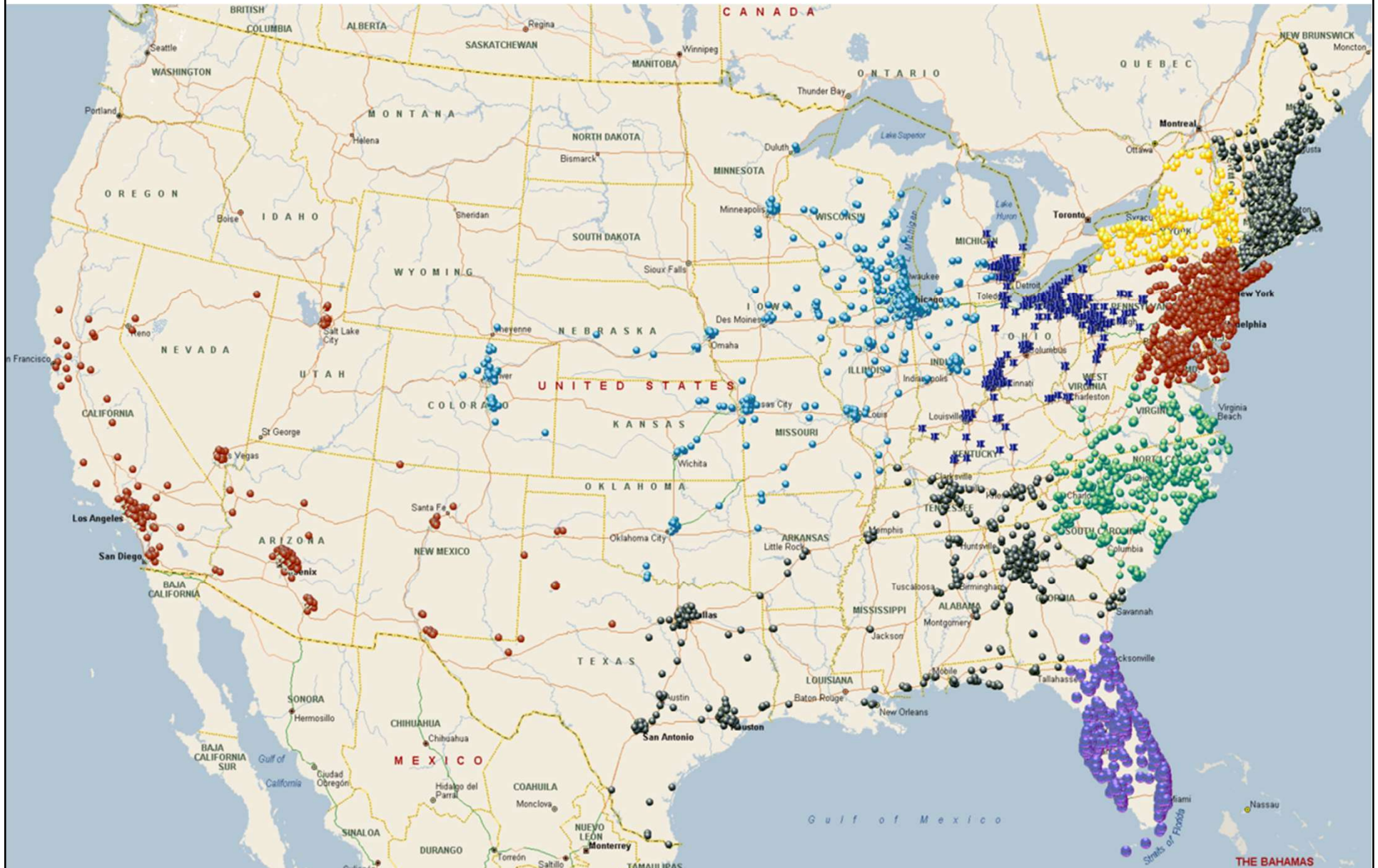
Membership provides us with a **global perspective**

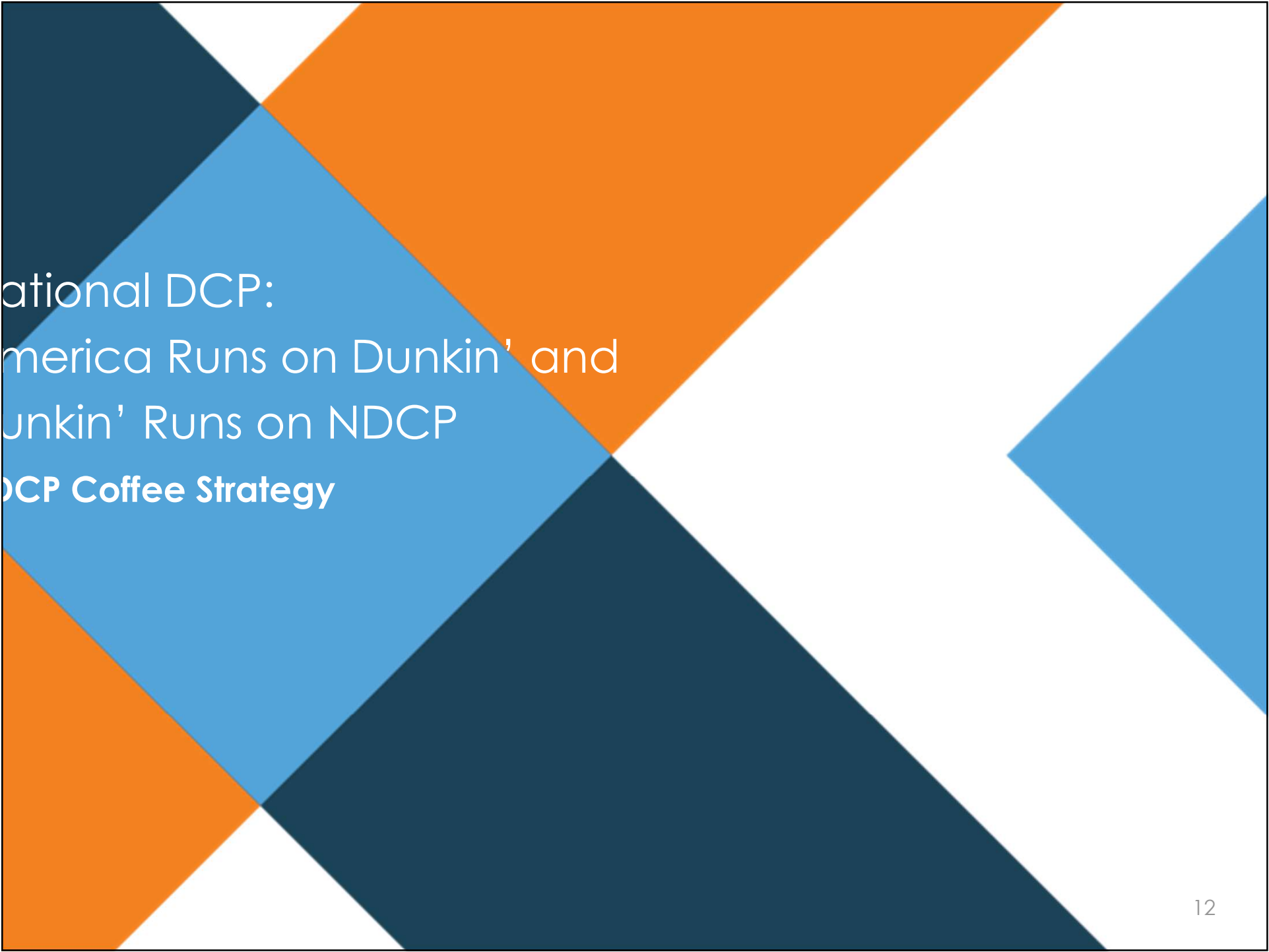
Members sit on NDCP Board of Directors as well as lead several sub committees of the Board



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NDCP Membership





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DCP Coffee Strategy

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NDCP Coffee Strategy



We will ensure a stable supply of coffee that supports our upstream partners

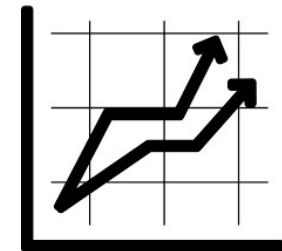
1. Supply Continuity and Assurance

Develop the **well established supply chains** through our roaster partner relationships. Work actively to strengthen the existing supply chains and identify opportunities to open new supply chains.



2. Price Stability and Cost Planning

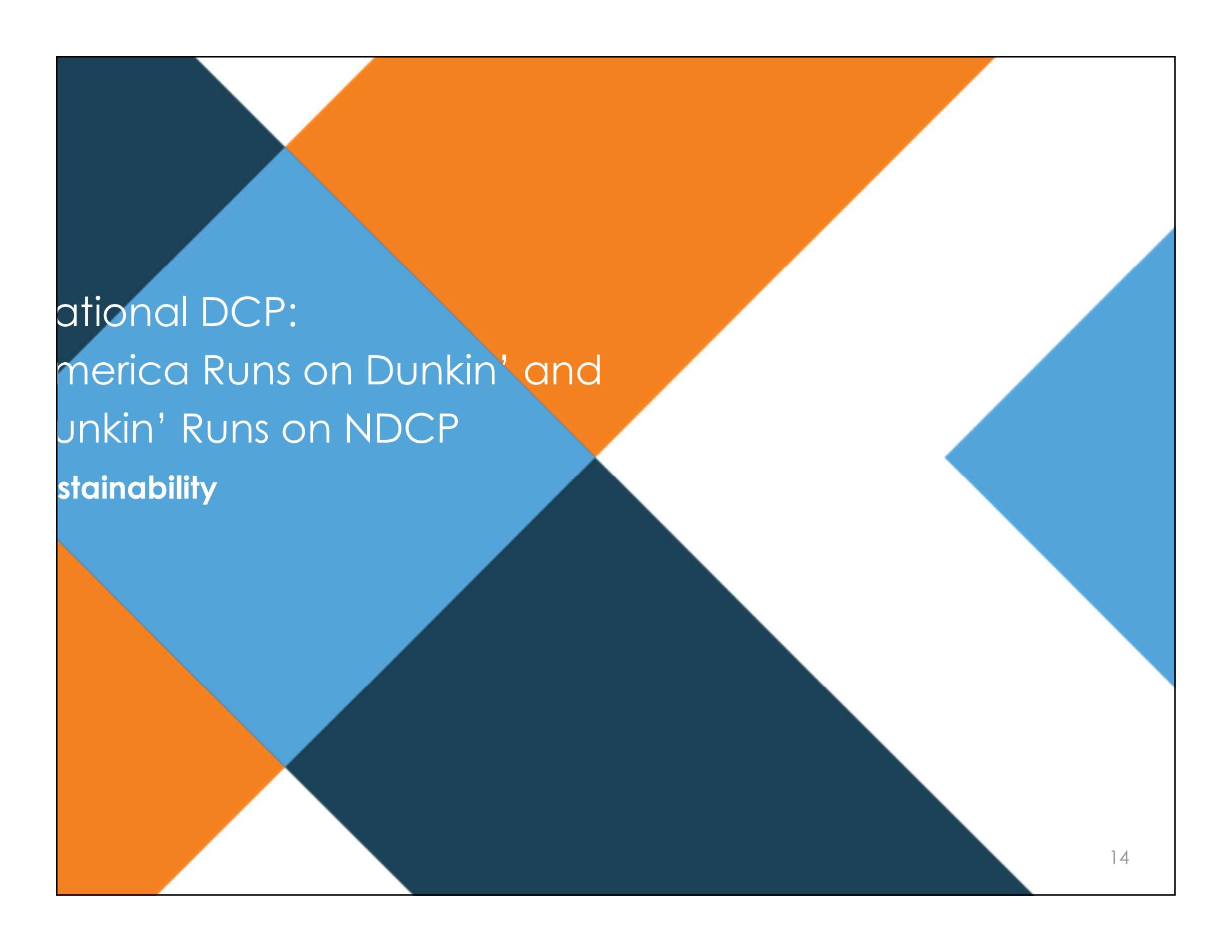
Provide reliable pricing expectations by actively trading the **futures and differential market** and building a foundation of longer term positions.



3. Maintain Strong Relationships With Upstream Partners

Understand and honor the **value of our relationships** in the coffee industry to maintain close ties to our roasters partners along with the trade and producers involved in our supply chain.





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sustainability

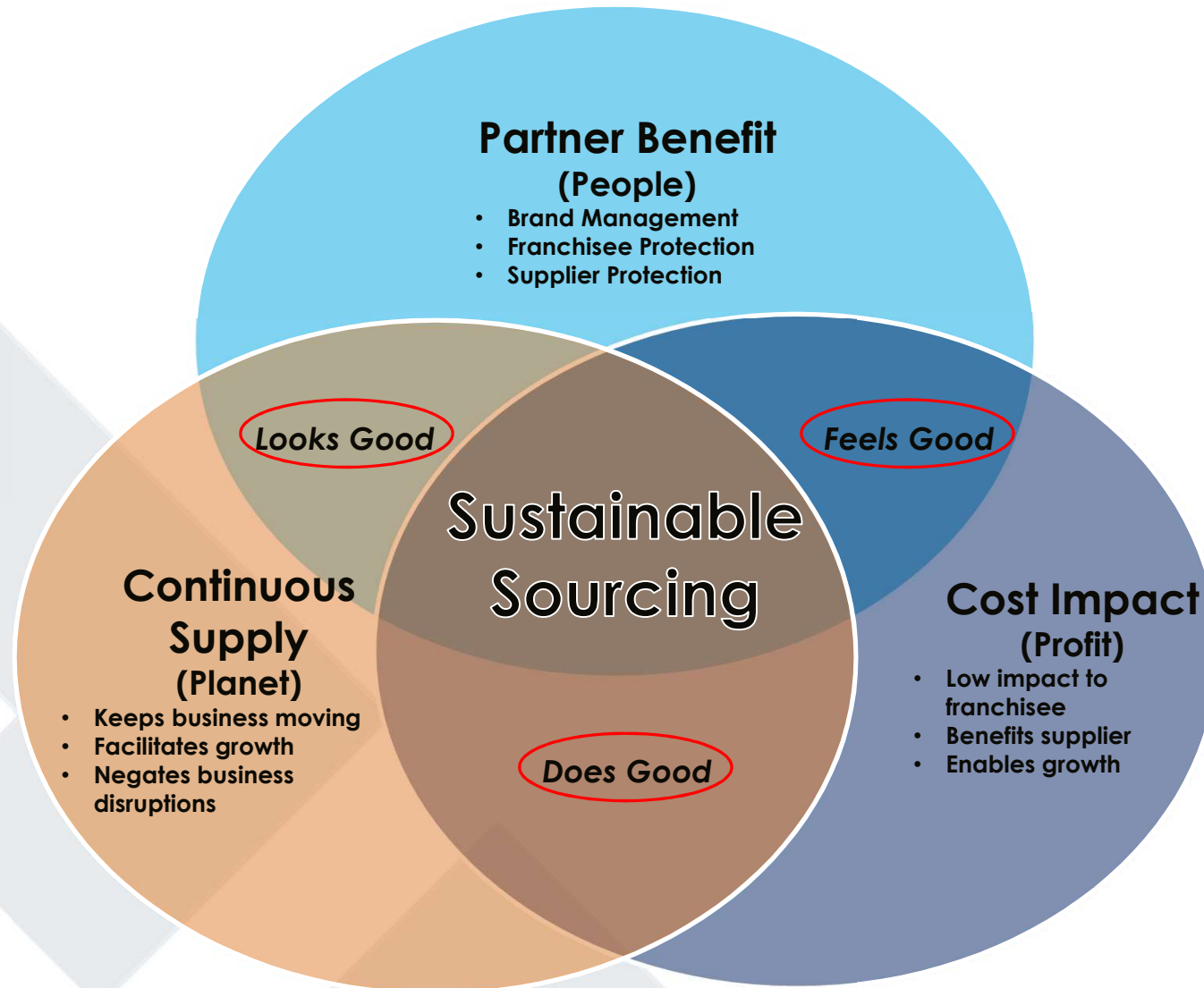


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Sustainability



The Three P's – People, Planet and Profit





Policy

- Pilot, audit and implement. Strive for continuous improvement

Partnerships

- Continue to support and build impact through organizations with common responsible sourcing goals

Certification

- A balanced approach that supports sustainability awareness



National DCP: Dunkin' Runs on NDCP

Sustainability



Driven by Dunkin' Brands Responsible Sourcing Policy, we are implementing these strategies across all of our coffee

All coffees sourced by NDCP for Dunkin' are part of Dunkin's **Tree to Cup** program ensuring both quality at origin and also also providing traceability

The **Espresso Blend** sourced for Dunkin' is a 100% Rain Forest Alliance Blend

Our **Dark Roast Blend** is also a Rain Forest Alliance certified blend

Since April of 2018 NDCP and Dunkin' have been the **largest Check Off supporter** of World Coffee Research