

Danwatch is preparing a series of articles on the coffee sector in Brazil and human rights violations within this sector. Danwatch has documents showing that coffee produced by workers who are subjected to conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery sell coffee to exporters in Dunkin' Donuts' supply chain.

Danwatch would therefore like Dunkin' Donuts to answer some questions about Dunkin' Donuts' CSR-politics and relations to the suppliers.

Danwatch is an independent media and research center that focuses on human rights, environment, conflict and corruption in a global perspective and investigate violations of environmental standards and human rights.

Danwatch conducts investigative journalism under national and international rules and guidelines for press practice and ethics including the Media Liability Act (Denmark) and the International Federation of Journalists' Declaration of Principles on the Conduct of Journalists (international).

This questionnaire has been sent to some of the big importers of Brazilian coffee and answers/non answers will be quoted in the articles published by Danwatch. Please return your answers no later than Friday the 16<sup>th</sup> of October 2015. If you chose to answer only parts of the questionnaire both answers and non-answers will also be included in the articles.

Feel free to contact us if you have questions or comments of any kind.

### **General inquiry**

1. How much of all the coffee Dunkin' Donuts buys originates from Brazil? (in %)

**We currently source coffees from Brazil and do not disclose specifics around volume.**

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2. How much of the coffee that Dunkin' Donuts buys from Brazil is certified (in %) and with which certifications? (Please list the certifications).

**A portion of Dunkin' Donuts coffee supply sources from Brazil and is Fair Trade and Rainforest Alliance Certified.**

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3. Does Dunkin' Donuts know the names of all the Brazilian coffee plantations in Dunkin' Donuts supply chain? (please check off one)
  - a.  Yes, we know the names of all the Brazilian coffee plantations in Dunkin' Donuts supply chain.
  - b.  No, we don't know the names of all, but we know the names of some of the Brazilian coffee plantations in Dunkin' Donuts supply chain. If this is so, how many percent of the Brazilian coffee plantations that Dunkin' Donuts buys coffee from, does Dunkin' Donuts know the name
  - c.  No, we don't know the names of the Brazilian coffee plantations our coffee originate from.

Dunkin' Brands has visibility to all exporters and cooperatives that represent all of the plantations that make up our Brazilian coffee supply chain

4. Does Dunkin' Donuts have a Suppliers Code of Conduct? (please check off one)  Yes  No.  
If yes, could you please send it to us? Yes. Attached

5. Which demands do you set forth to ensure that your suppliers comply with National legislation and human rights?

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Dunkin' Brands' Supplier Code of Conduct states that: "Suppliers must comply with all laws, ordinances, rules, regulations and orders of public authorities pertaining to the maintenance and operation of the business that supplies products or services to the Dunkin' Brands system, including, but not limited to, those relating to health, safety, sanitation, employment, environmental regulation and taxation. Additionally, suppliers must comply with published industry standards." In addition, our code addresses the areas of:

- Child labor
- Rights of workers
- Compensation
- Excessive work hours
- Discrimination

6. Does Dunkin' Donuts conduct any supplier inspections to ensure that the plantations comply with the principles in your Supplier's Code of Conduct? (please check off one)  Yes  No. If yes: How many percent of the Brazilian plantations that supply you with coffee do you inspect during one year, and who conduct these inspections?

Per the code of conduct, "Suppliers are required to appoint one person within their organization to oversee compliance with this Code, and must communicate this Code within their organization and to their subcontractors."

7. What actions does Dunkin' Donuts take if Dunkin' Donuts finds violations of the national legislation or of the human rights at coffee plantations in Dunkin' Donuts' supply chain?  
Failure to comply with the Code is sufficient cause for Dunkin' Brands to immediately require corrective action and/or to revoke a supplier's approval status.

8. What kind of violations of Dunkin' Donuts supplier's code of conduct would make Dunkin' Donuts terminate collaboration with a supplier?

Suppliers are required to immediately notify Dunkin' Brands of any material breaches of the Code, together with a schedule for immediate corrective action. Any material breach of the Code that

does not have an immediate corrective action plan would result in termination of the supplier's approval status.

9. The Brazilian Ministry of Labor inspects coffee plantations and free workers who are subjected to conditions described as "analogous to slavery" in the Brazilian penal code's article 149. Do you monitor the findings of the inspectors? (please check off one)  Yes  No. Do you terminate the collaboration with Brazilian coffee plantations where the inspectors from the Brazilian Ministry of Labor finds conditions "analogous to slavery"? We do not currently monitor the findings of Brazilian Ministry of Labor inspectors. Should we be made aware of any conditions that violate the Dunkin' Brands supplier code of conduct, we would act on the disapproval of the specific plantation or cooperative that is in question once the full investigation has been conducted and findings provided.
10. Is Dunkin' Donuts a signatory of The National Pact for the eradication of slave labor in Brazil? Would Dunkin' Donuts consider becoming a signatory? We are not currently a signatory, but are actively considering becoming a signatory.

**Supply chain findings:**

11. Danwatch's research shows that Dunkin' Donuts have bought coffee from Mother Parkers. Please confirm this by checking yes or no in the boxes.  Yes  No (if yes, please check off the years, when Dunkin' Donuts have bought coffee from Mother Parkers  2008  2009  2010  2011  2012  2013  2014  2015). We have bought coffee from Mother Parkers for all of the years provided.
12. Danwatch's research shows that Mother Parkers has bought coffee from the following Brazilian Coop and/or coffee exporter:
- Cooperativa Regional de Cafeicultores em Guaxupé Ltda (Cooxupé)

**Conditions analogous to slavery – key findings from Brazilian authorities**

13. The plantation owner Eduardo Barbosa de Mello was blacklisted by the Brazilian Labor Ministry in 2014, because inspectors found conditions at his coffee plantation, which violated the Brazilian penal code, article 149 regarding conditions analogous to slavery. Danwatch's research shows that Eduardo Barbosa de Mello is member of the coop Cooperativa dos Cafeicultores da Zona de Três Pontas (Cocatrel), and documents from BARÃO COMISSÁRIA DE CAFÉ LTDA shows that Cocatrel has sold coffee to Cooxupé. Cooxupé has according to Danwatch's research supplied Mother Parkers with coffee, and Mother Parkers has sold coffee to Dunkin' Donuts.

What is Dunkin' Donuts overall comment to these findings? At Dunkin' Brands we are committed to treating everyone with respect and fairness, from our employees and franchisees to the farmers and workers that provide our coffee and other ingredients. Dunkin' Brands code of conduct stipulates that suppliers must comply with all laws, ordinances, rules, regulations, and orders of public authorities pertaining to the maintenance and operation of the business that supplies products or services to the Dunkin' Brands system,

Suppliers must not use forced labor, indentured servitude, violence, physical punishment, confinement, or other form of physical, sexual, psychological, or verbal harassment, intimidation or abuse.

Can Dunkin' Donuts guarantee that coffee from blacklisted plantations like Eduardo Barbosa de Mello's, where inspectors have found conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery, has not ended up in coffee sold by Dunkin' Donuts? (Please check off one)  Yes  No.

Dunkin' Brands will continue to communicate and enforce our code of conduct standards throughout our coffee supply chain. Any material breach of this Code that does not have an immediate corrective action plan would result in termination of the supplier's approval status.

Comments:

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In June 2013 the plantation owners Joaquim Reis da Silva and Donisete Geraldo Leite were blacklisted by the Brazilian Labor Ministry, because inspectors found conditions at their coffee plantations, which violated the Brazilian penal code, article 149 regarding conditions analogous to slavery. Danwatch's research shows that both plantation owners have been members of Cooxupé and that Cooxupé has supplied Mother Parkers with coffee. Danwatch's research also shows that Mother Parkers has sold coffee to Dunkin' Donuts.

What is Dunkin' Donuts overall comment to these findings?

At Dunkin' Brands we are committed to treating everyone with respect and fairness, from our employees and franchisees to the farmers and workers that provide our coffee and other ingredients. Dunkin' Brands does not support any violation of the "Compliance of laws" section within our supplier code of conduct.

Suppliers must not use forced labor, indentured servitude, violence, physical punishment, confinement, or other form of physical, sexual, psychological, or verbal harassment, intimidation or abuse.

Can Dunkin' Donuts guarantee that coffee from blacklisted plantations like Joaquim Reis da Silva and Donisete Geraldo Leite where inspectors have found conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery, has not ended up in coffee sold by Dunkin' Donuts? (Please check off one)  Yes  No.

Dunkin' Brands will continue to communicate and enforce our code of conduct standards throughout our coffee supply chain. Any material breach of this Code that does not have an immediate corrective action plan would result in termination of the supplier's approval status.

Comments:

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Donisete Geraldo Leite's plantation where the inspectors found conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery was UTZ-certified.

What is Dunkin' Donuts overall comment to these findings

At Dunkin' Brands we are committed to treating everyone with respect and fairness, from our employees and franchisees to the farmers and workers that provide our coffee and other ingredients. Dunkin' Brands does not support any violation of the "Compliance of laws" section within our supplier code of conduct. Suppliers must not use forced labor, indentured servitude, violence, physical punishment, confinement, or other form of physical, sexual, psychological, or verbal harassment, intimidation or abuse.

Is some of the coffee Dunkin' Donuts buys from Brazil UTZ-certified? (Please check off one)  Yes  No. We do not purchase any UTZ Certified coffee for use in Dunkin' Donuts products.

Need to verify via trace if this has happened. If not from QA lab trace, then from MP and the other roasters- Have requested the data. Dunkin' Donuts does not require or specify UTZ-certified Brazil coffees.

Which actions will Dunkin' Donuts take to make sure that the UTZ-certified coffee Dunkin' Donuts buys in the future isn't produced in a way that violates national legislation and human rights?

As we do not specify UTZ certification as part of our coffee, this would not be applicable.

14. Which actions will Dunkin' Donuts take to ensure that coffee from plantations where the Brazilian Labor Ministry's inspectors find conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery, does not end up in coffee sold by Dunkin' Donuts or any of its coffee labels in the future? Dunkin' Brands will continue to communicate our code of conduct standards throughout our coffee supply chain. If are reported, our roasters and importers will be notified to cease any future procurement until a full investigation is conducted and necessary corrective actions are taken.
15. Which actions will Dunkin' Donuts take in relation to each of the coops/exporting companies in Dunkin' Donuts' supply chain that has bought coffee from plantations where the Brazilian Labor Ministry's inspectors have found conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery? Dunkin' Brands will continue to communicate our code of conduct standards throughout our coffee supply chain. As with any violation of our supplier code of conduct, if violations are reported, a full investigation will be conducted and necessary corrective actions will be taken.

### **Acutely toxic pesticides and other findings**

16. The cases where the Brazilian Labor Ministry's inspectors have found conditions, which violates the Brazilian penal code, article 149 regarding conditions analogous to slavery only illustrate some of the problems facing coffee workers in Brazil. Danwatch's research shows that as many as 40-50 percent of the coffee harvesters work without the official contracts (carteira assinada) which gives them the right to social security services.

What will Dunkin' Donuts do to ensure that Brazilian coffee workers in Dunkin' Donuts' supply chain are provided with official contracts (carteira assinada)? Dunkin' Brands code of conduct stipulates that suppliers must comply with all laws, ordinances, rules, regulations, and orders of public authorities pertaining to the maintenance and operation of the business that supplies products or services to the Dunkin' Brands system, including, but not limited to, those relating to health, safety, sanitation, employment, environmental regulation and taxation. Additionally, suppliers must comply with published industry standards.

Which actions will Dunkin' Donuts take now in this regard? As with any violation of our supplier code of conduct, if violations are reported, a full investigation will be conducted and necessary corrective actions will be taken.

17. Danwatch's research also shows that there are problems with coffee workers receiving less than the minimum wage, too long working hours, occupational accidents, lack of protective equipment and very bad living conditions for migrant workers.

What will Dunkin' Donuts do to ensure that Brazilian coffee workers in Dunkin' Donuts' supply chain are subjected to working conditions that comply with the Brazilian legislation and with human rights? Dunkin' Brands' Supplier Code of Conduct states that: "Suppliers must comply with all laws, ordinances, rules, regulations and orders of public authorities pertaining to the maintenance and operation of the business that supplies products or services to the Dunkin' Brands system, including, but not limited to, those relating to health, safety, sanitation, employment, environmental regulation and taxation. Additionally, suppliers must comply with published industry standards." In addition, our code addresses the areas of:

- Child labor
- Rights of workers
- Compensation
- Excessive work hours
- Discrimination

Which actions will Dunkin' Donuts take now in this regard ?

As with any violation of our supplier code of conduct, if violations are reported, a full investigation will be conducted and necessary corrective actions will be taken.

Danwatch's research also shows that Brazilian coffee plantations are allowed to use pesticides that are not allowed in the EU where they are classified as acutely toxic. Some of these pesticides are fatal if they get in contact with the skin, others are mutagenic and might cause cancer. Danwatch's research shows that many of the workers at Brazilian coffee plantations apply pesticides with no or only with inadequate personal protective gear, and that symptoms of pesticide intoxication are widespread.

What will Dunkin' Donuts do to ensure that Brazilian coffee workers in Dunkin' Donuts' supply chain are subjected to working conditions that are not dangerous to the worker's health and that comply with human rights? Dunkin' Brands will continue to maintain and require that all suppliers adhere to our supplier code of conduct which stipulates "Suppliers must comply with all laws, ordinances, rules, regulations and orders of public authorities pertaining to the maintenance and operation of the business that supplies products or services to the Dunkin' Brands system, including, but not limited to, those relating to health, safety, sanitation, employment, environmental regulation and taxation. Additionally, suppliers must comply with published industry standards."

Which actions will Dunkin' Donuts take now in this regard?

As with any violation of our supplier code of conduct, if violations are reported, a full investigation will be conducted and necessary corrective actions will be taken.

Best regards,  
Julie Hjerl Hansen  
Journalist, Danwatch