EMBRACE OPENNESS

SEE YOU AT

Denny's

2017-2018 DIVERSITY REPORT
VISION
We will become an industry leader in all areas of diversity, equality and inclusion. This status will allow us to not only lead for our people and society but also grow our business results for all of our various stakeholders.

MISSION
To build, nurture and grow a Denny’s culture, wildly diverse, demonstrably inclusive and unquestionably fair and equal in opportunity for all; to be a place that employs all, buys from all, promote all, serves all and supports all as a natural extension of who we are.

VALUES
Embrace openness is one of our five guiding principles and part of the values all must follow to work at Denny’s. Embrace openness means we value all people. And all areas of diversity, equality and inclusion.
Denny’s CEO John Miller Joins CEO Action for Diversity and Inclusion

Denny’s (Nasdaq: DENN) is pleased to announce that President and CEO John Miller has joined the CEO Action for Diversity and Inclusion. The initiative includes more than 700 companies and 85 industries pledging to take action to advance diversity and foster inclusion by sharing best practices, educating on unconscious bias and encouraging open dialogue within their organizations on these important social issues.

The CEO Action for Diversity and Inclusion initiative is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace with CEOs from across 85 industries and all 50 states in the U.S. The action aims to leverage individual and collective experiences to advance diversity and inclusion. By sharing best practice efforts, the CEO-led action will help continue to cultivate more inclusive workplaces and drive meaningful change.

“I am proud to be a part of this initiative and work together with CEOs from leading companies to understand best practices and, ultimately, create a more inclusive and welcoming work environment,” said John Miller. “As America’s Diner, we are committed to ensuring we are an inclusive company that reflects our diverse customer base. While diversity and inclusion efforts have long been an important focus for us as a company, we are always open to working with others who can offer valuable perspective and insights that can help us continue to evolve and grow as an organization.”
They’re not customers or consumers. They are our guests; and we invite them into our homes with open arms. They are the very reason we are in business and the center of everything we do.

We are the classic American diner and proud of everything that means. Since 1953, we have served quality food and healthy portions at a fair price. No matter where we are, our light is always on, inviting guests around the world to a place where everyone is welcome.

“Open” means so much more than just being open for business 24/7. It means being open to all people, appetites and budgets. It says we are open-minded and open to new ideas. Honest, warm and inviting. Open is the way we think and act every hour of every day.

Our Denny’s family is our most important asset. We trust, support and respect each other and work together for the greater good. We recognize the contributions of all and empower each and every one of us to achieve great things. Together, we will celebrate our successes and have fun doing it.

At Denny’s, we are never satisfied standing still. We are always moving forward, striving for more, hungry for greatness. We are open to fresh innovative thinking. We believe we will succeed through teamwork, accountability and pushing the boundaries of ourselves and our Brand.
MESSAGE FROM
THE BOARD ROOM

Openness is one of our most important business distinctives at Denny’s. Whatever else changes, you can always be sure that your local Denny’s is open, 24/7. But there’s more to openness than keeping the doors unlocked and the lights on. If we are going to succeed as a company, every Denny’s restaurant must be a place where everybody feels embraced and welcome, no matter their background or beliefs. The more people feel welcome at Denny’s, the more they will become loyal customers who keep coming back.

Our Board of Directors is committed to Denny’s being a great place for our customers to come, our employees to work, our franchisees to grow and our shareholders to benefit from investing in us. We are committed to setting a new standard in corporate America that represents what inclusion for all really means.

— Denny’s Board of Directors

BRENDA LAUDERBACK
Denny’s Board Chair

"AS Denny’s Board Chair, I am personally committed to ensuring that diversity, equality and inclusion initiatives are top of mind at the board level and woven throughout the company."
WHEN WE EMBRACE OPENNESS, NEW OPPORTUNITIES OPEN

The reality is, diversity is simple. As human beings, we are all different. We come from different places, different cultures and different backgrounds. When we embrace this reality, we experience the world as the melting pot that it truly is—a place where the things that appear to make us different, bring us closer together. When we align ourselves with this reality, we can expect good results: good results in business, in workplace dynamics, in our communities and in every sphere of the human experience.

Diversity, equality and inclusion allow us to attract and retain top talent, integrating our brand into the communities we serve. This creates brand goodwill and makes our restaurants better places to work and better places for our customers to visit. The outcome is clear: our commitment to diversity, equality and inclusion results in measurable improvements in business outcomes.

DEI STRATEGIC FRAMEWORK
NATIONAL OUTREACH

Denny’s aims to be a leader in multicultural innovation. Our holistic, 360-degree strategic plan includes the sponsorship of cultural events—from music to film to television to awards shows—celebrating the full, multicultural tapestry of American life and arts.

TOM JOYNER FANTASTIC VOYAGE
For two years running, Denny’s has been the presenting sponsor for this “Party with a Purpose,” benefiting Historically Black Colleges and Universities (HBCUs).

BETX LIVE!
Denny’s sponsored BET Experience, an event that combines a music festival with a TED Talk-style experience, bringing together fans, celebrities and thought-leaders in a celebration of culture.

UNITED STATES PAN ASIAN AMERICAN CHAMBER OF COMMERCE (USPAACC)
As a member, we have not only sponsored the Celebrasian Conference for numerous years, but also offer scholarships to students through our Hungry for Education™ (HFE) scholarship program.

HUMAN RIGHTS CAMPAIGN (HRC) DINNER
Denny’s has sponsored the HRC National Dinner for three years. We also participate in the Corporate Equality Index Survey, scoring a 90 in 2018—an improvement over the previously scored 75!

HISPANIC ASSOCIATION OF COLLEGES AND UNIVERSITIES (HACU)
Denny’s HR attended a HACU event in Atlanta, where we promoted our internship programs and HFE scholarships, and participated in a speed-networking session with over 500 students.

LEAGUE OF UNITED LATIN AMERICAN CITIZENS (LULAC)
We have sponsored many LULAC events over the years: the National Convention, the annual Health Festival and the Veterans Breakfast, where veterans received Denny’s gift cards and we showcased our spot that centers around the brand’s annual Veterans Day offer.
LOCAL OUTREACH

Denny’s is always open to the communities we serve. We have a long history of impacting the communities by giving back, supporting and participating in efforts that celebrate, promote and embrace the cultural diversity of our employees, franchisees and customers. Through our organizational partners, we are able to support many causes that our guests care about.

WE SEE IT AS A PRIVILEGE TO BE ABLE TO GIVE BACK TO THE COMMUNITIES WE SERVE.
LOCAL IMPACT PARTNERS
CULTURAL CELEBRATIONS

One of our core values is to create an atmosphere and culture where all people feel that they are respected and important, where they know they have the opportunity to be successful. It’s all about culture. Through our celebrations and local outreach initiatives, we hope to export our culture and values beyond our organization and into the communities we serve.

BLACK HISTORY BOWL
To celebrate Black History Month, Denny’s collaborated with community partners to present the Black History Bowl. Twenty teams of middle- and high-schoolers competed to show their knowledge of the riches of black history and the contributions of African Americans to American culture.

DENNY’S WOMEN MINDFULNESS SESSION
As a part of Women’s History Month, Denny’s offered a session to help employees identify stressors that effect women and how to overcome stress in their professional and personal lives, followed by a team project to help homeless women.

DENNY’S EMBRACES THE POWER OF WE WITH PRIDE
Denny’s created a platform for sharing personal stories and bringing awareness of LGBTQ+ rights and to ensure that our LGBTQ+ employees can live openly and enjoy the freedom of expression and association through its community partnership.
HISPANIC HERITAGE MONTH CELEBRATION
Proud of our 42% Hispanic employee workforce, Denny’s celebrated Hispanic Heritage Month and our Latino leaders, employees, franchisees, community partners and guests with a series of events and activities (as well as special Latin cuisine).

NATIONAL DISABILITY EMPLOYMENT AWARENESS MONTH EVENT
Denny’s celebrated National Disability Employment Awareness Month to recognize the many contributions of workers with disabilities and to promote a more inclusive work environment. Customer Service Agents who are legally blind shared the adaptive technology they use to perform their daily duties. Local community partners shared how they assist people with disabilities.

DENNY’S HONORS THOSE WHO SERVED OUR COUNTRY AND OUR BRAND
Veteran’s Day serves as a special time to honor, celebrate and thank the men and women of Denny’s and our guests who served in the military. Our veteran employees shared their experiences and successful transition and transferable skills from the military to their civilian careers. Local community partners shared how they serve veterans.
Diversity, equality and inclusion are a part of Denny’s DNA. At Denny’s, we want to ensure that our leadership stands by our core principle—*Embracing Openness*—by creating an inclusive work environment that encourages and fosters growth and values different perspectives that reflect the diverse communities we serve. We strive to not only hire the best candidates but also to make sure our employees can thrive in a safe and inclusive environment.

Through our diversity initiatives and inclusivity training, we want to address how we can embrace, educate and elevate our employees.

By doing so, we can engage with a diverse workforce of talented individuals whose unique attributes provide the opportunity to think about things differently, bring our best to work, better connect with our guests and ultimately position the company for greater success.
Our workforce is the greatest asset we have as an organization. Through the work of our Business Resource Groups, we strive to create a work environment in which all people are clear about their roles and are given the tools they need to succeed and the support they need to engage in things they are passionate about. Their success is our success!

**OUR WORKFORCE = OUR GREATEST ASSET**

DENNY’S EMERGING LEADERS GROUP

The Emerging Leaders program is created to help young professionals within the organization to achieve long-term personal and professional success.

DENNY’S WOMEN’S LEADERSHIP GROUP

The mission of the Women’s Leadership Group is to build an internal network of women leaders who encourage, support and inspire one another while positively impacting the business.

DENNY’S HISPANIC LEADERSHIP GROUP

The Hispanic Leadership Group serves Hispanic employees and all Denny’s team members wishing to participate through engagement and advocacy.

DENNY’S INTERNSHIP PROGRAM

Denny’s paid summer internship program offers students hands-on experience and professional development opportunities in our corporate headquarters.

This competitive program is just one way we’re setting up young people to succeed in ways that benefit all of us.
REINFORCEMENT THROUGH EDUCATION AND LEARNING

WORKFORCE EDUCATION AND TRAINING
At Denny’s, training always has the goal of creating an environment of collaboration. We are establishing a winning culture where everyone is given the appropriate tools to perform their roles with excellence.

Our on-boarding process for new managers includes extensive training in Denny’s “Rules to Live By,” also known as our “Non-Negotiables,” which casts a vision for a culture that embraces openness and values and respects people from all backgrounds.

FASIKA MELAKU-PETERSON
Vice President, Training

CHRIS BODE
Chief Operating Officer
TRAINING PROGRAM COMES TO LIFE

MAGIC JOHNSON HELPS BRING DENNY’S TRAINING PROGRAM TO LIFE

Denny’s partners with Magic Johnson to help bolster the company’s Breakthrough Leadership Training and Development Program through his guidance and a series of educational training videos.

CERTIFIED TRAINING IN SENSITIVITY, UNCONSCIOUS BIAS, AND AFFIRMATION OF DIFFERENCES IS PART OF A STRATEGY DRIVEN BY THE RECOGNITION THAT, FOR OUR BUSINESS, EMBRACING OPENNESS IS WINNING.
A DIVERSE MARKETPLACE

At Denny’s, we have been calling ourselves “America’s Diner” for a long time. Our new “See You at Denny’s” campaign serves to remind our target audience that Denny’s is the diner for ALL guests, whatever their background. This multicultural campaign stresses inclusivity, positioning Denny’s as a place where people from every background leave behind their differences and gather to enjoy one another, to connect, to be nourished—mind, body and spirit.

We embrace openness every day at Denny’s. No matter who you are, or what your background is, there’s a delicious meal and a friendly smile waiting for you at our restaurants. We all bring different experiences and backgrounds to our respective roles, but we’re unified by the mission to be America’s Diner and our Guiding Principles of acceptance and openness that inform our every decision.

JOHN DILLON
Senior Vice President, Chief Brand Officer
DENNY’S MOBILE FOOD TRUCK

Driven by our brand purpose, Denny’s Mobile Relief Diner is a 53-foot mobile kitchen that allows us to do what we do best, feeding those in need in the wake of natural disasters and emergencies. With each deployment, the Denny’s Mobile Relief Diner travels to local communities devastated by fires, tornadoes, hurricanes, earthquakes and more to offer a free freshly-cooked pancake breakfast, including bacon, coffee and drinks, to local residents, first responders and others, offering a small piece of comfort when they really need it the most.

Nearly 15 million earned media impressions and more than 350 placements in the likes of The Houston Chronicle, LA Times, USA Today and FOX News.
As a part of the brand’s ongoing commitment to Diversity, Equality and Inclusion, Denny’s partnered with Clemson University Erwin Center for Brand Communications to launch the Summer Scholarship Program to advance minority students in the field of marketing and brand communication—a program designed to help prepare minority students for jobs with leading brands like Denny’s.

The program is made up of scholars from Historically Black Colleges and Universities as well as other institutions. Denny’s marketing, human resources and agency teams helped guide a group of passionate, talented students as they worked on a real brand project and learned from industry professionals through hands-on training. Students are also considered for Denny’s summer internship program to further their knowledge and experience.
Combining Denny’s passion for higher education with Denny’s ongoing concern with issues of childhood hunger, the Hungry for Education™ Scholarship Program is a key initiative of Denny’s commitment to making our communities better for everyone—recognizing and rewarding students who show initiative and creativity in the fight against childhood hunger. We have given more than $1 million to help students complete their education. Just as importantly, we have implemented some great student-generated ideas for reducing childhood hunger.

2018 was a year of increased visibility for HFE. Not only did our new email campaign reach over 48,000 recipients, but the new, more user-friendly website resulted in a 17% increase in monthly traffic and a 7% reduction in bounce rate.

- **500 Scholarships awarded**
- Over **$1M in scholarship money awarded to date**
- **7,958 applications received since 2013**
- **Winners in 35 STATES**
EMBRACING OPENNESS WITHIN OUR SUPPLY CHAIN

Denny’s has a long-standing commitment to the economic development of the communities we serve. Our Procurement Team recognizes that “Embracing Openness” within our supply chain is a significant part of how we feed the hearts and souls of our guests each day.

We are responsible for the centralized purchasing of our core food and non-food products for the entire brand. We provide many services to our franchisees through our centralized purchasing process; however, our franchisees have the option of sourcing some services needed to operate their restaurants.
KEY ATTRIBUTES

• A strong knowledge of our brand
• Core competencies and abilities that help us achieve our goals
• Consistency in delivering the highest quality products and services
• Ability to achieve results in a competitive marketplace
• Ability to identify problems, drive innovation and design solutions
• Exceptional customer service
• A high-quality assurance rating
• Proven business processes and best practices within the industry
• Adaptability to our changing business needs

OUR FOOD SOURCING PRACTICES

• 95% of our food is sourced in the United States
• Committed to higher standards for welfare of broiler chickens
• 100% Arabica bean coffee blend
• 100% Cage-free eggs by 2026
• Sustainable chocolate by 2026
• Recognized by PETA for humane treatment of animals
• Committed to humane animal welfare practices
• Leader in nutrition labeling transparency
SUPPLIER DIVERSITY

Our Supplier Diversity Initiative supported by the highest level of Denny’s leadership team supports the development and utilization of diverse and disadvantaged businesses. For more than a decade, our diverse spending has exceeded 10%. We credit our progress to our highly engaged and innovative supplier partners’ ability to deliver solutions that are appealing to all guests. We are committed to identifying potential opportunities for diverse and disadvantaged suppliers with key attributes to meet our changing business needs.

We welcome the reality that people are diverse. Equality and inclusion are the appropriate response to that reality. By welcoming these realities, by embracing openness, we pave the way for greater brand success.

OUR FOCUS AND APPROACH:

- Create a pipeline of diverse and disadvantaged businesses ready to do business
- Expand opportunities through our Tier 2 Initiative with prime suppliers
- Work with organizational partners to identify top-performing suppliers
- Continue to enhance processes and procedures and identify best practices to advance our supplier diversity initiative
In 2018, Denny’s supplier spending with diverse suppliers reached 13.6%, which exceeded the goal of 12%.

Source: Supplier Diversity Spending Report as of 12/18
WE’RE LOOKING FOR SUPPLIER PARTNERS WITH A FEW MORE KEY INGREDIENTS.

Wildly diverse. Unquestionably fair and equal in opportunity for all. Demonstrably inclusive. At Denny’s, a culture of diversity, equality and inclusion is a natural extension of who we are.

Are you a natural fit?

FAIR OAKS FARMS NAMED COMPANY OF THE YEAR BY BLACK ENTERPRISE MAGAZINE

Fair Oaks Farms, LLC, a Wisconsin-based supplier of par-cooked sausage, bacon and other meat and poultry products, is named company of the year by Black Enterprise magazine. Led by Mike Thompson, president, Fair Oaks Farms is a gold standard supplier partner to Denny’s and a true advocate for diversity and inclusion. Mike acquired the majority ownership of Fair Oaks Farms in 2003 and has achieved great success since taking the helm. Guided by his passion for the restaurant industry, insightful leadership ability and sharp business insight, Mike and Fair Oaks Farms continues to stand out as a role model and great benchmark for certified minority businesses.

DENNY’S PARTNERS WITH IFB SOLUTIONS TO PROVIDE PROFESSIONAL JOBS TO THE BLIND

Two years ago, Denny’s entered into a partnership with IFB Solutions to hire visually impaired customer service agents for our call center. Initially, there were questions around how to train visually impaired agents remotely and their physical ability to adapt to our technology, processes and procedures. The results, however, were remarkable. IFB Solutions presented adaptive technology that allows visually impaired agents to work remotely and to provide the same job functionalities as agents with sight. Our visually impaired agents take extraordinary pride in their work and have been a great asset to the Denny’s brand, making the partnership a win-win solution.

GROWING AND SUCCEEDING TOGETHER
EXPLORING OPPORTUNITIES & MBE DEVELOPMENT

MBE SUMMIT: CREATING A VALUABLE EXPERIENCE FOR DIVERSE SUPPLIERS
Twelve years ago, Denny’s founded the MBE Summit in the Upstate of South Carolina in support of minority business development. The goal was to create a meaningful program that allows diverse businesses an opportunity to gain valuable insight, connect with and learn from one another while exploring opportunities. The MBE Summit has proven to be a best-practice model for industry groups and organizations.

CREATIVELY FUNDING SILENT AUCTION IN SUPPORT OF MBE DEVELOPMENT
Denny’s CEO embraced openness through participation in an auction luncheon bid that raised $1,800 in exchange for an exclusive luncheon with him. The private luncheon with President Miller was prepared by Denny’s team of culinary chefs. Proceeds help support development scholarships for MBEs. Denny’s also contributes to the success of minority businesses through its very own annual scholarship offerings.
Denny's is a proud leader in the family dining space. We have a proven recipe that has worked for more than 65 years and counting! With huge brand awareness, presence in all 50 states and a growing international footprint, we are delighting our guests with our new look all over the globe. Our ability to stay top of mind with future investors speaks volumes about the relevance and future of our brand. Our new and emerging markets program offers incentives for opening multiple restaurants in the U.S. and internationally. We are focused on helping our franchise system grow by providing aggressive, long-term franchise development assistance. We truly “Embrace Openness” in ways that very few brands can.
A LEGACY FRANCHISEE
Holly Agassi started her career with Denny’s fresh out of college, as a restaurant manager, working the late-night shift in December of 1989. Seven years later, she purchased her first Denny’s restaurant. Now, she is a proud franchisee of a Denny’s restaurant in Orange County, CA. Holly is a dynamic leader who brings passion and energy to her restaurants.

ON THE MOVE FRANCHISEE
In 2017, Clyde Rucker saw an opportunity to become a Denny’s franchisee, eventually acquiring seven restaurants in the Houston, Texas, market. Since then, his ownership is now nearing a total of 30 locations with several in the pipeline to organically develop. Clyde’s desire is to continue growing additional Denny’s locations in Houston and other contiguous markets in order to increase brand awareness and broadly satisfy consumer appetites.

INTERNATIONAL FRANCHISEE
Agustin Terrazas has been with the Denny’s brand since 2000 and owns 10 restaurants in Mexico, with plans to build more. He is a great brand ambassador who is always willing to help and support other franchisees. It’s extremely important to Agustin that, along with great service, he serves great food.
49% of our total restaurants are minority owned.

22% of our total restaurants are owned by women actively participating in the business.

5% & growing of our total restaurants are owned by members of the LGBTQ community.

More than 90% of our restaurants are franchise owned.

Source: 2018 Franchisee Data Reports
EMBRACING OPENNESS ACROSS THE GLOBE

DOUG WONG is responsible for recruiting new franchise strategic partners to help the brand grow both domestically and internationally. He has recruited 70+ new franchisees from some of the biggest brands in the world. Doug’s recruiting efforts have made a significant impact on some of the most successful growth programs in Denny’s history, including Franchise Growth Initiative and the Pilot/Flying J deal. He is a key player in our international franchise growth efforts, having successfully recruited new franchisees in Central and South American countries—such as the Dominican Republic, Honduras, El Salvador, Mexico and Chile—and Southeast Asia, the United Kingdom and in the Middle East.

DAVID DEMERS is responsible for leading franchisees through every phase of the restaurant development process. He is the key driver supporting all functions in the successful development of new international restaurants. Dave successfully collaborated in developing Denny’s International Development Agent Strategy for Canada and the Philippines, resulting in 53 additional development commitments. In the past six years, he has contributed to the launching of locations in seven new countries and 49 new restaurant openings.
DOMESTIC FOOTPRINT

1,706 TOTAL Denny’s RESTAURANTS:
140 INTERNATIONAL LOCATIONS
1,566 DOMESTIC LOCATIONS

Source: Franchise Data Report as of 10/19
SEEN YOU AT

FOR CAREER OPPORTUNITIES:
Visit careers.dennys.com

FOR SUPPLIER OPPORTUNITIES:
Visit dennys.com/diversity/suppliers

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