



DRG
DIVERSIFIED
RESTAURANT
GROUP

welcome 2023

QUARTER FOUR Company Newsletter

FROM SONOMA



Here's to making 2023 the best year yet!

As we begin the New Year, I would like to take the time to thank each one of you for all you do for DRG. I'm filled with excitement for the year to come!

Looking back, 2022 was a year of focusing on the DRG employee experience. We introduced our company values and mission statement; implemented a new mental health benefit (known as Ginger); began quarterly leadership development workshops for our ARLs; moved into the new worldwide DRG Restaurant Support Center; opened two more cantinas; gave out over \$130,000 in Live Más Scholarships; and raised nearly \$2 million through Round Up and over \$75,000 through Arby's Make a Difference! – all while tackling supply chain issues, labor shortages and record inflation.

Once again, DRG led the way in tech and innovation by bringing the first Go Mobile Taco Bell to the West Coast. And one of the most historic DRG moments included opening the FIRST QSR restaurant to have electric vehicle charging stations, a solar carport and electric battery storage! At our Taco Bell in south San Francisco, consumers can now get a quick meal and a quick charge, thanks to our partners at ChargeNet Stations and Tritium®. We are proud to bring this new form of convenience and super-charged restaurant model to market. At DRG, we are innovators. Click to read the article: <https://www.forbes.com/sites/fionasimpson1/2022/12/04/taco-bell-franchisee-adds-electric-charging-stations-to-the-menu/?sh=4924273d5ba0>

**IN THE
NEWS**



**EV Charging
Taco Bell grand
opening**

This year, we will continue to innovate not just by building unique restaurants but by investing in efficient restaurant technology that will make it easier for our team members to succeed. We will also continue to grow, both by building and acquiring more restaurants

These accomplishments are only possible because of our DRG family. We would not be successful without the diligent work of each and every employee. Whether you're a Director, Area Coach, General Manager, Team Member, or Support Staff Member, your work is crucial to the advancement and growth of DRG. Thank you once again for your commitment and invaluable contributions toward helping this business reach its full potential. Click to watch a thank you video from our executive leadership team! <https://vimeo.com/776053092/f43fa89638>

I encourage all of us to continue inspiring one another, learning, building, dreaming big, and positively impacting our employees and the communities in which we serve.

Cheers to a new year!

SG ELLISON



DRG Spotlight

Meet **Chris Castellanos!**

Chris is the DRG leader featured in this issue's **EMPLOYEE SPOTLIGHT!**

Meet Chris! Chris has been with DRG since 2019. But his career in the restaurant business started well before then -- 12 years ago, to be exact, as a dishwasher at a Mimi's Café in San Mateo, CA. At a young age, Chris was seen as a dependable worker and used for various positions. He showed great potential to his Director of Operations and was promoted to Assistant Manager and Kitchen Manager. Chris loved learning new things and interacting with people.

Then, it was time for a change. An opportunity opened up at Habit Burger. DRG Director of Operations Bob Ploughe was working for Habit Burger at the time and interviewed him. Bob told Chris, "I'm going to hire you starting as a Shift Manager. But I can guarantee you that if you stick with us, I can make you a District Manager." So Chris started running the busiest location in Daly City. Sure enough, Chris became a District Manager two years later. The two developed a special relationship, with Bob ultimately becoming Chris' mentor.

Bob moved on to DRG, eventually bringing Chris with him in 2019. Today, Chris has significantly impacted DRG, successfully growing his people and managing one of DRG's most unique locations -- the EV Charging Taco Bell in south San Francisco. One of his former GMs, Ramneet Kaur, was recently promoted to Area Coach. Chris expresses that in the beginning, Ramneet lacked the confidence to move up. He mentored her and helped her restaurant

become a certified training restaurant. Slowly, Ramneet took over some of Chris' stores after continuing to hit target metrics and exhibit strong leadership. She developed the traits necessary to be an Area Coach. Chris' advice to

someone trying to gain a mentor? 1. Look for someone who's successful in any area you need help on, whether at work or outside of work. I will ask them to give me feedback on my performance and be completely honest with me. 2. Be ready to feel uncomfortable with some of your conversations. 3. Keep an open mind.

Chris has proven he's a great one to learn from. Last year, he had three Signature Restaurants as well as two of the three Golden Bell General Managers within DRG, Bryan Hermoza and Gerald Fernandez. Fun facts: Bryan used to be Gerald's AGM. Also, Gerald won Golden Bell two years in a row! Gerald's accomplishments inspired Bryan. Meanwhile, Chris would ask both of them

daily, "What is it that I can help you with?" He coached them on how to be successful and held them accountable. He checked in with them frequently and developed friendships with both. Chris laughs, "I hate the word 'boss.' I want them to do things not because I'm telling them, but because they want it. Take pride in what you do. Their success is my success."

Chris was born in Mexico and came to the U.S. when he was 13 years old. When he started high school, he admits he didn't speak very good English. But, he used his love for interacting with people to create close relationships with individuals, learning a lot from them, which improved his English. Chris still upholds the traditions he celebrated with his family in Mexico. Over the holidays, he hosted a "la posata," a term for a big party usually put on before Christmas. There were tamales, piñatas, and poche (fruit punch)!



ADVICE TO FIND A MENTOR?

1. Look for someone who's successful in any area you need help
2. Be ready to feel uncomfortable with some of your conversations.
3. Keep an open mind

"I hate the word 'boss.' I want them to do things not because I'm telling them, but because they want it."

—Chris Castellanos



RECOGNITION

DRG SIGNATURE RESTAURANT RESULTS FY 2022

Signature Restaurants are the restaurants that deliver best-in-class service, people and unrivaled culture, and have the fundamentals in place to serve delicious food from open to close! [CLICK HERE](#) to view the restaurants that met Signature Restaurant metrics for all of 2022.

RESTAURANT	Weight:	5★	4★	3★	2★	1★
Overall Star Status is Based on the Weighted Measures Below:						
Customer Satisfaction Complaints/Transactions	(35%)	≤ 4	≤ 8	≤ 16	≤ 24	> 24
Speed of Service Drive-Thru OTD	(25%)	≤ 3:30	≤ 3:50	≤ 4:10	≤ 4:30	> 4:30
Employee Metrics Manager Certifications	(20%)	6+		< 6		< 5
Core Operations Ops Score	(20%)	0 - 5	6 - 20			> 20
Core Food Safety FS Score		If standard is not met, the restaurant will receive an overall one-star for that period.				
		Standard Not Met				

GOLDEN BELL:

The top 100 General Managers at Signature Restaurants across the Taco Bell system earn the coveted distinction of being identified with Golden Bell status and are invited to the recognition event of the year ... most often held in Hawaii! Last year, DRG had three winners; we are looking forward to the 2022 Golden Bell & Signature Restaurant winners announcement in February ...

5 STAR PLUS AND 5 STAR Q4 RANKINGS

Area Coaches and Directors can click the links at right to view rankings in achieving the five-star and DRG PLUS metrics. The P13 results will be posted in the next couple of weeks!

2023 SIGNATURE PROGRAM AND GOLDEN BELL CHANGES:

- To become a Signature Restaurant, strive to be a five-star restaurant all year long with a clear focus on people, customers, fundamentals and sales.
- With Signature status, you can earn your way to Golden Bell by achieving:
 - Average star standing for the year, rounded to the nearest half star
 - Less than two integrity letters
- Winners will be determined based on the highest number of five-star periods.
- The best of the best Area Coaches must have at least one restaurant in the top 200 and must have an overall "A" letter grade for area span. The top 25 ACs will be determined based on the highest number of "A" periods.

[CLICK
HERE](#)
to view

5 STAR
RANKINGS

[CLICK
HERE](#)
to view

5 STAR+
RANKINGS

EMPLOYEES PROMOTED TO ASST. MANAGERS AND GEN. MANAGERS

N. CALIFORNIA

Berenice Huerta,
AM, 30798

Eneyda
Martinez,
GM, 30801

Fahad Mullah,
AM, 30784

Jose Reynoso,
AM, 30795

Keila Moya,
GM, 30753

Manuel Garcia,
AM, 30789

Nora Romero,
AM, 30791

Saira Gutierrez,
GM, 30747

S. CALIFORNIA

Nancy Morales,
AM, 39796

Mayra
Constanza,
GM, 39788

Andrea Vasquez
AM, 39856

David Salazar,
AM, 39806

Flor Andaya,
AM, 39843

Gelbert Leon,
GM, 39831

Jazmine Lucero,
GM, 39793

Jose Camacho,
GM, 39840

Maria Del Rio
Hernandez, AM,
39854

Martha
Rodriguez,
AM, 39835

Martin Villegas,
AM, 39821

Stephanie
Alcantara
Rosales,
AM, 39851

NEVADA

Ashley Castro,
AM, 31917

Christy Youtsey,
AM, 31905

Daniela Avalos,
GM, 31879

Donovan Emery,
AM, 36243

Georgina Briano,
AM, 31863

James Dewitt,
AM, 31862

Jasmine Serrano,
GM, 31919

Jean Hiller,
GM, 31895

Jennave Urrutia,
AM, 31894

Jennifer Chavez,
AM, 31858

Loni Wilcox,
GM, 31867

Marico
Garcia Davis,
GM, 31882

Mark Lower,
GM, 31869

Melanie Lower,
AM, 31869

Robert Morales,
AM, 1671

Sandra Castro,
AM, 31919

Shirley Quezada,
GM, 31865

MISSOURI & KANSAS

Ana Ramirez,
AM, 34391

Angela
Chaparro,
AM, 34390

Ashley Riley,
AM, 40327

Ashley Woods,
AM, 34394

Brittany Doss,
AM, 37215

Chantel
Childress,
AM, 34394

Cheyenne Laird,
AM, 34401

Dillon Regan,
GM, 35242

Grace Rivas,
GM, 34413

Kimberly
Romine,
AM, 34390

Logan Chochran,
AM, 40118

Mayra Gregory,
GM, 34398

Miriam Mathis,
AM, 34417

Misty Fossett,
AM, 37673

Roger Howell,
GM, 34393

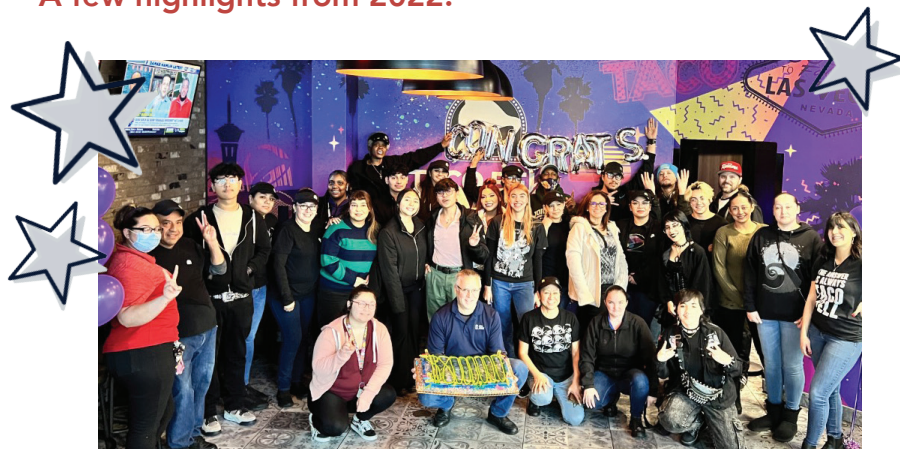
Stacy Repp,
GM, 36390

Victoria Shepard,
GM, 35237

Willie Matthews,
AM, 34403

Growing, Growing, Growing

A few highlights from 2022:



**CONGRATULATIONS TO THE
LAS VEGAS CANTINA TEAM FOR
BEING THE FIRST TACO BELL
RESTAURANT TO BREAK
\$8 MILLION IN ANNUAL REVENUE.**



From left: Taco Bell Skye Canyon Grand Opening; Grand Opening for our third Arby's in Anchorage, AK; DRG Welcomes our SEVENTH Taco Bell Cantina in Newport, CA

CHAMPIONS CLUB 2022 RECAP! Our 2022 DRG Champions Club winners had an awesome time celebrating their hard work in the beautiful off-site location of San José del Cabo, Mexico! The champions enjoyed group dinners and got to choose from fun activities like ziplining, sailing and walking around the beautiful city of San José del Cabo! Every year, DRG announces our top performers or "of the year" leaders at our annual leadership summit who then earn the opportunity to attend the Champions Club recognition trip. These leaders emulate DRG's core values and ideal leadership behaviors, and deliver strong results day in and day out. We look forward to celebrating your success at next year's event! Click [HERE](#) to watch the trip recap video.



New Restaurants SLATED TO OPEN THIS YEAR:

ARBY'S

690 S NV Hwy 160
Pahrump, NV

Opening: 3/31/2023

TACO BELL CANTINA

925 Blossom Hill Rd
San Jose, CA

Opening: 4/15/2023

TACO BELL

1305 W. Avenue K
Lancaster, CA

Opening: 6/1/2023

TACO BELL

16400 E US40 Highway
Independence, MO

Opening: 7/1/2023

TACO BELL

Van Brunt and Linwood (NWC)
Kansas City, MO

Opening: 8/1/2023

TACO BELL

International & 205
Tracy, CA

Opening: 8/1/2023

TACO BELL

NEC Limonite and Archibald (GL)
Eastvale, CA

Opening: 9/1/2023

HUMAN RESOURCES

BENEFITS + PROGRAMS

MENTAL HEALTH

ginger

In 2023, stay healthy by tending to your mind and emotions!

Find an activity that moves you — physically and emotionally. When you combine the power of movement and mindfulness, your overall health and wellness improve.

Care for your mind and body

Strengthen the mind-body connection for a healthier you



ginger

Check out these tips from a Ginger therapist on how to [boost your self-esteem and body image](#) through practical steps and [engage in mindful eating](#).

Ginger is available to all of our AMs and above (plus their dependents age 18+) at no cost, regardless of whether or not you're enrolled in DRG health benefits. You can download the Ginger app on Google Play or the Apple App Store.

\$30
MILLION

GIVING BACK

In 2022, the Taco Bell Foundation raised over \$30 million through Round Up! Last year, DRG raised over \$1.9 million through Round Up.

HERE'S WHAT WE HOPE YOU'LL HELP US ACCOMPLISH IN 2023:

- Raise more than ever before by encouraging your team to ask every customer to round up.
- Meet an annual goal of \$7,000 per restaurant or \$2 million across DRG!
- Pay special attention to the three incentive periods throughout the year.

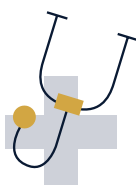
Congratulations to the locations below who raised over \$20,000 during the cumulative incentive periods 1-3 in 2022! Your efforts are amazing!

- Cesar Loya, Store 31897, raised \$25,525.32
- Ariana Gomez, Store 31901, raised \$22,418.17
- Katherine Hemminger, Store 31890, raised \$21,726.88

DRG Raises over \$75,000 for Arby's 2022 Make a Difference Campaign!



In 2022, DRG raised a total of \$76,223 for Arby's Make a Difference (Spring 22 = \$36,529 / Fall 22 = \$39,694)! DRG finished fourth in Arby's large franchisee bracket challenge (10+ stores) in fall and spring with two stores in Alaska being in the top 15 of total sales. The two stores ranked No. 12 (Chris Aliki and team at 1439) and No. 14 (Bryan Forrester and team at 7183) in the entire Arby's system. Funds raised by 7183 resulted in that DRG restaurant ranking in the top 1% of Arby's locations systemwide. Unlike Taco Bell, Arby's only does this two times a year! Arby's entire system raised just under \$6.2 million in those two periods!



Visit our benefits page to view DRG's Total Rewards including benefits, 401k, DRG Cares and Tuition Reimbursement Reminders!

drgfood.com/our-benefits/



NEW YEAR'S RESOLUTIONS



**SIERRA
BURK**

COMMUNICATIONS AND MEDIA MANAGER

Personal Goal: Exercise more often! Start running at least 10 minutes a day. I'd love to run a half marathon.

Work Goal: Foster more collaboration among our teams across DRG by creating volunteer and leadership development opportunities.



**JIM
BRANDON**

CHIEF FINANCIAL OFFICER

Personal Goal: To climb a 20,000-foot mountain

Work Goal: For all the above store leaders to have and be comfortable using the three key pieces of information needed to run a great store; financial results, operational metrics, and people metrics.



**KACEY
MCKAY**

PAYROLL SPECIALIST

Personal Goal: To be more present and be a better listener.

Work Goal: Continue to learn and advance in my department with DRG :)



**KARLO
KOSCA**

FINANCIAL ANALYST

Personal Goal: Travel and visit other countries (Spain, Japan, Canada)

Work Goal: Go on vacation and take time off.



**SEAN
MCGUIRE**

DIRECTOR OF OPERATIONS

Personal Goal: Stay disciplined and go to the gym with my sons, who are gym rats. It's a win in two ways:
1) I get to spend quality time with my boys.
2) I get back in shape!

Work Goal: I have four leaders in the ELD class I teach for KC, and I'm committed to helping them achieve their professional goals by providing my support, teaching, and feedback. As we say, "We win together!"

HOLIDAY CHEER



Northern California



Southern California



Kansas & Missouri



Nevada



— SUBMIT CONTENT —

Do you have an employee you want to highlight, a newsworthy story or suggestions for the next newsletter?

Share your ideas!



FOLLOW

OUR SOCIAL MEDIA PAGES:

INSTAGRAM: Diversified_Restaurant_Group

INSTAGRAM: TacoBell_Cantina_Events

FACEBOOK: Diversified Restaurant Group

LINKEDIN: Diversified Restaurant Group

TIKTOK (NEW!): LVTacoBellCantina

SIERRA BURK
Communications
& Media Manager:
sburk@drgfood.com

GET INVOLVED, GET REWARDED

YOU CAN CHOOSE THE NAME OF THE DRG NEWSLETTER!

Enter the Contest to Win \$100

**CLICK
HERE**

**TO CAST
YOUR VOTE!**

We're thinking "Company Newsletter" doesn't have the best ring to it. So, we're calling on all employees to get creative and submit their coolest, most unique newsletter names. We'll evaluate all submissions and pick one name for the official DRG newsletter title. The person who submits the winning name will win a \$100 Amazon gift card and a pizza party for their team!

EMPLOYEE REFERRAL PROGRAM

Through our Employee Referral Program, you can earn \$250 to \$750 — depending on your market — when you refer a successful Assistant General Manager or Restaurant General Manager. Connect with your field HR business partner to learn more.



Take the DRG Survey "Our Company Our Ideas"!

Your opinions matter to us! Leave a suggestion if you think we can improve, or share what you love about your job. It's anonymous and takes 10 seconds!

**CLICK
HERE**

**TO TAKE
THE SURVEY NOW!**