

# Corporate social responsibility report

Community values have always been at our heart. There is more to being a responsible business than our charitable funding, namely the quality of our food, the impact we have on the environment and how we treat our employees.

In 2013, we began to develop a corporate social responsibility ('CSR') strategy by analysing our current business practices and devising a plan for the years to come. We have a successful business, built on a simple business model – deliver hot, freshly made pizza to our customers as quickly as is safely possible.

We have a responsibility to uphold the solid reputation our business has formed since we arrived in the UK in 1985. To ensure we build a sustainable business for the future, we have developed a responsible delivery plan, our CSR strategy.

## FOOD

We are proud of the food we serve. Every Domino's pizza is bursting with great quality ingredients like hand-stretched fresh dough, Welsh mozzarella and vine-ripened tomatoes. That's why our pizzas can transform any occasion, from a relaxing evening at home to a big family party.

### Healthy eating

As customers' tastes change, choice is becoming increasingly important. At Domino's, we are passionate about innovation, so we are constantly looking for ways to improve our food.

We follow the ongoing public debate on healthy eating closely. This year, we set up a dedicated internal steering group focused on ensuring we are making progressive changes to our food ahead of evolving customer expectations.

We want our customers to be in charge. They are able to choose the toppings, the crust, the type of cheese and, most importantly, the number of slices they eat. We generally recommend about three slices per person. We also continue to offer Delight Cheese with a third less fat than standard mozzarella, and in 2016, we launched our new "Italiano" artisan range with a thinner base.

We are proud to be one of the few pizza chains to offer a reduced fat mozzarella option. Since the beginning of 2012, we have removed over 40 tonnes of salt from our pizzas and reduced fat content in ingredients such as pepperoni and beef.

In August 2016, the government published its Childhood Obesity Strategy, which outlined requirements to reduce sugar across a range of product categories in the UK. We are reformulating our desserts to meet the required 5% reduction in sugar by September 2017.

We continue to work with our suppliers to reduce the amount of salt in our products. We are committed to meeting the Food Standards Agency salt targets for 2017 on individual ingredients, as well as achieving our own pledge as part of the Department of Health's Responsibility Deal relating to out-of-home food.

### Nutrition

We know it is possible to include pizza in a balanced diet, and we are committed to providing transparent nutritional information to enable our customers to make informed decisions.

To ensure this transparency, we provide calorie information on our website and via our app. We publish detailed nutritional profiles for more than 1,000 combinations of regular pizzas and those made with our Delight Cheese. In 2016, we also developed a planner on our corporate website which shows customers how our pizzas can fit into a nutritionally balanced menu.

We also recently created an ingredients bible listing all additives included in our products to help customers understand why they are present.

We are proud to state we continue not to use artificial colours or flavourings in any of our pizzas or side orders and removed trans fats several years ago. We also offer a gluten-free pizza base, which is becoming increasingly popular with our customers.

### Product sourcing and animal welfare

The origin and quality of the food we offer our customers is paramount.

We have developed long-term relationships with our suppliers, many of whom have been in place for more than a decade. We also take great pride in ensuring the quality of our products and continually assess each of our suppliers.

The welfare of animals is important to us. We work closely with our suppliers to ensure they are able to exhibit normal behaviour patterns and are properly supervised. All our animals are stunned prior to slaughter.

In 2016, we began a programme of annual audits for all our meat suppliers, including farm visits, to ensure compliance with welfare standards, including the use of antibiotics. We continue to take steps to improve standards and are committed to providing more information so all our stakeholders are aware of the measures we are taking in this important area.

### Objectives for 2017

- Further reduce the salt and sugar content of our products to meet 2017 targets.
- Continue to reformulate products, helping to further improve our health and quality credentials.
- Publish an animal welfare policy for suppliers, which includes the responsible use of antibiotics.

## ENVIRONMENT

### Achievements in 2016

- 4.2% rate reduction in electricity consumption at our Milton Keynes Supply Chain Centre.
- 94.1% of waste was either recycled or recovered across our Supply Chain network.
- LED lighting upgrades at our Penrith and Kingston sites.
- Double-decker trailers introduced on trunking routes to reduce CO<sub>2</sub> emissions.

### Investment in energy efficiency

During 2016 we have made the following investments to improve the energy efficiency of our Supply Chain Centres:

- We have installed new air compressors at our main Supply Chain Centre in Milton Keynes, which are delivering a 5% reduction in energy consumption at this site.

- We have replaced fluorescent lighting with energy-efficient LED lighting at our Penrith and Kingston sites.
- As part of a medium-term programme, electric motors at the end of serviceable life have been replaced by IE4 category motors.

### Striving for zero waste to landfill

We continue to strive towards achieving zero waste to landfill. In 2016, the proportion of our waste that was either recycled or recovered increased from 92% in 2015 to 94.1% in 2016.

### Reduction in delivery mileage

Working in conjunction with our third-party logistics providers we have reduced our delivery mileage by 52,800 miles in 2016, through the implementation of double-decker trailers. Increased utilisation of double-decker trailers in 2017 will deliver an additional reduction of c.180,000 miles per annum.

### Intensity ratio

We continue to track GHG emissions over time against our dough production levels and we are becoming increasingly resource efficient: our intensity ratio for scope 1 and 2 for this reporting year is 0.33 tCO<sub>2</sub>e/tonne of dough produced compared to our baseline figure of 0.42 tCO<sub>2</sub>e/tonne of dough produced. This has decreased by 22% putting us in a good position to meet our 25% relative reduction target by 2018. These indicators have been adjusted to reflect the sale of our German stores.

### Methodology

Domino's Pizza Group reports on all emissions sources stipulated under the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013. The methodology used to compile this data is in accordance with the requirements of the following standards:

the World Resources Institute's Greenhouse Gas Protocol and Defra's Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (June 2013) and ISO 14064 – part 1.

We have adopted a financial control approach to define our organisational boundary; as a result, we report GHG emissions from all three markets considered as part of the Group's current financial consolidation: the United Kingdom, the Republic of Ireland and Switzerland. Accountability for our overall environmental performance rests with our Executive Committee.

Our franchisees' emissions are currently excluded from our reporting on the basis that we don't have sufficiently accurate information to report on their impacts. Where data was incomplete (i.e. less than 12 months of data were available) GHG emissions were extrapolated from the available information and references to the accounting and calculation methodologies for any assumptions, estimations and recalculations performed have been documented.

For more insight into our overall environmental performance please access the Environment page on our corporate website [corporate.dominos.co.uk/csr](http://corporate.dominos.co.uk/csr).

### Objectives for 2017

- To maintain accreditation to ISO 50001.
- To introduce double-decker trailers supplying the Livingston (Scotland) depot.
- To continue our policy of reducing fuel consumption relative to tonnage delivered.
- To reduce our maximum daily demand on water consent by at least 10%.
- To continue to focus on electricity reduction associated with lighting, refrigeration and motor replacement.

## Greenhouse gas emissions

Our reporting period for GHG emissions is 1 October to 30 September<sup>1</sup> and the 2015/2016 GHG emissions inventory marks our fourth year of GHG emissions reporting. Our material GHG emissions from business activities in this period amount to 11,889 tonnes tCO<sub>2</sub>e, consisting of:

Emissions source	Tonnes of CO <sub>2</sub> e <sup>2</sup>		Tonnes of CO <sub>2</sub> e (2015/2016)	Percentage change (from baseline)	
	(baseline 2012/2013) <sup>3</sup>	(2014/2015) <sup>3</sup>			
Scope 1: CO <sub>2</sub> e from the combustion of fuel and the operation of any facilities	Natural gas	586	526	529	-10%
	Kerosene	99	41	46	-54%
	Refrigerant	189	302	0	-100%
	Owned vehicles <sup>4</sup>	6,507	6,340	6,997	+7.5%
Scope 2: CO <sub>2</sub> e from the purchase of electricity, heat, steam or cooling by the Company for its own use	Purchased electricity	4,206	4,533	4,318	+3%
	<b>Total</b>	<b>11,587</b>	<b>11,742</b>	<b>11,889</b>	<b>+3%</b>

### Notes

- 1 Our financial reporting year is the calendar year; however, we have set our reporting period back by a quarter to facilitate data collection.
- 2 We report all material GHG emissions, using "tonnes of CO<sub>2</sub>-equivalent" (tCO<sub>2</sub>e) as the unit, to account for all GHGs which are attributable to human activity, as defined in section 92 of the Climate Change Act 2008(a). The only exception is for GHG emissions from electricity is the ROI and Switzerland where the GHG emissions are reported in CO<sub>2</sub>.
- 3 These figures have been adjusted to reflect the sale of our German operations.
- 4 Includes fuel consumed (petrol, diesel and red diesel) by our supply chain delivery fleet, our company cars and our corporate store delivery fleet.

### A closer look at the numbers

Despite a 32% increase in production since the baseline year, our GHG emissions have remained relatively unchanged, demonstrating that our business is becoming more efficient:

- Owned vehicles, which accounts for our company-owned cars and the fleet of trucks delivering dough to the stores, has increased by only 7.5%. We continue to improve loading and routing and to put in place measures to ensure efficient driving.
- Electricity emissions have increased by 3% due to increased production activity. Since 2015 we have reviewed our electricity usage on a daily basis and have been introducing energy-efficiency technology upgrades across the sites to help us reduce our consumption.

# Corporate social responsibility report continued

## EMPLOYEES

### Achievements for 2016

- Celebrated success with our colleagues through regular pizza lunches, recognition vouchers, a summer family day and a Christmas party.
- We are pleased to have taken part in the UK Corporate Games with colleagues entering football and dragon boat teams.
- Launched a recruitment campaign and interview and induction tools to London stores to support recruitment for our peak period.
- Built an in-house recruitment function and launched a colleague "recommend a friend programme".
- Launched "The Box", our colleague recognition and reward portal to enhance our total reward package.
- Launched our people plan focused on core pillars to support future growth, talent attraction and development, reward and recognition, culture and engagement and HR service delivery.

In last year's Annual Report and Accounts, we set ourselves a number of goals and we have taken great strides in the year towards achieving these.

### Engagement and wellbeing

We strive to provide a happy and safe environment for our colleagues and are always seeking to understand what improvements we make in our colleagues' experience at work. Our Happiness at Work team helps us keep focused on work-life balance initiatives and provide opportunities for colleagues to connect and socialise through team days, our family summer barbecue and our Christmas party.

We provide all colleagues who work with us with an excellent benefits package which includes benefits to help them get healthier and look after their wellbeing through schemes such as PruHealth "Vitality".

Participation continues to increase as our colleagues focus on their health and wellbeing and track their steps, utilise discounted rates at gyms and get rewarded for healthy shopping habits.

To understand true levels of engagement, in 2017 we will launch a new engagement survey to measure our team member satisfaction. We will ask our colleagues to answer questions that tell us their level of functional and emotional loyalty to our brand. Action planning in our teams will be the key to its success so we can ensure a great place to work and make improvements where our team tells us things could be better.

### Performance and development

We launched a high performance programme to some members of our leadership team to give them tools so they can thrive, be at their best and help their teams be the best they can be. In 2017 we will embed the principles of a high performance culture and all the aspects that make a high-performing team in the launch of the Domino's Way of managing performance and developing our core skills. This will be launched to all members of the senior leadership team in Head Office and our supply chain.

### Attracting talent and succession planning

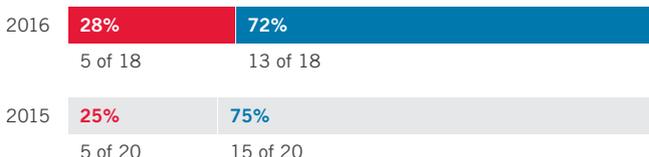
This year we have progressed on our journey to build an in-house recruitment function helping us own more of the narrative directly with new colleagues at this critical stage of the colleague lifecycle. This journey will continue in 2017 as we expand our talent attraction team and launch further employer brand tools which will support our line managers to recruit to retain.

In 2017, we will introduce an internal talent development role to focus on learning and development across our Head Office and supply chain functions showing our commitment to ensuring we are best placed to find, keep and develop the best talent.

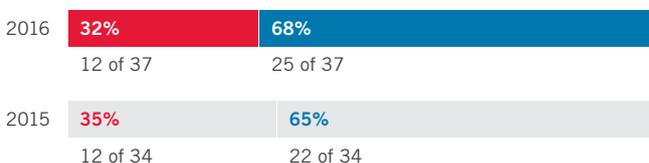
## GENDER DIVERSITY

 Female  Male

### DIRECTORS OF GROUP SUBSIDIARIES (SWITZERLAND AND UK AND IRELAND)



### SENIOR LEADERSHIP TEAM (SWITZERLAND AND UK AND IRELAND)



### ALL GROUP EMPLOYEES (SWITZERLAND AND UK AND IRELAND)



### Objectives for 2017

- Continue to embed the employee value proposition across our stores, Head Office and supply chain.
- Launch recruitment and onboarding tools to all stores to enhance the experience of joining Domino's.
- Expand our in-house recruitment function to improve the candidate experience.
- Build our internal learning and development offer and enhance our succession planning processes in Head Office and our supply chain.
- Enable a high-performing culture through the launch of the Domino's Way of managing performance and developing our core skills.
- Measure our team member satisfaction to ensure we are a great place to work.
- Focus on our colleagues' health and wellbeing and promote the benefits they receive by working for Domino's.

## COMMUNITY

### Achievements in 2016

Raised over £1.1m for charity:

- over £963,130 for Teenage Cancer Trust;
- over £15,600 for Barretstown;
- over £51,700 for the Northern Ireland Children's Hospice;
- over £56,300 for Pennies; and
- over £14,500 for Special Olympics Great Britain (the partnership with Special Olympics Great Britain came to an end in June 2016).

### Pennies

We have a long-running partnership with the charity Pennies. Its digital charity box has enabled customers using our website and apps to round up their orders to the nearest pound. 2016 was by far the most successful year to date and, on behalf of the charities, we would like to pass on a big "thank you" to our customers who have embraced Pennies in their millions.

- The average weekly donation total was £14,458 in 2016.
- Domino's customers have raised over £2.8m since 2010. In 2016 alone, they raised over £750,000 through almost 4 million micro-donations.
- Boosted fundraising by launching Pennies in the Republic of Ireland for Barretstown in September 2016.

We are proud to have been the landmark partner for Pennies and to have seen this trend of online donations grow considerably since it began in 2010. In September 2016, we heralded another first for Pennies, becoming the first brand to launch the digital charity box in the Republic of Ireland.



We consider our place to be at the heart of the local community and support a number of charities working nationally and locally.

Pennies receives 7.5% of all donations as a contribution to its charitable objectives and to drive the movement for the benefit of the charitable sector as a whole.

The full 92.5% of donations in Great Britain went to our 2016 beneficiary, Teenage Cancer Trust. In Northern Ireland, the Northern Ireland Children's Hospice also received the full 92.5%, and in the Republic of Ireland, our new charity partner Barretstown also began receiving 92.5% of customers' donations from launch in September 2016.

### Teenage Cancer Trust: Over £1m raised and we're still going!

Teenage Cancer Trust was appointed as our charity partner of choice in England, Scotland and Wales in the Summer of 2015, with a goal of raising £1m over a two-year period. To date, we have already raised approximately £1.3m, which equates to 45,000 hours of expert care from a specialist nurse for a young person with cancer. The overwhelming engagement of our customers, franchisees, store teams and office colleagues meant that we hit – and exceeded – our goal after just 14 months.

Throughout 2016, Domino's team members and franchisees took part in various fundraising challenges and customer-facing activities and provided pizza for "Unit Pizza Nights". Domino's was also a sponsor at Teenage Cancer Trust's flagship Royal Albert Hall event in March.

Right now, for every young person Teenage Cancer Trust reaches, there's another they can't. To reach every young person who needs them, Teenage Cancer Trust is expanding its team of expert nurses to work in local hospitals and patients' homes so that young people can receive the expert treatment they need, no matter where they live. They need to raise £20m a year by 2020 to make this happen, and Domino's is proud to be part of helping them get there.

We have now committed to raising £2m to support Teenage Cancer Trust with their 2020 goal. Young people and their families remain at the heart of our business, so a partnership with a charity that supports this age group and their families through one of the most difficult times in their lives continues to make sense to us.

### Our social impact:

- To date, Domino's has raised over £1,360,000 for Teenage Cancer Trust. In 2016 alone, the fundraising total equated to 32,105 hours of expert care from a specialist nurse for a young person with cancer.
- Since our partnership began in 2009, Domino's has raised over £103,000 for the Northern Ireland Children's Hospice. The 2016 fundraising total equates to 1,724 nursing hours.
- Since our partnership began in 2004, Domino's has raised over £200,000 for Barretstown. The 2016 fundraising total made it possible for seven children living with a serious illness to attend a seven-day summer camp to take part in a life-changing programme of therapeutic recreation. The 2016 donation has also maintained the three automated external defibrillators in the Med Shed.

### Charity objectives for 2017

- Evolve the charity programme in line with fresh business priorities.
- Increase overall giving, aided by the introduction of Pennies into the ROI.
- Continue to galvanise fundraising with our customers, franchisees, store teams and office colleagues.