

# Environment Policy





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## Introduction

The Domino's Pizza Group plc ("**DPG**") Environment Policy (the "**Policy**") is designed to articulate DPG's approach to managing its environmental impacts.

We are committed to minimising our impact on the environment, avoiding pollution across our operations and playing our part in preventing and mitigating climate change. Our aim is to be an environmentally efficient company, continuously working in partnership with our suppliers and business partners to identify improvements and champion environmentally responsible behaviour.

DPG commits to being compliant with relevant legal environmental requirements in the countries where we operate, while adhering to higher standards than those legally required when we believe it to be appropriate. Beyond that, we will continually work to improve our environmental performance, focusing on the areas where we have the biggest impacts.

## Scope

This policy applies to all operations where DPG has financial control, namely our head office, supply chain centres (SCCs), international offices and DPG-owned stores. The policy does not cover our franchisees who hold a franchisee agreement with DPG. DPG expects that franchisees will work to reduce their environmental impacts. While it is their responsibility to run stores to reduce waste and improve energy efficiency, DPG will support them in doing so by providing guidance and sharing best practice.

## Responsibilities

- The board has full responsibility for environmental and climate-related issues; environmental risks and opportunities are commonly discussed at board meetings.
- Operational responsibilities sit with functional leads. For example, the Supply Chain director has responsibility for operational delivery of many initiatives, as the supply chain has the most impacted environmental matters, e.g. fleet and energy procurement. The Chief Marketing Officer oversees corporate communication and reputational management so is responsible for communication of these issues. The Company Secretary briefs the board on environmental developments, and any issues raised are monitored via our risk assessment process.
- Below the Director-level, but with Director-sponsorship, DPG has in place Working Groups whose purpose it is to identify actions and deliver against environmental objectives. Currently, Working Groups exist for Recycling and Animal Welfare, with plans to set up an additional one dedicated to Climate Change.



### Key environmental impacts

In recent years, DPG has invested time and effort in developing a more systematic understanding of what our stakeholders expect from us. This has provided us with a more concise picture of our most important sustainability impacts and the steps we need to take to improve our performance. The priorities below reflect our most material environmental impacts.

#### **Energy efficiency and climate change**

GHG emissions are our most material environmental impact. They stem from our agricultural supply chains; the energy used in our offices, stores, and SCCs; the transport and distribution of ingredients and products; and any waste we produce. We have previously set and delivered against GHG emissions targets. Using 2020 as the baseline, we are now in the process of setting a Science-Based Target (SBT) to reduce our GHG emissions in line with the Paris Agreement to limit global warming to less than 1.5 °C. This target will cover our own direct and indirect emissions as well as those arising from our supply chain activities.

##### *Improving energy efficiency*

We commit to continuously improving energy efficiency, across our offices, SCCs and DPG-owned stores. In our day-to-day operations, we will use electricity from renewable energy sources and energy-efficient products and services where possible, and maintain our energy management system that is aligned to ISO 50001. We will also keep considering environmental efficiency in larger infrastructure developments, e.g. new offices and SCCs.

##### *Reducing transport emissions*

We measure fleet and delivery GHG emissions, from both our own vehicles and our third-party logistics suppliers. Our aim is to reduce GHG emissions relative to the tonnage of ingredients and materials we deliver. We do so by investing in more energy-efficient transport technology, e.g. fridges and trailers, and through improved fleet management systems, e.g. using new routing software that allows us to realise driver efficiencies. In 2020, we invested in new Bio diesel and HVO compatible vehicles while also introducing a hybrid electrical refrigeration component on our new HGVs. At the store-level, we are trialling EBikes and Escooters for deliveries.

##### *Working with our value chain*

As part of our commitment to setting a Science-Based Target, we have introduced plans to map our value chain emissions and climate-related risks. We will work with our suppliers to understand where the GHG hotspots are in our supply chains before developing joint strategies to reduce those emissions. Similarly, we will develop a better understanding of the GHG emissions from our franchisee estate and the levers available to help them reduce their emissions.

##### *Being transparent about our performance*

We will continue to prioritise tracking and measuring GHG emissions, both direct and indirect. We track our GHG emissions on an absolute basis and as an intensity-metric we use GHG emissions relative to the tonnage of dough produced. In future years, we will report in more detail on our value chain emissions (scope 3). We will continue to assess how and where we can improve our climate-related company disclosures, above and beyond mandatory reporting. Currently, we report on our performance and strategic position on climate change through CDP Climate and by aligning ourselves with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



### **Waste and Packaging**

#### *Reducing operational waste*

We have a longstanding objective to achieve zero waste to landfill, operationalised in our commitment to minimise waste, increase the fraction of waste recycled or recovered, switching to more sustainable materials and helping customers recycle. In 2020 alone, we removed plastic carrier bags from all Domino's stores and introduced new scanning technology to go paper-less across deliveries in our supply chain.

Within our supply chain operations, our aim is to remove cardboard from our key food lines by 2025. We are working with our suppliers to deliver this change programme, currently trialling 19 products which can be transported in food baskets rather than cardboard boxes. We are also in the process of updating our trailers to be waste management capable in order to transport rubbish and cardboard back to sites for disposal. We will commence store waste collection trials in 2021.

#### *Sustainable packaging*

We aim to make packaging that takes the environment into consideration, minimising the use of materials and using the most sustainable options available. Our two key packaging material commitments focus on our largest packaging material volumes:

- **Cardboard and paper:** to continuously increase the recycled and FSC content of our paper-based packaging, until 100% is made up of these sources. Currently, our pizza boxes are 100% recyclable. They are made from 80% recycled material, with the remaining 20% of materials being Forest Stewardship Council (FSC) certified.
- **Plastics:** to reduce the use of plastic in packaging, use recycled plastic where possible and redesign and streamline plastic packaging in order to maximise recyclability.

#### *Avoiding food waste*

Every Domino's pizza made to order, which helps keep food waste to a minimum. We carefully manage our store inventory with fresh food deliveries a minimum of three times a week, tailored to meet customer demand in the local area. Where it is not possible to avoid surplus food, we will ensure it is distributed to those who need it the most. We are a longstanding partner of FareShare, the UK's largest food redistribution charity. Through this partnership, we have been able to redistribute surplus food from our SCCs to charities and community groups across the UK.

#### *Working in partnership with others*

We continue to engage with organisations and initiatives such as The Waste and Resources Action Programme (WRAP), The Local Authority Recycling Advisory Committee (LARAC), and the British Retail Consortium as part of continuous improvement of the recyclability of our packaging.

### **Water**

#### *Conserving water*

We will continue to conserve water through monitoring and reducing water use, particularly in our SCCs. We also plan to understand better where the water hotspots are in our supply chain. This work will be undertaken alongside our mapping of scope 3 emissions described above.



### **Plant-based diets**

#### *Expanding our plant-based offering*

As consumers worldwide adopt vegan or vegetarian lifestyles for environmental, ethical or health reasons, we aim to develop and expand our range of tasty plant-based menu items available. We aim for zero meat trace in our vegan and vegetarian products and take a zero-tolerance approach to non-compliance. We will not hesitate to terminate contracts with suppliers failing to meet our standards.

### **Monitoring environmental performance**

#### **Environmental metrics**

We have developed an Environmental Performance Management System, containing key metrics across our most material environmental issues. We currently track our performance on an annual basis, with plans to expand the scope of the metrics and to increase the frequency of data-gathering and internal reporting. To add further credibility, we plan to seek external verification of our environmental impact data collection and reporting, particularly as it relates to greenhouse gas emissions.

**Dominic Paul**  
**Chief Executive Officer**  
**Domino's Pizza Group plc**

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