Domino's Pizza Group Greenhouse Gas ('GHG') emissions data reporting principles and Methodologies

Reporting period 1st January 2021 to 31st December 2021

Introduction

Domino's Pizza Group is a UK FTSE250 quoted company, and as such is subject to legal obligations with respect to the reporting of greenhouse gas emissions as outlined in Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The reporting is prepared with reference to the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019).

Directors' responsibilities:

As the Directors of Domino's Pizza Group Plc we confirm that we are solely responsible for the preparation of the 'Sustainability' section of the Annual Report and Accounts and for reporting the selected greenhouse gas emissions data for the year ended 31 December 2021 in accordance with the reporting criteria set out in this document.

We confirm, to the best of our knowledge and belief, that we have:

- designed, implemented and maintained internal controls and processes over information relevant to the measurement, evaluation and preparation of the selected greenhouse gas emissions data that is free from material misstatement, whether due to fraud or error;
- established objective reporting criteria for preparing and presenting the selected greenhouse gas emissions data, including clear definition of the entity's organisational boundaries, and applied them consistently;
- presented information, including the reporting criteria, in a manner that provides relevant, complete, reliable, unbiased/neutral, comparable and understandable information;
- reported the selected greenhouse gas emissions data in accordance with the reporting criteria.

Our Reporting Principles:

In addition to our own internal processes and governance, Domino's Pizza Group has commissioned independent third-party assurance. We engaged PricewaterhouseCoopers LLP ('PwC') to provide limited assurance over selected greenhouse gas emissions data for the year ended 31 December 2021, in accordance with the ISAE3000 and ISAE3410 standards. The following metrics have been subject to independent third party assurance:

- Scope 1 CO2e emissions (tCO2e) for all operations
- Scope 2 CO2e Location-based emissions (tCO2e) for all operations
- Scope 1 and Scope 2 GHG emissions intensity ratio (tCO2e per tonnes of dough produced-Location based) for all operations

The remainder of this document outlines the criteria and supporting methodologies that have been adopted by Domino's Pizza Group to prepare this selected greenhouse gas emissions data for the year ended 31 December 2021.

Organisation Boundary and Scope of Emissions

Emissions & Sources:

Domino's Pizza Group includes the amount of carbon dioxide equivalent emissions (tC02e) for Scope 1 and 2, as defined in Section 92 of the Climate Change Act 2008 [carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6)], emitted during the reporting period within its reporting of selected greenhouse gas emissions data for the year ended 31 December 2021.

Organisational boundary:

Domino's Pizza Group adopts an Operational Control boundary approach for its selected greenhouse gas emissions data for the year ended 31 December 2021. This includes all sources of emissions over which the company has the full authority to introduce and implement its operating policies at the operation.

Under the Operational Control approach, 100% of the Scope 1 and 2 carbon dioxide equivalent emissions arising from Group companies and subsidiary entities over which Domino's Pizza Group has operational control is included. Joint ventures and investments where the Group has an interest of 50% or less are excluded, as Domino's Pizza Group do not have operational control over these entities.

'Group' and 'all operations' is defined as global sites that Domino's Pizza Group have operational control as defined above and only constitutes sites located in the United Kingdom and Republic of Ireland. This comprises five supply chain centres, two support offices and 36 corporate stores in operation during the period 1 January 2021 to 31 December 2021, where we have operational control. We have excluded from our Scope 1 and Scope 2 calculations the 1,192 franchisee stores for which Domino's Pizza Group has no operational control.

On an annual basis the organisational boundary is reviewed to ensure that any new legal entities are included where necessary. This is completed using the organisational structure maintained by the Company Secretary.

The Property Team maintain a database which is updated on an ongoing basis (e.g. to include the property assets associated with a company acquisition, the opening of a new facility, site closures, divested entities etc). The updated organisational and property records are then reconciled to determine the boundary for the reporting year, after which, the emissions source data is requested from the appropriate site contacts.

Emissions from entities acquired during the year are included in the financial year after they are acquired (reporting emissions for the full 12-month period) unless otherwise indicated in our reporting.

Emissions from entities classified as discontinued operations or disposed of during the year are excluded from the disclosure for the full year they are classified as a discontinued operation or disposed.

Scope 1 Direct emissions: includes the combustion of natural gas, petrol, diesel, or gas oil, for either:

- Stationary equipment: e.g. pizza ovens, gas boilers, diesel generators

- Transportation devices: owned company vehicles and long-term lease vehicles (leases over 14 days), such as company cars, owned and leased pizza delivery vehicles, and HGV fleet. Refrigerants and F-gases used in transportation devices have been excluded.

Scope 2 In-direct emissions: emissions from the purchase of electricity that is consumed in owned or controlled equipment.

Operational control:

To determine the operational boundary of the GHG inventory, a site will be considered under our control when energy supplied to the premises occupied by Domino's Pizza Group is metered and billed based on actual amount consumed, for example:

i. Where we have a contract directly with the electricity supplier – the site is considered under our control

ii. Where electricity is paid by the landlord and re-charged to us based on the actual amount we have consumed (i.e. metered amount) – the site is considered under our control

iii. Where we pay a fixed fee for energy as part of our rental payments (i.e. regardless of the amount actually consumed) - the site is considered NOT under our control and emissions associated with this energy usage would be captured in our Scope 3 numbers.

Emissions from sites classified as vacant or unused by the Property Team have been included in the selected greenhouse gas emissions data up to the date it was vacated or deemed unused. From this date onwards, the emissions have been excluded.

Reporting Format

Period:

Domino's Pizza Group has a 52-week reporting period and produces its Annual Report and Accounts accordingly. In most cases data for greenhouse gas emissions reporting is gathered on a calendar year basis and is reported as such (i.e. 1st of January to the 31st of December). Where data cannot be gathered for the 1st of January to 31st December, data is collected based on a full 52-week period, which may be up to 2 weeks different to the calendar year, and used to estimate the 1st of January to 31st December period.

The selected greenhouse gas emissions data for the year ended 31 December 2021 is presented for the period 1st January 2021 to 31st December 2021.

Emissions Factors:

We adopt the conventional approach in calculating our carbon emissions through the collection of primary source data in their appropriate units (e.g. kilowatt-hours (kWh), litres (L), kilograms (kg), kilometres (km) etc.) and converting into the associated carbon emissions using the relevant emissions factors.

Domino's Pizza Group has used the following factors to calculate the emissions for the 12 months to 31 December 2021.

Scope 1 - The UK Government Greenhouse gas reporting: conversion factors 2021 (GHG 2021 factors) have been used for fuel consumed in the UK countries to determine Scope 1 emissions. For practical reasons and due to the immaterial differences, the same fuel emission factors were used for stores and supply chain centres in the Republic of Ireland.

Scope 2 - Under the location-based method, the UK Government Greenhouse gas reporting: conversion factors 2021 (GHG 2021 factors) have been used for electricity used in UK stores, offices and supply chain centres. For those based in the republic of Ireland, the emissions factors published by the Sustainable Energy Authority of Ireland were used.

Emissions Data

For 2021, GHG data was collected in two tranches, for H1 and H2. Going forward monthly data is being collected on a quarterly basis.

For 2021, data collection templates were issued to relevant regional contacts across the Group. The completed templates were consolidated by the DPG FP&A team and shared with Carnstone Partners Ltd, a specialised advisor employed by the Group to quantify and calculate the Greenhouse Gas (GHG) emissions associated with the Company's operations.

Domino's Pizza Group does not report GHG emissions against a specified baseline year, instead we favour an approach that reports year on-year performance on an absolute (i.e. total emissions) and normalised basis (i.e. as a function of tonnes of dough produced at our Supply Chain Centres ("SCC"s) for both corporate and franchised stores).

Scope 1 Emissions Sources:

- *Stationary use of gaseous and liquid fuels*

Emissions from stationary use of gaseous and liquid fuels are calculated using the following hierarchy:

a) Utility bills - The majority of natural gas consumption data for the reporting period is evidenced by monthly utility bills.
b) Meter readings - Where utility bills are not available, gas consumption is evidenced using opening and closing meter readings, converted into kWh using this formula: (Meter read*1.02264*39.2)/3.6
c) Estimations – SCC: In the absence of availability of utility bills, meter readings, or reliable data, missing time periods are estimated centrally using the following estimation technique: Total data collected for that location is divided into the number of days we have data for to derive an average daily figure. This average figure is then applied to the missing time periods. So, if coverage is for the first 11 months of the year (1st January to 30th November 2021), we divide total energy figure by 333 days and multiply by 365 to estimate the missing time period. E.g. Site A has 100 kWh for 11 months = 100/333 = 0.3003 per day. Then multiply by 365 days (12 months) to estimate full year data i.e. 0.3003 x 365 days = 109.10 kWh for the full year. Where entire sites are missing data for gas consumption, usage will be estimated based on the usage in other sites with available data. Total usage will be divided by the dough trays produced for the same period then applied to the dough trays produced in the sites with missing gas consumption data.
   Estimations – Corporate stores: In the absence of availability of utility bills, meter readings, or reliable data for a corporate store known to be in operation, the simple average across all stores with known data (full or partially, but completed to be annual following the procedure above) is applied.

The liquid fuels source data, based on the date of delivery, is primarily volumes purchased taken from supplier statements, invoices and other relevant internally maintained records.

- *Transport*

Scope 1 transport emissions across the Domino's Pizza Group extend to the following:

Fuel used in vehicles owned or leased long-term (leases over 14 days) by Domino's Pizza Group. Each data provider maintains a record of fuel used based on fuel cards, fuel supplier invoices or pump

records. Distances from odometer records will only be used where fuel volume data is not available. Supply chain fleet fuel usage will be based on fuel purchases within the year and consumption is assumed to be equal to the date of delivery.

Pizza delivery emissions for the operationally controlled corporate stores, are derived from data from the till systems on the number of delivery runs taken place in a period from the stores to customers with an average mile per run applied to give total mileage. Average miles per run is calculated using the telematics system within the GPS tool used in stores. GPS is used on most of delivered orders and tracks the distance from the store out to the customer and back to the store. So the average miles per store is an "out and back" average distance. These are apportioned between vehicle type i.e. Electric Mopeds (e-peds), fuel Mopeds and personal cars where data is available. Personal cars data is identified through mileage claims and this data is removed from the emissions calculations. When data is not available on the type of delivery, it is assumed to be done on Mopeds, the most common delivery type for the stores within the scope. For this calculation, we use the following DEFRA factors for the year:

- Mopeds: Small motorcycle (fuel not specified) – kg CO2e per km, .
- Electric Mopeds are charged at corporate store sites, therefore the portion of miles accounted for by e-peds will be accounted for in Scope 2 emissions.

Scope 1 emissions are calculated by applying the most relevant emissions factor (taken from the sources described on page 3) to the data provided which could be either litres of fuel or mileage entered into the data collection template with the data provider indicating their vehicle type. The collection process calculates emissions on business mileage only.

F-gas emissions are excluded from this reporting scope but will be included in future years once a consistent approach to data collection has been implemented for this source.

Company car fuel usage in head office is measured from fuel purchased on fuel cards. Fuel cards are issued to corporate car users at the time a corporate car is provided. Data is based on 12 months and is collected from the 16th December to the 15th December the following year, which is used to estimate the usage between the 1st January and 31st December. The fuel purchased is allocated to business and personal based on the fuel card mileage claims report submitted by the car user. Where there is no split for business and personal mileage use, the average for the sample group has been applied. Only business usage is included in the report.

Emissions from company cars are calculated using the following hierarchy:

a) When consumption of fuel (for example, in litres) is available, this figure is used for the calculation as recommended by the GHG Protocol, and emission factors by DEFRA are applied for Diesel, Petrol and others (see source above). If the consumption in litres does not include exclusively the volumes used for business related activities, a ratio (business miles / total miles) is applied. In the event that the ratio for the particular employee is not known, an average ratio for the rest of employees is applied.
b) If consumption is not known, the emissions are calculated from the business miles reported (a similar approach as described in a) is applied to estimate the business miles if the figure reported includes personal use). In this case, the business miles are multiplied by the kgCO2e/mile factor provided by the manufacturer of each vehicle (if known) or by a similar

DEFRA factor that corresponds to the vehicle type/fuel used. A conversion factor for an average size car with unspecified fuel is used if unknown.

c) Finally, if volume of fuel or mileage is not available, then the spend in fuel reported by the employee is used. In this case, the average of the weekly prices for the year, as reported by the Office for National Statistics is applied to convert into litres of fuel and follow the methodology in a). In the event that the fuel type is unknown, the price for Diesel is applied.
d) Should no information be available for an employee that is known to drive a company vehicle for business purposes, an average of the emissions for all known employees is applied.

Scope 2 Emissions Sources:

- *Electricity*

Emissions from electricity is calculated using the following hierarchy:

a) Utility bills: The majority of electricity consumption data for the reporting period is evidenced by quarterly utility bills. Where invoices only show cost (i.e. amount of energy consumed is not displayed on the invoice), the conversion from cost to energy consumed is based on the pricing list from the supplier. Average market rates for commercial users are used where a supplier's price list is not accessible.
b) Meter readings - Where utility bills are not available, electricity consumption is evidenced using opening and closing meter readings.
c) Estimations – SCC: In the absence of availability of utility bills, meter readings, or reliable data, missing time periods are estimated centrally using the following estimation technique: Total data collected for that location is divided into the number of days we have data for to derive an average daily figure. This average figure is then applied to the missing time periods. So, if coverage is for the first 11 months of the year (1st January to 30th November 2021), we divide total energy figure by 333 days and multiply by 365 to estimate the missing time period. E.g. Site A has 100 kWh for 11 months = 100/333 = 0.3003 per day. Then multiply by 365 days (12 months) to estimate full year data i.e. 0.3003 x 365 days = 109.10 kWh for the full year.
Estimations – Corporate stores: In the absence of availability of utility bills, meter readings, or reliable data for a corporate store known to be in operation, a simple average across all stores with known data (full or partially, but completed to be annual following the procedure above) is applied.

The electricity consumption data is then converted into GHG emissions using the appropriate factors as described on page 4.

Intensity factors

Domino's Pizza Group measures CO2e emissions intensity against the total volume of dough produced in SCCs, which is delivered to both franchise and corporate stores. Domino's Pizza Group does not keep a log of total dough tonnage for the year. Therefore, this figure is derived from the following KPIs:

- Number of dough trays delivered to all stores
- The estimated proportion of different pizza dough sizes (i.e. 6 inch, 9.5 inch, 11.5 inch and 13.5 inch based on production volumes), is used to derive an 'average tray weight'. The estimated proportion is based on the relative production volumes of each pizza dough size
- Average total tray weight minus the weight of an empty tray (i.e. 1.5kg) is equal to the average dough weight per tray

Weekly tray volumes of average dough delivered to all stores is then converted into total dough tonnage using the following estimation technique:

Average dough weight per tray multiplied by the number of dough trays delivered to all stores is equal to the Total Dough Tonnage.

Total Scope 1 and Scope 2 Location-based CO2e emissions (in tonnes) are then divided by the Total Dough Tonnage to obtain the intensity figure.

Restatement Policy

Where information becomes available, we will restate prior year's figures using the latest available data to make data as comparable between years as possible if data changes by 5% or more. Where restatements have been made for specific indicators, these will clearly be outlined in our selected greenhouse gas emissions data and Annual Report.