

# DOMINO'S MODERN SLAVERY STATEMENT 2016



This modern slavery statement represents Domino's Pizza Group plc (DPG), the master franchise business that services the United Kingdom (UK), Republic of Ireland (ROI) and Switzerland. The statement is published in accordance with the UK Modern Slavery Act 2015 and describes our activities up to and including the 2016 financial year.

We recognise that modern slavery in all its forms<sup>1</sup> is on the rise and due to global migration it is becoming an increasing issue for many countries of the world, including those in which we operate and from where we buy our ingredients and source associated products and services. DPG takes the human rights of its employees, suppliers and any workers involved in the manufacture and delivery of its pizzas very seriously and we have a zero tolerance position on modern slavery. During the 2016 financial year we have increased our focus on the issue. We are investigating both our own operations and those of our suppliers in more detail and developing an appropriate response.

## Our Group Structure



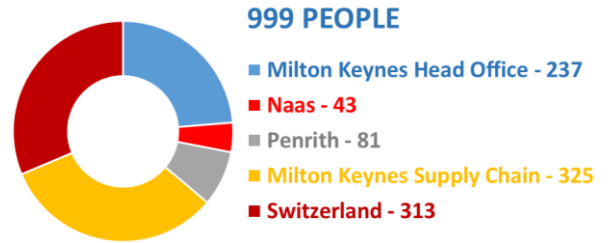
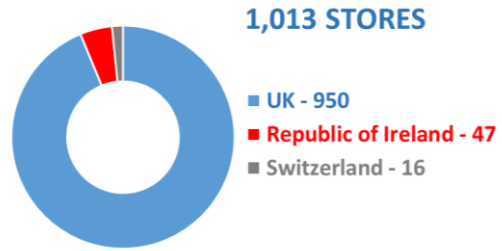
DPG, which has annual revenue of over £360million<sup>2</sup>, holds the master franchise agreement for the Domino's brand across the UK, ROI and Switzerland. DPG sub-franchises the brand across the UK and ROI and operates 16 of its own stores in Switzerland. At the end of 2016 DPG had a total of 77 franchisees and 1,013 stores across the three markets.

We work with our employees and franchisees to build the Domino's brand and ensure they have all the right tools to deliver great pizza. We source the ingredients for all our pizzas and manufacture the majority of the dough<sup>3</sup> used by Domino's stores at our supply chain centres located across our network. DPG also has a one-third equity stake in a strategic joint venture with Domino's Pizza Enterprises in Germany and minority interests in Domino's Iceland, Norway and Sweden.

Most of the people who work in Domino's stores are employees of the franchisee that owns and operates the store. The Group employs staff at its Head Office in Milton Keynes and Zurich and in its Supply Chain Centres in Milton Keynes and Penrith in the UK, Naas in ROI.

<sup>1</sup> slavery, servitude, forced or compulsory labour and human trafficking

<sup>2</sup> Domino's Pizza Group plc £360 million annual revenue in 2016



## Our Supply Chain and Franchisee Purchasing

We focus on long-term relationships with our suppliers and aim to keep our supply base small and effective. Through our food supply chain for example, we buy ingredients from just 39 food suppliers who source from 15 countries across Europe, Thailand, Indonesia and Peru. Over 60% of our DPG food ingredients<sup>4</sup> come via suppliers in the UK, who we have good relationships with.

Franchisees buy their ingredients from us, or through third-party suppliers approved by us, as per our franchise agreement. This gives us visibility of our supply chain and a measure of control over the suppliers we're working with. This control is particularly important in helping us maintain the quality of our product and understanding the provenance and traceability of all our components.

## Policies and Procedures relating to Modern Slavery

Domino's is committed to compliance with all applicable laws and regulations and in maintaining high ethical standards in all areas of its business; as such, any allegations of malpractice or unethical conduct are taken seriously. DPG expects all its employees, franchisees and suppliers to act in good faith with the highest levels of integrity, honesty and respect.

Our policies and associated internal guidance set out how we expect our employees to behave, and to be treated, and the processes in place to investigate any misconduct, harassment, victimisation or bullying. During 2016 we have reviewed our policy framework and have updated a number of our policies and procedures, in part to reflect changes in legislation. We have a Business Code of Conduct and an Anti-Bribery and Corruption

<sup>3</sup> apart from certain specialist bases

<sup>4</sup> by spend

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policy, both of which lay out our zero-tolerance approach to corruption - both within Domino's and with the contractors and suppliers we work with. Our whistleblowing policy reinforces this by encouraging all our teams to report any illegal, criminal or other non-ethical behaviour. We operate an independent confidential reporting hotline to protect anyone who chooses to report misconduct and will support them in investigating the situation fully.

Our agreement with franchisees requires them to operate in full compliance with all applicable laws and regulations and to uphold the Domino's brand values. This, by default, includes taking account of the requirements of the UK Modern Slavery Act 2015 (MSA) and the UK Bribery Act 2010. During 2017, we will continue to review all our policies to take account of issues surrounding modern slavery, and will be updating our standard trading terms and conditions to include an MSA clause.

## Our Franchisee and Supplier Due Diligence

We need to have good relationships with our franchisees and suppliers since they are the pillars on which we are able to run a successful business. We expect all our franchisees and suppliers to adhere to the same ethical standards as we do ourselves and when taking on new business partners we undergo a strict due diligence process.

In addition, we provide franchisees with training material and guidance to ensure they understand our business values, policies and processes, and are able to meet our brand standards. Our operations evaluation team then audits every store at least twice a year against our brand standards. We operate a corrective action plan process for those that do not achieve the required standards, giving them time to improve.

All food and packaging suppliers must also sign up to the Supplier Ethical Data Exchange ('SEDEX'), an internet based sharing platform which promotes ethical and responsible business practices in supply chains. The SEDEX audit protocols<sup>5</sup> already review supplier employment/workforce policies, including the prevention of child labour, forced labour and modern slavery. By signing up to SEDEX, our suppliers voluntarily share data on their employment practices, business practices and supply chains via the online platform.

During 2017, we will carry out a full risk analysis of our business and supply chain to identify those areas where we are most at risk of modern slavery. In light of the risk analysis, we will review the ways we currently engage with our suppliers and franchisees, to make sure that suppliers in the areas of highest risk, are meeting our ethical standards, or have an action plan in place to do so.

## Internal Due Diligence

To check that there is no evidence of slavery or human trafficking in our own workforce, we also carry out internal due diligence. We have identified some key risk areas, e.g. migrant or agency labour, and already have recruitment controls in place for our direct employees. In the UK, ROI and Switzerland, we carry out a rigorous ID checking process, to ensure that all of our employees have a right to work, and carry out other cross-checks of their identity through our payroll system.

We also engage with our external labour providers to make sure they have similarly strict procedures in place.



## Training for Employees and Franchisees

Over the next year we will run targeted employee training events, especially in our supply chain centres, to stress to our workforce the importance of combating modern slavery and ways to identify modern slavery in the workplace.

We have already started to raise our franchisees' awareness of modern slavery by giving them information on the Modern Slavery Act and the implications for their business. Through our ongoing engagement with franchisees we will continue to keep the issue front of mind, for example by including it in franchisee review meetings and learning tools.

## Board Approval

This statement has been approved by the DPG Board and signed by David Wild, Group Chief Executive, on their behalf.

David Wild

Chief Executive, Domino's Pizza Group plc

27 March 2017

<sup>5</sup> SEDEX SMETA audits <http://www.sedexglobal.com/ethical-audits/smeta/>