



2019 CORPORATE STEWARDSHIP REPORT



EMBRACING COMMUNITY.....
..... PROVIDING OPPORTUNITY
WHAT MATTERS.
INSPIRED SOLUTIONS.....
..... UNCOMMON HONESTY

BRAND STEWARDSHIP BEGINS WITH THE JOY OF PIZZA



Domino's is a nearly 60-year-old brand that loves pizza and the people who love pizza. That includes the millions of customers worldwide who order our food, served by thousands of pizza-loving corporate and franchise team members and hundreds of franchisees with "pizza sauce in their veins," who are all focused on delivering the joy of pizza every day.

As magical as pizza and pizza delivery can seem, behind the scenes there isn't magic; but instead many hardworking people, a complex supply chain system and a lot of technology that make everything happen. Day-to-day stewardship of the brand is focused on making sure we're doing the right thing for all those customers, employees and franchisees who love everything pizza.



To Domino's, brand stewardship means focusing on what matters, the core values that remain consistent in a world that is constantly changing, where companies are ever-evolving. What matters to Domino's is embracing our communities, providing opportunity, finding inspired solutions and a commitment to transparency, which we call uncommon honesty. Not everything we want to do is possible yet and not everything that special interest groups want us to do is within our control, but as a brand that is constantly evolving we will continue to work towards getting better every day.

WHAT MATTERS: EMBRACING COMMUNITY

For nearly six decades, Domino's and its franchisees have focused on giving back to local communities, from school fundraisers and supporting youth sports teams to feeding first responders during times of crisis. Stores regularly donate to local food banks and sponsor everything from local events to civic groups and programs for kids and families. Helping our neighbors has been a part of our brand character since the start and we're proud of what our employees and franchisees do for their customers and communities every day.



NATIONAL COMMUNITY GIVING

For fifteen years Domino's has supported St. Jude Children's Research Hospital® as a national charity partner. St. Jude is focused on research to cure childhood cancer and supporting the families at St. Jude for treatment. Thanks to the generosity of Domino's customers every year we raise millions of dollars during the annual *Thanks & Giving*® campaign, which runs from Halloween through the start of the new year. Domino's team members and franchisees also take it a step beyond, raising funds through fun events, such as the video game-based PLAY LIVE fundraiser and by participating in over two dozen St. Jude Walk/Run events around the country. Domino's has raised more than \$57 million for St. Jude over the past 15 years and is proud of the Domino's Event Center found on the St. Jude campus in Memphis, Tennessee.



Domino's corporate also gives directly to the National FFA Organization, which supports agriculture education across the country through Future Farmers of America programs in schools. In 2017 Domino's began a five-year, \$1 million commitment to FFA to fund collegiate scholarships, as well as grants for supervised agriculture experiences for high school students, agriculture literacy and advocacy programs, and FFA's Living to Serve platform that supports hunger and environmental initiatives in local communities and states. As a brand, we are proud to be able to stand behind the farming community and be a part of an organization that is strengthening the future of agriculture in the United States.



DOMINO'S PARTNERS FOUNDATION

Taking care of the community of people inside of Domino's is vitally important too, which is why our internal Partners Foundation is so important to our efforts to give back as a brand. Formed in 1986 as an independent nonprofit organization, the group's primary objective is to provide financial assistance to Domino's franchise and corporate team members in need. The Partners Foundation is generously funded with donations received primarily through voluntary payroll deduction programs, franchisee contributions and various fundraising activities. In 2018, Partners distributed more than \$1.68 million in financial assistance and helped nearly 1,400 Domino's team members, 270 of which received assistance in the wake of hurricane devastation. Since the foundation began, more than \$20 million has been allocated to team members who have been affected by illness, injury, fire, accidents or natural disasters.



LOCAL GIVING

An important element of our brand is the spirit of local community and being a part of the neighborhoods that we serve. Domino's supports a variety of local organizations, primarily based in southeastern Michigan, where Domino's was founded and is currently headquartered, as well as in the communities where corporate stores are located. Equally important is the involvement of our franchisees in their local communities around the country and around the world. Domino's franchisees choose to support a wide variety of charitable initiatives in their own backyard by delivering pizzas and offering financial assistance.



In addition, Domino's stores across the country continue to deliver pizzas to people in times of unexpected need, as they have since our founding in 1960. We call it pizza relief. We put corporate dollars behind that effort to amplify the good work franchisees are doing. We are proud of our system for the dedication and ability to come together and provide needed support to the communities we serve in the wake of terrible disasters like hurricanes and flooding, fires and extreme cold, among other emergency situations.



More details on our national community efforts, the Partners Foundation, local giving and pizza relief can be found in our charitable giving report at biz.dominos.com or media.dominos.com

LOCAL COMMUNITY ACTION: PAVING FOR PIZZA

Being a part of the neighborhood is important to our stores. Customers are neighbors, employees live in the community, stores take part in local events. One thing everyone has in common – the roads. And the shared stress over potholes. Domino's drivers feel the impact and so do our carryout customers trying to get their pizzas home safely, so in 2018 Domino's decided to do something about it. The paving for pizza program was announced, offering one town in every U.S. state a \$5,000 grant for local paving and pothole projects. Local residents nominated their city and the top municipalities that accepted the grants were provided not only with the funds to make needed road repairs, but also optional signs and stencils, as well as a pizza party for the road crew. Over 137,000 nominations were submitted for 14,000 zip codes around the country. Turns out that people are pretty passionate about potholes and Domino's is pretty committed to making our local communities better.



◀ 2018 DOMINO'S COMMUNITY INVOLVEMENT ▶

MORE THAN
\$11,922,829
DONATED IN TOTAL



20 GRANTS AND
18 SCHOLARSHIPS
FOR FFA* STUDENTS TO
SUPPORT THE FUTURE
OF AGRICULTURE

MORE THAN
\$9.8 MILLION
RAISED FOR ST. JUDE CHILDREN'S
RESEARCH HOSPITAL®



TEAMS AT
ST. JUDE WALK/RUN
FUNDRAISERS IN
CITIES ACROSS
THE COUNTRY

4
NATIONAL
ORGANIZATIONS
RECEIVED \$100,000
OR MORE



93
STORES DELIVERED PIZZAS
WITH THEIR LOCAL FIRE
DEPARTMENTS TO INCREASE
FIRE PREVENTION AWARENESS

153
LOCAL RECIPIENTS OF
MONETARY SUPPORT



APPROXIMATELY
16,000
PIZZAS DONATED TO
LOCAL ORGANIZATIONS



*Future Farmers of America



Eric Arntson started at Domino's as a driver in Michigan in 1994. He worked his way up through the store and became a general manager. In 1999, he purchased his first store. Twenty years later, Eric runs a 12-store franchise. His daughter, Emma, worked her way up to management in her father's stores. She hopes to one day purchase a store of her own.



WHAT MATTERS: PROVIDING OPPORTUNITY

Providing opportunity, a chance, the prospect or potential for advancement and success. When Domino's provides opportunity, that's the kind we think about. Domino's began humbly and our history of starting small, but dreaming big, remains at the core of our brand.

Opportunity for everyone is important. That is why Domino's and its franchisees provide employment opportunities without regard to race, color, religion, creed, gender, pregnancy, national origin, citizenship status, marital status, age, disability, genetic information, uniformed service, military or veteran status, or any other characteristics protected by applicable federal, state or local law such as height, weight, sexual orientation, and gender identity and expression.

Hard work, ambition and passion for pizza and customer service have always driven our franchisees and team members. The fact that roughly 90% of our franchisees started as a delivery driver or pizza maker might take some people by surprise, but it shouldn't. Team members come for a job, but stay for the love of the business, the passion for the brand and the opportunity. The saying around here, "pizza sauce in the veins," is true, it's how so many team members have moved from driver, to manager, to small business-owning franchisee. Team members might start with an entry-level job at minimum wage, but the ability to move up, earn more with increased responsibilities, or even become business owners themselves, is very real. There are examples of this throughout the company worldwide.

From our franchise management school, where experienced store managers and other operators get trained to become small business owners, to the supply chain driver development program, where entry-level employees get company-paid training to become a CDL driver, Domino's has a full spectrum of educational opportunities and career development programs.

Team members at headquarters attend Pizza Prep School, a program that teaches everyone store operations, pizza making and store systems, so that every accountant, marketer and IT professional knows what goes into running stores every day around the world. Franchisees offer their own training and development programs as well, meaning that any team member anywhere can benefit from their time at Domino's.

Stories about Domino's franchisees who started as drivers and other inspiring stories of Domino's people from around the world can be found at media.dominos.com under Our Stories.



WHAT MATTERS: **INSPIRED SOLUTIONS**

We challenge ourselves every day to be the best we can be, to seek constant improvement. Whether it is a better solution to a problem, an improved resolution to an issue or reexamination of an existing process, recognizing and enabling inspired solutions are key to our progress as a brand. The subject areas below are a few we'd like to highlight as inspired solutions.

CUSTOMIZATION

The beauty of pizza is that it is completely customizable, with over 34 million possible combinations at our stores ranging from lower-fat, vegetarian or gluten-free choices, all the way to indulgent and hearty. Customers have the ultimate freedom to order whatever combination they desire! Offering nearly unlimited flexibility isn't where it stops, though. We also provide a lot of important information online.

For well over a decade we have put a "Cal-O-Meter" online so that consumers could get information on any pizza they ordered with a full nutritional breakdown of 16 key nutrition data points, including calories, fat, protein and vitamin details. In addition, full allergen information is online, for those who have dietary allergy concerns for themselves or their family.

FOCUS ON INGREDIENTS

We continuously look at our products and their ingredients to make sure that we are always offering the best products we can to customers and to our own families. Changing and removing ingredients is a balance of both art and science, because many ingredients serve an important functional role as well as a flavor or texture role that customers have enjoyed.

We are happy to say we use high-quality meats without any fillers. We have eliminated MSG and virtually all artificial food coloring from our products in the U.S. We have eliminated a long list of ingredients from all our core products including BHA/BHT and PHOs, as well as trans-fat from core pizza products (apart from that which is naturally occurring in cheese and some meats). We have worked to gradually reduce the sodium in our pizza sauce by 25% over two years, all the while maintaining a high level of customer approval for the reformulation. We are also proud to provide our entire ingredient list for products online, something not all brands do publicly. Visit dominos.com and click on the nutrition link for more information.

CORRUGATED BOXES/DEFORESTATION

The vast majority of the products Domino's sells leaves the stores in one kind of packaging – corrugated boxes. Domino's currently has two primary corrugated suppliers; one is a traditional packaging producer that supplies the majority of stores; the other is a box producer currently providing stores in select states with boxes made from 70% recycled content. The policies below reflect the standards set forth by our traditional packaging supplier.

Both box suppliers maintain certified fiber sourcing and chain-of-custody certifications using third-party audits, and our primary supplier uses controlled wood. Their policies do not allow the purchasing of fiber from illegal logging, the trade in illegal wood or forest products. Their policies state they will not purchase from anyone in violation of traditional or human rights in forestry operations.



They do not purchase from operations that would have an adverse impact to regions of high conservation value. They have further policies and procedures in place to promote and utilize sustainable forestry and extensively participate in outreach and education with landowners on scientifically-supported sustainability practices.

They hold certifications with the Sustainable Forestry Initiative®, the Forest Stewardship Council®, Programme for the Endorsement of Forest Certification®, Brazilian Forest Certification Program and the American Tree Farm System. In addition, the boxes supplied to Domino's by our primary supplier contain approximately 40% recycled content and are themselves recyclable in many communities.

There are many groups concerned about the effects of deforestation, particularly deforestation in countries with significant rainforest coverage that are often cleared for beef and soybean farms. We are proud to say that 100% of the beef and soy we purchase for the U.S. market is sourced from the United States.



PALM OIL

Domino's sources 100% certified sustainable mass balance palm oil product through our supplier, AAK USA. Domino's does not purchase raw palm oil, but a product made with palm oil for our dough used to make pan pizza and some bread sides. Pan pizza dough is not the primary dough sold in our stores or produced at our supply chain centers; nor is palm oil used in the vast majority of products we sell.

We are proud to say that Domino's Pizza LLC is a member of the Roundtable on Sustainable Palm Oil (RSPO). We are committed to sourcing palm oil that is produced without deforestation of high conservation value areas, high carbon stock forests or the destruction of peat land. Domino's achieved its goal of 100% traceability back to the mill for all palm oil in September 2015. Domino's requires that AAK USA be a member in good standing of the RSPO.



WHAT MATTERS: UNCOMMON HONESTY

It's no secret that honesty can be hard, but Domino's took that reality head-on in late December 2009 when the pizza turnaround campaign launched. Admitting publicly, in a nationwide television ad campaign, the pizza we had been serving wasn't as good as we wanted it to be and that we were introducing a new pizza recipe, was a candid admission and a difficult reality to come to terms with. As a brand, we have tried to embrace the precedent we set for uncommon honesty in this campaign. "Uncommon" because, despite the kudos and cheer we received for being frank and sincere, not many other brands have followed our lead. Staying true to the mantra of "uncommon honesty" is an important belief that we use when facing some thorny issues well.



WE STAND WITH FARMERS

We love farmers because without them we would have no pizza to sell. We need wheat farmers and tomato farmers and dairy farmers and even more beyond that. We believe their generations of experience in raising animals and crops to feed the country's population make them best able to determine how to be good stewards of their farms, produce and animals, using science-based policies, government-approved standards and procedures. Farms in the United States are held to high standards, and we support the high standards and expectations for everyone involved in the U.S. food production system.

We expect the same integrity, honesty and trust from the farmers that supply our food as we expect from ourselves. Our expectations of farmers is why Domino's supports the "Five Freedoms" as endorsed by the World Organization for Animal Health:

1. Freedom from hunger, malnutrition and thirst
2. Freedom from fear and distress
3. Freedom from physical and thermal discomfort
4. Freedom from pain, injury and disease
5. Freedom to express normal patterns of behavior



ANTIBIOTICS

Domino's isn't alone in its quest to understand how the use of antibiotics in animal husbandry intersects and impacts human health. Public health advocates have voiced concerns about the use of antibiotics in the animals that eventually enter the food supply, and we understand concerns that have been raised by these groups. We care about the food we serve to customers, and our families, and we want it to be safe.



We sit at the intersection of two groups who only want what is best. On one side are farmers and veterinarians that want to be able to treat sick animals and prevent disease. On the other, consumer groups that want to make sure that the use of antibiotics in farm animals does not lead to antibiotic resistance in humans that could prove to be a larger threat to human health. We have spent time studying the issue from all sides, as well as understanding the science involved and the reality of what choices a brand of our size has in finding a solution that makes sense for us. The subject is complex, and it involves decisions made by thousands of farmers and veterinarians, multiple suppliers, as well as us.

It is important to note that no meat in the food supply can have antibiotic residue in it when it is sold to the public. The USDA inspects all meat to make sure it is free of antibiotic residue before it can enter the market. That said, the FDA has recently enacted some rules that we are happy to support, including rules around what kind of antibiotics farmers can use and when they can use them. We understand that, for some, the use of antibiotics in any way may be concerning; however, we believe it is humane to treat sick animals with antibiotics if needed to prevent suffering.



100% of our chicken used for pizzas, sandwiches, wings, boneless chicken and pasta are free of antibiotics that are medically important to humans. We also do not purchase products from broiler chickens raised with fluoroquinolones or steroids.

Although the poultry industry has reacted rapidly to providing new antibiotic protocols, it is not quite as straight forward or easy in the production of pork and beef. The industry has made a considerable amount of progress. However, for us to consider antibiotic restrictions in the pork and beef we purchase, there is much more work to be done before the amount of available supply is accessible by suppliers that meet Domino's requirements.



We intend to transition to pork and beef sourced from animals raised without the routine use of medically-important antibiotics for disease prevention purposes once a sufficient supply of such pork and beef is available in the U.S. market from suppliers who satisfy our food safety, quality, cost and other product standards, and who can demonstrate their ability to reliably source and distribute these products with appropriate business continuity measures.

SOURCING INSIGHT

Domino's does not own, raise, transport or process the animals used for our products. The company purchases its pork, beef and poultry ingredients from suppliers who obtain their products from farmers and ranchers who raise and care for their animals in compliance with local, state and federal guidelines, industry best practices and the support of farm animal veterinarians. Over 99% of the products we purchase for the U.S. market are sourced in the United States, including all our meat, sauce, flour and cheese.



Domino's in 2019, joined the Dairy Sustainability Alliance, which is using goals established by The Food and Agriculture Organization of The United Nations to reduce greenhouse gas emissions by 25% by 2020 vs. a 2007 baseline. In 2007, dairy's carbon footprint was 63% lower than it was in 1944.

Domino's operates supply chain centers only in the U.S. and Canada. We are a system that is 100% franchised outside the United States, which means that all supply chain systems outside the U.S. and Canada are owned and operated by independent entities meeting the requirements of the markets in which they operate.

We are a small participant in the market for beef, pork and poultry products in the United States. In 2018:

- our purchases of beef products represented approximately 0.1% of all beef produced in the U.S.,
- our purchases of pork products represented approximately 0.3% of all pork produced in the U.S., and
- our purchases of poultry represented approximately 0.1% of all broiler chickens produced in the U.S.



We buy only certain animal parts and processed meats from these suppliers, rather than whole animals. As such, and given our small market shares, we understand that we are not in a position to exercise meaningful influence or control over meatpackers or processors, nor the individual farmers who supply them with live animals.

IN CLOSING: BRAND IN PROGRESS

Domino's is a brand that listens to customers. We feed people food that is loved worldwide. We care about the communities we serve. We love to innovate. We strive to provide great opportunities to team members. However, we consider ourselves a brand in progress, we're always looking to get better at everything we do. We will continue to learn and grow in many areas of corporate stewardship in the years to come. We're examining the future of delivery, with ongoing tests of autonomous vehicles and other non-automotive alternative delivery methods. There are always opportunities to learn and grow and we're a brand that plans to move forward with the spirit of improvement and innovation always in mind.



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