

## **Restaurant Brands International Inc. - 2019 Deforestation proposal**

### **Whereas:**

Deforestation contributes over 10% of global greenhouse gas emissions and contributes to biodiversity loss, soil erosion, disrupted rainfall patterns, community land conflicts and forced labor. Commercial agriculture accounted for over 70% of tropical deforestation between 2000 and 2012, half of which was illegal. According to the Intergovernmental Panel on Climate Change's 2018 report, restoring landscapes and forests is one of the best, most cost-effective options available to combat the devastating impacts of changing climates.

Restaurant Brands International Inc. (RBI) utilizes commodities such as beef, soy, palm oil and fiber-based packaging that are the leading drivers of deforestation. The company's goal to eliminate deforestation from its supply chains by 2030 falls short of its peers' target of 2020. RBI's palm oil and fiber-based packaging policies do not include the Popeye's Brand and lack traceability, a non-compliance protocol, a grievance process, and adequate disclosure of progress. RBI has no responsible sourcing policy on soy and their policy on beef sustainability simply supports industry principles and frameworks while lacking time-bound and measurable commitment towards supply chain traceability and supplier assurance of zero deforestation. SCRIPT Soft Commodity Risk Platform scored the company at 37 out of 100 due to lack of risk awareness, board oversight, executive compensation, commodity specific policies, certification and traceability, and time-bound targets.

Peer companies including McDonald's, Danone, Unilever and Nestlé have set higher standards to sustainably source commodity drivers of deforestation. These companies signed The New York Declaration on Forests to eliminate deforestation from private-sector supply chains of beef, soy, palm oil, and paper products by no later than 2020. Many peers report their supply chain impacts via CDP's Forest survey and actively support the Brazilian Soy Moratorium and Cerrado Manifesto.

RBI's limited action on deforestation exposes them to significant business risks including unreliability of supply, damage to the company's brand value, and failure to meet shifting consumer and market expectations. Additionally, supply chains that are illegally engaging in deforestation are vulnerable to interruption from new regulations and enforcement.

**Resolved:** Shareholders request that RBI issue a report to investors by November 1, 2019 and updated annually, at reasonable expense and excluding proprietary information, providing quantitative targets and implementation plans for reducing supply chain impacts on deforestation.

### **Supporting statement:**

Proponents believe a meaningful response could include:

- Commodity specific, time-bound goals for reducing or eliminating deforestation linked to RBI's operations and supply chain for soy and beef;
- Evidence of proactive implementation efforts, such as a time-bound plan, verification processes, non-compliance protocols and regular reporting on a public platform; and
- The percentage of each commodity sourced that is traced back to its origin and the percentage verified via credible third parties as not contributing to physical expansion into peatlands, High Conservation Value lands, or High Carbon Stock forests, or contributing to land and labor rights abuses.