



WHEREAS: In 2022, the Intergovernmental Panel on Climate Change advised that that the window for limiting global warming to 1.5 degrees Celsius (1.5°C) is quickly narrowing and that immediate, dramatic emissions reduction is required of all market sectors and industries.¹

Food companies like Papa John's International Inc. (“Papa John’s”) are particularly exposed to climate risk. In September, the United Nations’ Climate Change High-Level Champions group reported that, due to escalating climate and nature risk, “food and agriculture companies could lose up to 26% of their value by 2030, with permanent sector-wide losses equivalent to the 2008 financial crash.”² The report identified eliminating deforestation as the highest priority call to action, stating that, “unless we end net deforestation, achieving net zero and a 1.5°C world is impossible.”³

Deforestation directly impacts agricultural productivity by altering precipitation patterns and other ecosystem services. The deforestation of the Amazon could halve Sierra Nevada snowpack,⁴ dramatically reducing irrigation capacity in California, which produces 95% of the processing tomatoes grown in the U.S.⁵

Papa John’s most recent 10-K specifically identifies the impacts of climate change and adverse weather on the California tomato crop as a risk that could negatively affect the results of its operations.⁶ Papa John’s uses beef, palm oil, soy, and fiber-based packaging in its products. These commodities are the leading drivers of deforestation, which is responsible for approximately 15% of global greenhouse gas emissions and contributes to biodiversity loss.⁷

Papa John’s 10-K notes that, “if we are not effective in addressing social and environmental sustainability matters, consumer trust and investor confidence in our Company may suffer.”⁸ Yet in contrast to competitors like Domino’s and Yum! Brands, Papa John’s lacks any disclosures or policies related to supply chain deforestation.

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://climatechampions.unfccc.int/unpriced-nature-and-climate-risk-could-wipe-off-billions/>

³ <https://climatechampions.unfccc.int/wp-content/uploads/2022/09/Assessing-the-financial-impact-of-the-land-use-transition-on-the-food-and-agriculture-sector.pdf>

⁴ <https://journals.ametsoc.org/view/journals/clim/26/22/jcli-d-12-00775.1.xml>

⁵ <https://calag.ucanr.edu/Archive/?article=ca.v060n02p95>

⁶ <https://ir.papajohns.com/static-files/ec569cb0-72dc-42b9-900d-b4b552fa9207>

⁷ <https://www.cdp.net/en/forests>

⁸ Ibid.



Financial institutions with nearly \$9 trillion in assets under management have committed to eliminating agricultural commodity-driven deforestation from their portfolios by 2025.⁹ Failing to end deforestation may make Papa John's less attractive to investors, less competitive, and have a negative effect on shareholders' financial returns.

BE IT RESOLVED: Shareholders request that Papa John's issue a report, at reasonable expense and excluding confidential information, disclosing how it can achieve deforestation-free commodity supply chains by 2025.

SUPPORTING STATEMENT: Proponents recommend, at management discretion, that the report include:

- A disclosure of Company sourcing geographies and deforestation-free volumes of forest-risk commodities, if any, and relevant certifications;
- An estimate of the greenhouse gas emissions associated with deforestation and land-use change from the Company's supply chains;
- The potential for eliminating native vegetation conversion and primary forest logging from Company supply chains as part of a deforestation-free goal;
- Consideration of guidance from the Accountability Framework initiative, the Science Based Targets initiative, and the Greenhouse Gas Protocol in setting targets and plans.

⁹ <https://climatechampions.unfccc.int/leading-financial-institutions-commit-to-actively-tackle-deforestation/>