

Restaurant Antibiotics Engagement

Addressing Responsible Antibiotic Use In The Quick Service Restaurant Sector

Investor Briefing – May 2023

Why Engage?

Antimicrobial resistance (AMR) has been termed the ‘silent pandemic’ as it is recognised as a global threat to public health and economic prosperity.

Reliance on the routine use of antibiotics in factory farming for growth promotion and prophylaxis has resulted in animal agriculture accounting for an estimated 70% of antibiotic consumption globally.¹ The industry is consequently a significant contributor to AMR, with this expected to rise as more countries embrace intensive farming systems to meet the growing demand for meat, dairy and fish. It is projected that by 2030, antibiotic consumption in farm animals will increase by 67%.²

The impacts of AMR are not a problem of the future, AMR is already causing more than 1 million deaths per year. If left unmitigated it may be responsible for 10 million deaths per year and an estimated 3.8% global GDP decline by 2050.^{3,4} The loss of productivity due to sickness and premature death will have a widespread impact across multiple sectors; agriculture may experience an 11% decline in livestock production by 2050, creating the potential for supply chain volatility.⁵

The increased spotlight on animal agriculture’s contribution to AMR has resulted in civil society and investor pressure on protein producers and consumer-facing companies to take action. Quick service restaurants (QSRs) have been a focal point for investors, as they have the ability to influence their protein supply chain and drive the demand for protein raised without routine use of antibiotics by implementing global policies that ban this antibiotic use practice. The significant progress achieved following the FAIRR facilitated engagement with QSRs between 2016-2019 demonstrates how impactful investor engagement on AMR is. However, since the closure of FAIRR’s engagement, company efforts have faltered, highlighting the need to re-engage the sector as **companies are failing to:**

- (i) demonstrate sufficient rigour and scope of existing policies,
- (ii) develop antibiotic policies to cover all key proteins,
- (iii) provide evidence of implementation through target setting and auditing.

An estimated

3.8%













global GDP decline by 2050.

Objective

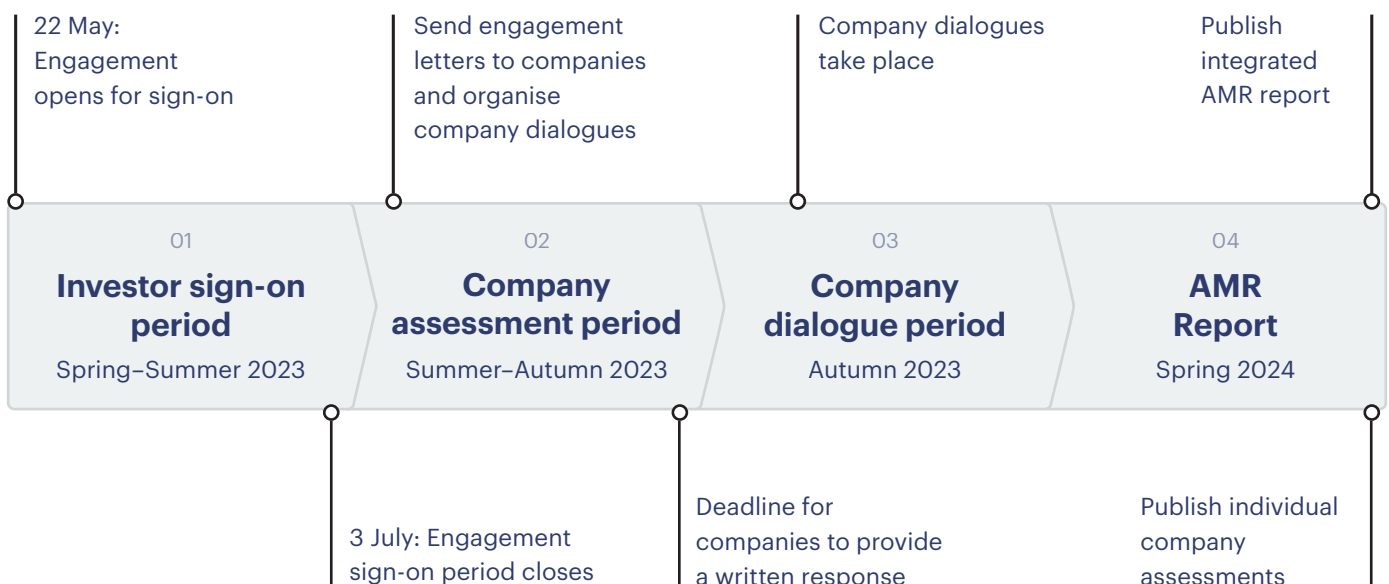
This collaborative engagement aims to drive the development and robust implementation of antibiotic policies restricting the routine use of medically important antibiotics for all key proteins sourced by QSR chains in North America.

Target Companies

Focusing on North America, FAIRR will engage with 12 of the world's largest QSRs:

United States				Canada
				
				
				

Engagement Timeline



Proposed Engagement Asks

Engagement companies will be asked to provide disclosure on the following, as well as meet with the signatory group.

1. Protein exposure	1.1	Company discloses its level of exposure to key purchased proteins.
2. Ambition level of Policy	2.1	Company discloses what antibiotic categories are covered by its policy for each protein type (i.e. beef, chicken, dairy, pork, seafood).
	2.2	Company discloses the proportion of suppliers/restaurants its policy covers.
3. Policy implementation	3.1	Company tracks and discloses the quantity of antibiotics used in its supply chain.
	3.2	Company discloses evidence of auditing to ensure compliance with its policy.
	3.3	Company discloses how it manages non-compliance with its policy.
4. Forward looking target setting	4.1	Company discloses an antibiotics reduction target.
	4.2	Company discloses what proportion of its suppliers/restaurants its target covers.
	4.3	Company discloses evidence of progress towards its target.

Investor Participation

This engagement is open to all Investor Members of the FAIRR Initiative.

- FAIRR will organise company meetings and join as a facilitator.
- FAIRR will provide relevant resources, such as engagement letters, research, assessment framework, agendas and take meeting notes throughout the engagement.
- FAIRR will provide progress updates and circulate meeting notes to all investor signatories.
- Participating investors will be expected to establish company contacts where FAIRR is unable to do so.
- There are three roles for investors: lead investor, supporting investor and endorsing investor.
- Where investor participation interest exceeds the number of available slots, FAIRR will endeavour to fairly distribute meeting slots but cannot guarantee that all investor signatory preferences will be met.

Lead Investor Role

There is one lead investor per target company and this investor will chair the meeting and lead the Q&A. For this reason, FAIRR seeks investors who have an understanding of the issue and preferably an existing relationship with the target company.

Supporting Investor Role

FAIRR allows a maximum of five supporting investors per call to ensure a targeted and candid conversation. Each supporting investor will be allocated questions to be put to the company during the call.

Endorsing Investor Role

Investors who wish to support the engagement, but are unable to participate in calls, can sign-on to the engagement as an endorsing investor. The sole requirement is to sign the private company letter. FAIRR invites investors to sign the letters to all the companies in the engagement, even those that are not held, as this demonstrates investor support for the engagement as a whole and encourages companies to enter into dialogue with the coalition.

How to sign-on

FAIRR's collaborative engagements are open to all Investor Members. To become a member of the network, please fill out the [Registration form](#).

Members can register their interest to become a signatory and join company meetings by completing the [Investor Member signatory form](#). Please note, in order to be eligible to participate in a meeting, investor members are required to become a signatory of the corresponding company letter.

For more information, please contact:

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References

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