2018 Shareholder Resolution Brinker International

Request: End Routine Use of Antibiotics in Healthy Animals

WHEREAS: Antibiotic resistance is one of the leading human health threats of our time.

"A post-antibiotic era — in which common infections and minor injuries can kill — far from being an apocalyptic fantasy, is instead a very real possibility for the 21st Century."

—World Health Organization (WHO), 2014

Antibiotics are losing their effectiveness due in significant part to reckless overuse in animal agriculture. The more antibiotics are used, the faster antibiotic-resistant bacteria (superbugs) evolve. Antibiotic resistance could cause 300 million premature deaths and up to \$100 trillion in global economic damage by 2050.¹

Over 70% of medically important antibiotics in the U.S. are sold for livestock.² Often, these drugs are routinely fed to animals to prevent disease caused by unhealthy conditions on farms, rather than to treat diagnosed illness.

In November 2017, WHO released guidelines on the use of medically important antibiotics in animals, "recommend[ing] [a] complete restriction of these antibiotics for growth promotion and disease prevention without diagnosis."

Recognizing these risks, Farm Animal Investment Risk and Return (FAIRR)'s \$4.1 trillion investor network has called on the restaurant industry to minimize the use of medically important antibiotics in global livestock supply chains.³

As consumers grow increasingly concerned, the majority of the top 25 restaurant chains in the U.S. have already enacted policies to reduce unnecessary antibiotic use in healthy livestock. For example:

- Subway and Chick-Fil-A source only chicken raised without any antibiotic use.
- Panera Bread and Chipotle Mexican Grill prohibit routine antibiotic use across their entire livestock supply chain.
- McDonald's, Wendy's, KFC, Taco Bell, and Burger King prohibit the use of medically important antibiotics in their U.S. chicken supply.

In the annual Chain Reaction scorecard, Brinker International's flagship brand Chili's received an "F" grade⁴ and was characterized negatively in the media.⁵ Brinker was also

⁴ https://uspirg.org/reports/usp/chain-reaction-iii

¹ http://amr-review.org

² https://www.reuters.com/article/us-usa-livestock-antibiotics/antibiotics-sales-for-use-in-u-s-farm-animals-dropped-in-2016-fda-idUSKBN1E201D

³ www.fairr.org

⁵ For example: http://www.chicagotribune.com/business/ct-biz-antibiotics-restaurant-scorecard-20170927-story.html



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one of the worst performers on an antibiotics benchmark of global restaurants published by FAIRR.⁶

Brinker provides little information to shareholders on how it is managing the risks posed by antibiotic resistance⁷, other than stating "full support" for the U.S. Food and Drug Administration's Guidance. This Guidance is widely recognized as inadequate in slowing antibiotic resistance.⁸ In fact, the CEO of the world's largest livestock medicine supplier stated that the new policy would not impact the company's revenues.⁹

If Brinker does not take meaningful action to minimize the use of medically important antibiotics, the company's brands may suffer irreparable reputational damage and lose market share to competitors. Mainstream consumers have increasingly higher expectations for health, sustainability, and overall social responsibility when purchasing food. ¹⁰

RESOLVED: Shareholders request that Brinker International adopt an enterprise-wide policy to phase out the use of medically important antibiotics in its meat and poultry supply chain, with an exception for treatment and non-routine control of diagnosed illness.

Supporting Statement: Shareholders further request the company publish timetables and measures for implementing this policy.

⁶ http://www.fairr.org/resource/responding-to-resistance/

⁷ http://www.brinker.com/commitment/food_quality.html

⁸ http://www.cidrap.umn.edu/news-perspective/2017/01/farm-antibiotics-does-new-fda-policy-go-far-enough

⁹ Ibid

https://pighealthtoday.com/eve-disruption-changes-retail-consumer-trends-might-affect-pork-consumption-production/