



End Use of Medically Important 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 farm animal production. The more that 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 (<http://amr-review.org>).

Over 70% of medically important antibiotics in the U.S. are sold for livestock use (U.S. Food and Drug Administration, December 2016). The vast majority of antibiotic use in livestock production is to prevent disease caused by unhealthy conditions on farms, rather than to treat diagnosed illness.

Recognizing these risks, Farm Animal Investment Risk and Return (FAIRR)'s \$2.5 trillion investor network has called on the restaurant industry to minimize the use of medically important antibiotics in global livestock supply chains (www.fairr.org).

In November 2017, WHO released guidelines on the use of medically important antibiotics in animals, “strongly recommend[ing] an overall reduction in the use of all classes of medically important antibiotics in food-producing animals, including complete restriction of these antibiotics for growth promotion and disease prevention without diagnosis.”

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:

- McDonald's, Wendy's, KFC, Taco Bell, and Burger King prohibit the use of medically important antibiotics in their U.S. chicken supply.
- 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.

In contrast, Denny's provides little information to shareholders on how it is managing the risk of antibiotic use beyond regulatory compliance. Without meaningful action, Denny's may suffer irreparable reputational damage and lose market share to its competitors.

A strong antibiotics policy will safeguard Denny's brand by catching it up to its peers on a critical health and sustainability issue. It will also position the company to comply with a shifting regulatory landscape: California and Maryland have passed legislation to prohibit the routine use of antibiotics in livestock, and other states may follow.



AS YOU SOW

2018 Shareholder Resolution

Denny's

Request: End Routine Use of Medically Important Antibiotics in Meat & Poultry

BE IT RESOLVED: Shareholders request that Denny's adopt an enterprise-wide policy to phase out the use of medically important antibiotics for disease prevention purposes in its meat and poultry supply chain.

SUPPORTING STATEMENT: Shareholders further request the company publish timetables and measures for implementing this policy.