

To: Emma Berntman, Senior Engagement Specialist, FAIRR  
CC: Sophie Bartley, ESG Analyst, FAIRR; Megan O'Brien, ESG Analyst, FAIRR

21 August 2023

Dear Ms. Berntman,

Thank you for your recent outreach to HealthforAnimals Members regarding FAIRR's continued 'engagement' with the animal health sector. As previously noted, our Members regularly engage directly with investors and several have spoken one-on-one with members of FAIRR's investor network. These have been positive interactions and Members remain available to speak directly with current or potential investors. A multi-phase process moderated by a third-party NGO is not necessary for continued investor engagement, therefore, HealthforAnimals remains the best point of contact for FAIRR.

We have reviewed your questions and would like to provide feedback on behalf of our Members. Like our earlier correspondence, this letter is also available [on our website](#) for transparency, and **we ask that you share it with your investor network** so they may review our response.

Nearly all of the questions in your letter are the same as the ones asked in your July 2022 letter to our Members. Therefore, the collective response provided in our [11 August 2022 letter](#) continues to provide the necessary detail. However, we would like to provide three complementary points.

- 1) **Lack of Material Risk:** FAIRR continues to incorrectly assume that AMR and reductions in antibiotic use are a material risk for the animal health sector. As previously noted, sector revenues grew [nearly 10% year-over-year](#) for the past decade (2011-21), rising from \$21.6 to \$33.7 billion. At the same time, antibiotics relative share of the product portfolio [declined by 39%](#), while sales of prevention products like vaccines continually grew. These figures continue to show that the animal health sector is not reliant upon any single product category and excels at providing veterinary professionals, livestock farmers and other animal caretakers with the right tools for their animal's health. While often this means a prevention product, antibiotics will remain an essential piece of that toolkit because these medicines remain the only way to treat a bacterial infection.
- 2) **Inaccuracies & Misrepresentations:** We were disappointed to see FAIRR's first progress report reflected inaccuracies about animal health and the wider sector. For instance, stating that recent antibiotic reductions in major markets "do not equate to meaningful decreases in antibiotic use globally" when the World Organisation for Animal Health consistently [shows global declines](#) in their annual reports. The report also claims 'there is little transparency over current levels of resistance' despite our Members support for resistance monitoring programs across the UK, US and EU, which all regularly publish [data that find resistance](#) to critically important antibiotics to generally be low or absent in animals. This demonstrates the success of responsible use efforts in avoiding resistance development.
- 3) **One Health:** We remind FAIRR that AMR is a One Health challenge. Studies have shown that taking action solely in animals will have '[little impact](#)' on AMR levels in humans because livestock's contribution to resistant infections in people [remains limited](#). Complementary action is needed in areas such as human healthcare settings, which [are linked to 70%](#) of resistant bacterial infections in the EU. Therefore, for investors who want to support progress in the fight against AMR, we would urge them to consider how they are addressing AMR holistically and with a One Health lens.

We appreciate your consideration of this letter and HealthforAnimals remains available to help provide FAIRR with a better understanding of animal health. As noted in our previous correspondences – **we ask FAIRR to please share this letter with your investor network** so they can better understand our perspective.

Thank you



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