

Our Philosophy Regarding the Sourcing and Use of Genetically Modified Corn

At Brown-Forman, we believe in using high quality ingredients to make all of our products. The Jack Daniel's brand has long expressed this philosophy in the words of Mr. Jack Daniel, who said simply, "Every day that we make it we'll make it the best that we can." For our whiskey brands, this commitment means the use of corn, barley and rye that meet our exacting standards to produce an exceptional white spirit. This distillate is then matured in our own hand-made white oak barrels to create whiskeys of superb color and flavor.

We also have a strong commitment to environmental sustainability, with a particular focus on managing our carbon footprint. Reducing greenhouse gas emissions is a priority for us and expressed publicly through specific reduction targets as well as support of initiatives such as The Climate Declaration.

Our philosophy regarding the use of GM corn in the crafting of the distillate takes into consideration the science of distilling, the changing dynamics of the North American corn market, our focus on reducing greenhouse gas emissions and the perceptions and concerns of our consumers.

From the whiskey making process point of view, we have never been concerned by the use of GM grains in producing bourbon and whiskey because none of the GM materials make it through the distilling process to the final product. However, in the year 2000, a number of our consumers, particularly those in Europe, expressed a preference for non-GM ingredients, and after considering those perceptions, we opted for only 100% non-genetically modified corn, the predominant grain for making of whiskey at our Jack Daniel, Woodford Reserve, Canadian Mist, and Brown-Forman distilleries. We took this action to accommodate our consumers' perceptions even though we knew all genetic material is removed in distillation.

Today, we find ourselves facing new realities regarding the use of GM corn. Since 2000, the North American corn market has changed significantly. A rapidly shrinking supply of non-GM corn in North America is making it increasingly more difficult to sustainably source the quantity of high quality corn required for our bourbons and whiskeys. For example, in 2000, about 25% of all corn grown in the United States and 46% of all corn grown in Canada was genetically modified, while today, more than 90% of all the corn grown in the U.S. and Canada is genetically modified. This trend has reduced the availability of non-GM corn in Brown-Forman's traditional sourcing areas closer to our distilleries and would require significant additional truck and rail miles to obtain non-GM corn, resulting in increases in greenhouse gas emissions from transportation.

In light of no genetic material making it through the distillation process and into our whiskey, our desire not to add to our carbon footprint by sourcing non GM corn from more distant locations, and the long term trend toward decreasing availability of non GM corn in North America, Brown-Forman has made the decision to use GM corn in our distilleries.