

WOOLWORTHS

WOOLWORTHS POSITION STATEMENT ON GENETICALLY MODIFIED ORGANISMS

BACKGROUND

Genetically Modified Organisms (GMOs) in food is a topical issue and one that, we know, concerns many Woolworths customers. The issue is making news nearly every day, and issues surrounding GMOs are a source of on-going debate in the community.

Arguments against GMOs focus on safety, the effects on small farmers, possible cross breeding with other plants, the rise of antibiotic-resistance “superbugs” and pesticide resistant “superweeds”, unknown potential long-term risks on human health and the corporate privatisation of the food chain. Arguments in favour of GMO focus on faster growth and maturity of plants, greater disease resistance and bigger yields, as benefits in the context of a growing work population.

OUR COMMITMENT

Our preference is to avoid the use of GMO from Woolworths own brand food. This has been our policy since 1999. The agricultural industry has changed significantly since GMO crops were introduced in South Africa in 1998 however, and it has become more challenging to source ingredients from non-GM sources at competitive prices for our customers. We are continuously investigating sustainable and commercially viable alternatives, and remain committed to reducing the number of products that contain ingredients from GMO crop sources.

Currently, less than 2% of Woolworths label food products contain ingredients derived from potential GMO sources.

Where we cannot guarantee that the ingredient was not derived from a GMO crop, we label the relevant ingredient in the product's ingredient statement as “May be Genetically Modified (GM)”. We use this statement if the origin of the crop is from an area where GM versions of the particular crop are cultivated. We state ‘may be’ as no crop is 100% GM, and therefore stating that it is, would be inaccurate and misleading.

Woolworths is committed to empowering our customers to choose for themselves by providing accurate and informative labelling, in line with labelling legislation and regulations. We believe we currently offer customers sufficient choice, particularly for those customers who choose not to consume GM ingredients. We have an organic product offering which does not allow GM. In addition, no fruit and vegetable in South Africa is derived from GM sources.

TRANSPARENCY AND REPORTING

Woolworths will remain transparent about the proportion of private label products containing ingredients from potential GM crop sources. We will provide information on our progress in our annual Good Business Journey Report, available on [Woolworths Holdings Limited](#) website.

Updated: December 2016



GMOs: WHAT ARE THE ISSUES?

The issues surrounding GMOs are a source of ongoing debate in the community and one that we know concerns many Woolworths customers.

- **What does the term GMO stand for and why is it such a controversial issue?**

GMO stands for "genetically modified organisms", and foods that contain ingredients with GMOs are considered GMO foods. In South Africa the only crops that may be genetically modified are soybeans, maize and cotton.

GMOs are created in the laboratory when scientists isolate genes that are responsible for certain traits in one plant and insert the gene into another plant or add genes from non-plant organisms to a plant. Organisms that have been genetically modified include micro-organisms such as bacteria and yeast, plants and fish.

The key areas of controversy are:

1. Whether or how GM food should be labelled;
2. The role of government regulators;
3. The effect of GM crops on health and the environment;
4. The effect on pests and pesticide resistance;
5. The impact of GM crops for farmers; and
6. The role of GM crops in feeding the world population;
7. Ownership of the food supply chain (Seed patents).

ARGUMENTS AGAINST

The arguments against GMOs focus on:

1. Safety

The issue of safety of GMOs has been a concern since researchers first introduced them commercially in 1996 in the USA and in 1998 in South Africa. Government support for GM implies that there are no safety issues.

2. Effects on small farmers

Some of the arguments against the use of GMOs include industrialisation of agriculture, pushing out the small farmers in favour of mass production of crops due to legalities surrounding intellectual property and ownership of seeds. It should be noted that it's not only GMOs that contribute to these issues.

3. Potential "superbugs" and "superweeds"

Among critics' most serious charges are GMOs' potential to stimulate the rise of antibiotic-resistant "superbugs" and pesticide-resistant "superweeds" that require the use of increasingly powerful drugs and hazardous chemicals.



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4. Possible “contamination” of other plants

One major concern is keeping genetically modified crops from entering the environment, where their DNA could mingle with the DNA of other plants. The effect that genetically modified DNA could have on other plants is currently unknown.

5. Potential long-term risks

Opponents of genetically modified food claim risks have not been adequately identified and managed. Some health groups say there are unanswered questions regarding the potential long-term impact on human health from food derived from GMOs, and propose mandatory labeling or a moratorium on such products.

ARGUMENTS IN FAVOUR

The arguments in favour of GMO focus on:

1. Faster growth and maturity of plants

Supporters of GMO argue that genetically modified plants and animals that grow and mature faster with greater disease resistance and bigger yields are a strong argument in favour of GMO cultivation.

2. No risks to people and environment

There is significant scientific consensus that food derived from GM crops poses no greater risk than conventional food. No reports of ill effects have been proven in the human population from ingesting GM food.

3. Environmental benefits

There are environmental benefits to GM crops. Some GMO plants, for example, can be "designed" with a built-in resistance to insect pests. These plants need fewer pesticides, making them a greener choice for farmers than non-GMO crops that require pesticides. Plants and animals can also be genetically improved to grow in poorer soils, colder temperatures, drier climates and other less-than-favourable conditions. These GMO crops could have more nutrients and could also need less-intensive industrial processing. Proponents argue these are important benefits in a world where more than 7 billion people now need to be fed.

GMOs IN SOUTH AFRICA

The production of GM crops is supported by our government. In 1999 the Genetically Modified Organisms (GMO) Act of 1997 came into force, paving the way for the growth of the industry. The first GM crops were planted in 1998.

17 years later South Africa is the eighth largest producer of GMOs in the world. In 2015 alone South Africa produced 2.3 million hectares of GM crops. In 2011 the Consumer Protection Act came into force requiring that all foods containing 5% or more GMOs content must be labelled. There are different views on the interpretation of the legislation. We await clarity from government regulatory bodies on the contentious issues. We will, however, continue to label the product (as we have been doing since 2000) as “May be Genetically Modified (GM)” where we cannot guarantee that an ingredient was not derived from a GM crop.



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Percentage of South African crops that are genetically modified *

- 90 % Maize
- 95 % Soya
- 100% Cotton

These crops are the only ones containing genetically modified genes that are allowed to be grown in South Africa. There are no GM fruit or vegetables grown or on the market in South Africa.

*Source: [ISAAA South Africa Fact Sheet, 2016](#)

FAQs: WOOLWORTHS AND GMO

Woolworths is often asked questions about genetically modified organisms (GMOs) in our food. Here are answers to the most frequently asked by our customers.

1. Does the South African government support GMOs?

Yes. The Genetically Modified Organisms Act of 1997 paved the way for the growth of the GMO industry. SA is now the eighth largest producer of GMO crops in the world.

2. Are there laws in SA on labeling food with GMO ingredients?

Yes. GM labeling legislation has been in place since 2004. (R.25 of 16 January 2004: Regulations relating to the Labelling of Foodstuffs obtained through Certain Techniques of Genetic Modification)

The Consumer Protection Act (R.293 of 1 April 2011: Regulations – Regulation 7 Product labelling and trade descriptions: genetically modified organisms) came into force in 2011, and requires all food containing 5% or more GMO content to be labeled. (We do more than that. We label food 'may be genetically modified' whenever we can't guarantee that the ingredient is not obtained from a potentially genetically modified crop.)

3. What is the official Woolies position on GMO?

We are committed to empowering our customers to choose for themselves by providing accurate and informative labeling. Our preference is to avoid the use of GMO in Woolies food. Where we cannot, we label products that might contain GMO.

This has been our policy since 1999. We had committed to reducing the number of products containing ingredients from GMO crop sources. Presently, less than 2 % of our private label food products contain ingredients from potential GM crops.

4. Does Woolworths label all their own label food products that might contain GMO ingredients?

Yes.

5. Why does Woolies stock products that contain GMO ingredients at all?

We offer a lot of choice, particularly to those who prefer to avoid GM food. Currently, less than 2 % of Woolworths label food products contain ingredients from potential GM sources. Our wide organic offering also does not allow GMOs, while no fruit and veg



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grown commercially in SA contain GMOs.

There are arguments for and against GMO, and we believe our customers should be empowered to make their own decisions.

6. But didn't you make a commitment to remove all GMO from your food?

Our preference is to avoid GMO from our food OR clearly label products that may contain GM ingredients. This way our customers can decide for themselves, based on their own feelings around the GMO debate.

We are committed to reducing the number of products that contain ingredients from GM crop sources.

7. Why does Woolworths say that food supplier information is 'deemed sensitive'? That sounds like a smoke screen.

We try to be as open as possible about our suppliers (and celebrate them) but as in any commercial environment, we need to keep some supplier details to ourselves to keep the business competitive. We take full responsibility for all our products and we will assist customers with their queries.

8. What is Woolies doing to reduce the amount of GMO used in their product?

With the agricultural industry so dominated by GM maize, soy and cotton, it's become more challenging to find non-GM sources of these ingredients. Together with our suppliers, we are identifying non-GM sources that are both sustainable and commercially viable.

9. What must I do if I'm South African and I really want to avoid all GMO?

Read ingredient labels carefully, and choose organic products whenever possible. Remember fruit and vegetable commercially grown in South Africa are not GM. Be aware that the genetically modified crops grown in South Africa are pre-dominantly white maize, yellow maize, cotton and soya.

10. Does Woolworths sell non GMO bread?

We have removed/replaced the GMO soya flour in our breads and presently none of our breads contain ingredients from GMO crops. We are in the process of updating all our packaging to reflect this change.

11. Does Woolworths sell a non GMO maize?

Yes, the following Woolworths label maize products are non GMO:
Super maize meal, Maize Meal Braaipap, Samp and Maize rice

