



March 23, 2020

Dear Valued Customer:

Thank you for your partnership as we all navigate the unfortunate and unique situation driven by COVID-19. We are managing our business from all relevant standpoints, including partnering with our suppliers, confirming we retain our high manufacturing quality standards, closely collaborating with you and ensuring employee wellness.

We value our relationship and, therefore, feel it is important to proactively communicate what we are seeing in our businesses, the steps we are taking and any potential impact to you.

What steps is The J.M. Smucker Company taking to manage employee wellness?

Like many organizations, we have taken steps to help limit the spread of COVID-19. Those currently include:

- Eliminating international travel and restricting domestic travel in accordance with federal and local guidelines
- Limiting visits to our facilities and confirming our health expectations with those organizations that must visit our facilities
- Encouraging appropriate social distancing and reinforcing our GMP and hygiene standards
- Strongly encouraging employees to work from home when feasible
- Thoroughly sanitizing our workplaces with medical-grade supplies based on guidelines from federal and local health organizations

Additionally, we have formal processes in place to quarantine employees who have tested positive for COVID-19, have recently visited geographies where the virus is widespread, or believe they have come in contact with someone who has the virus.

What is The J.M. Smucker Company doing to address the impact of COVID-19 on its business?

We understand the importance of providing a steady supply of food for our customers, consumers, and their pets, particularly in uncertain times like these. That's why we are acting quickly and aggressively. Some of the key steps we are taking include:

- Leveraging our relationships with suppliers to maintain a consistent supply of ingredients and packaging materials
- Maximizing the production capacity at our manufacturing facilities and increasing the number of appointments at our distribution centers
- Prioritizing production of our most demanded items
- Working with federal and local government officials to ensure they understand the importance of allowing us to continue supplying you with products
- Ensuring our employees have the appropriate support to react quickly to mitigate anything that could impact our ability to meet customer and consumer needs

How is The J.M. Smucker Company managing the impact of COVID-19 on its business?

Below is some information about how we are currently managing each of our businesses:



Consumer Foods

Current Operations Status

All manufacturing facilities are currently able to produce products that are in high demand; however, our facilities are nearing or at full production capacity.

Actions We're Taking

In our **Away From Home** business, we are experiencing increased demand for some products, and decreased demand for others. Specifically, we are actively monitoring requests based on significantly increased demand for our *Smucker's® Uncrustables®* sandwiches. We are continuing to produce and distribute our **Away From Home** *Smucker's®*, *Jif®*, *Dickinson's®*, and *Crosse & Blackwell®* portion control jellies, jams, preserves, peanut butter, honey, and syrup SKUs. However, it is likely that we will experience decreased demand for some of our **Away From Home** food brands and SKUs.

Our **Retail** business is experiencing increased demand and we are closely monitoring orders for our **Retail** SKUs of *Jif®* Peanut Butter, *Smucker's® Uncrustables®* sandwiches, *Smucker's®* fruit spreads, and *Crisco®* cooking oil products. Order adjustments will be made in the short term to ensure adequate supply. We will use the next several days to determine if any further action is required.

Specific to **Retail** SKUs of *Jif®* peanut butter, we have experienced unprecedented demand for peanut butter and are currently allocating supply to ensure customers can maintain inventory during this time. As a result, we are prioritizing production of the following high demand items: *Jif®* Creamy 16oz, *Jif®* Creamy 28oz, *Jif®* Creamy 40oz, *Jif®* Crunchy 40oz, and *Jif®* Creamy 96oz (club pack).

Coffee

Current Operations Status

All manufacturing facilities are currently able to produce products that are in high demand; however, our facilities are nearing or at full production capacity.

We are prioritizing production to align with customer and consumer demand. From a green coffee perspective, we are in regular contact with our suppliers to better understand their ability to meet existing orders and the potential impact of government actions on their business. We are also in contact with global logistics providers to monitor potential shifts in capacity to confirm that our needs will be met.

Actions We're Taking

To ensure the ongoing ability to service our customers, we expect to prioritize production of our top items and make proactive cuts to **Retail** SKU orders in the near future. We are continuing to produce and distribute our **Away From Home** *Folgers®*, *1850®*, *Bustelo®*, *Java*

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Coast® and other branded liquid and roast and ground coffee. However, it is likely that we will experience decreased demand for some of our **Away From Home** coffee brands and SKUs.

Equipment & Service

We are leveraging our relationships with coffee equipment and parts suppliers, and our third-party service providers, to ensure support of our Away From Home coffee business. When a customer has an installation or service request, we are working to meet their needs based on our, and their, current health and safety protocols.

Pet Food and Pet Snacks

Current Operations Status

Our pet food and snacks manufacturing facilities are running at or near full production capacity. We have added all available production days and continue to optimize our production mix to support the highest turn/volume items. We are in regular contact with our suppliers and co-pack network to understand their ability to meet existing orders and any potential impact of government actions.

Actions We're Taking

To ensure our ongoing ability to service our customers, we expect to make proactive cuts for certain products in the near future.

What impact has COVID-19 had on The J.M. Smucker Company's manufacturing operations?

To date, our manufacturing facilities have not been significantly impacted. We have full production capacity available at all locations at this time. While the situation is fluid, we have evaluated all manufacturing locations and do not anticipate any staffing shortages in the near term.

What is The J.M. Smucker Company doing to maintain service levels?

We are currently increasing weekend availability at our distribution centers with additional appointments. We are also meeting daily with our cross functional supply chain teams and strategic partners (3PLS, carriers and suppliers) to communicate any changes we are observing and doing everything possible to adjust accordingly.

How is COVID-19 impacting The J.M. Smucker Company's customer logistics capabilities?

We are working closely with all our partners to minimize any material negative impact but note the following short-term issues we are actively working to address:

- Due to increased demand, core service metrics (case-fill and on-time delivery) may be lower than traditional levels.



- Steps are being taken to smooth order volume which could result in orders being delayed 4 - 6 days. Communication will be provided to customers whose purchase orders are impacted by this potential change.
- We are doing our best to meet committed quantities but at times product may not be in the most efficient location within our network. Our teams are working diligently to ensure product is deployed appropriately to support our commitments.
- Transportation capacity is starting to become constrained in the Northeast and Western parts of the United States, which could impact timeliness of future deliveries.

What can customers do to help improve order efficiency?

Ordering in layer and/or full pallet quantities whenever possible will help us process orders faster.

What is The J.M. Smucker Company doing to support those in its communities most impacted by COVID-19?

We are continuing to work with our long-time partners, which include the United Way, Red Cross, Rescue Bank and Feeding America, among others, to provide support to the people and pets most impacted by COVID-19.

Thank you again for your continued partnership, particularly in disruptive times like we are all experiencing. As we've demonstrated, our teams are actively managing the business with the intent to avoid, or at the very least minimize, service disruption. If you have any questions, please contact your regular Smucker representative.

Sincerely,

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