Helping to bring families together to share memorable meals and moments.

We have always defined success by more than financial performance. We believe how we do things is as important as what we do. Our Purpose aims to articulate why we are in business and the impact we aspire to have on society.

Being together with the ones we love isn’t just a pleasant way to spend time—it’s vital to a healthy, happy, fulfilling life. In fact, the more family and friends spend time with each other, the richer their lives become.

We believe we can help strengthen families through the memorable meals and moments they share, and we can help make every day a little more special by nurturing the bonds that bring people together, as well as people and their pets closer together.

And the stronger families are today, the stronger our society will be tomorrow.

Quite simply, life tastes better together.
Our Message

Dear Friends

We are pleased to share The J. M. Smucker Company’s 2018 Corporate Responsibility Report. This report allows us to share our most significant accomplishments as we follow our Sustainability Strategy to create a better tomorrow. Our Strategy focuses on:

• Preserving our culture,
• Ensuring our long-term Economic viability,
• Driving positive Environmental impact, and
• Being Socially responsible.

While our sustainability goals are forward-thinking, their inspiration is rooted in our history. For more than 120 years, The J. M. Smucker Company has succeeded by doing the right things and doing things right. That mindset informs how we treat our customers, employees, suppliers, communities, and shareholders. With our Basic Beliefs (see pages 12-13) and Our Purpose to guide us, we will make a meaningful difference for the environment, as well as the people and communities we serve.

ECONOMIC

To realize our corporate responsibility priorities, we first need an economically viable business. Our strong financial foundation ensures we have the resources not only to grow our Company, but also to reinvest in people, communities, and environmental initiatives. Our brands and products can be found in 92 percent of U.S. households, and we aim to remain consumers’ brand of choice. To remain relevant amid a time of rapidly changing consumer preferences, we are adapting many of our most popular products and introducing new products to meet emerging demands. For example, we have increased the number of non-GMO offerings in our portfolio and are offering more products than ever that are natural, organic, gluten-free, whole grain, and reduced sugar or sugar-free.

We also aim to offer the brands of choice to the two-thirds of U.S. households that are home to a family pet. Pet food is the largest center-of-store category in the U.S. food and beverage market, and with the recent acquisition of Ainsworth Pet Nutrition, LLC, it has also become the largest segment of Smucker’s business. With this acquisition, we have reinforced our leadership in a category that will enable our entire business to grow.

ENVIRONMENT

Success in Smucker’s earliest days depended on wholesome, high-quality fruit from the farm. So it’s no surprise that environmental responsibility is a matter close to our hearts and central to our decision-making. We weigh environmental considerations in how we operate our facilities, develop new products, and source ingredients and other materials.

Our Company continues to make progress toward our 2020 goals for waste diversion, water use, and greenhouse gas (“GHG”) emissions. Through robust reuse and recycling programs, we diverted 92 percent of our operational waste from landfills in 2017, putting us within reach of our goal of 95 percent by 2020. Since 2014, our water use intensity has decreased by 7.2 percent, while GHG emissions intensity has been reduced by 70 percent. This represents meaningful progress toward our 2020 goals of reducing water use intensity by 15 percent and GHG emissions intensity by 10 percent. A new active energy management program is helping us to drive continuous improvement, as is a new renewable energy agreement. We have entered into a long-term power purchase agreement with Lincoln Clean Energy for 60 megawatts of the utility scale Plum Creek Wind project. Starting in 2020, the wind energy produced from this project will address approximately 50 percent of Smucker’s total electricity use.

Today, we have grown well beyond our roots of selling jams and jellies to offering coffee, peanut butter, snack mixes, fruit juices, pet foods and snacks, and more. This means that while our supply chain still begins on the farm, our sourcing network is global and is increasingly complex. We are dedicated to ensuring that our supply chains operate in a manner consistent with our Basic Beliefs and ethical standards while providing transparency to consumers who are more socially and environmentally conscious than ever before.

This includes maintaining a pledge to source 10 percent of our total retail coffee from certified green coffee sources. Our on-the-ground projects have supported more than 16,500 smallholder coffee growers and facilitated $3.6 million in loans to farmers. We have funded coffee supply chain projects in four countries to help address gender equality, climate change adaptation, farm management, and capacity building, among other issues. As our impact grows, we are applying lessons learned from our coffee supply chain to other commodities such as quinoa, specialty corn, and black pepper.

SOCIAL

Among the qualities that make Smucker unique is a common Purpose of helping to bring families together to share memorable meals and moments. Our Company unites families, friends, and pets through our products— and we also do so through support of organizations and projects that uplift people in our communities.

As a good corporate citizen, we have always believed in our responsibility to support organizations, projects, and programs that contribute to the well-being of our communities.

“Our strong financial foundation ensures we have the resources to not only grow our Company, but also to reinvest in people, communities, and environmental initiatives.”

It is in the best business interest of the Company and our shareholders, employees, and customers that we contribute to the long-term development and improvement of these communities, organizations, projects, and programs.

With the recent addition of Rachael Ray® Nutrish® to our portfolio of pet brands, we will continue to donate a portion of Nutrish sales to The Rachael Ray Foundation™. The Foundation helps animals in need with food, medical supplies, treatments, and more.

Also, in 2017 we strengthened our partnership with the American Red Cross by becoming a Disaster Responder partner, providing monetary support and product donations while continuing to match the donations made by our employees.

OUR COMMITMENT

As we adapt to a rapidly changing marketplace, we will maintain our unyielding commitment to Economic, Environmental, and Social sustainability. Our Basic Beliefs, the values that have guided us for more than a century, will continue to support our business while allowing us to make progress toward our corporate responsibility objectives.

Achieving these aims takes every one of us, and we are grateful to all of our employees and constituents for their contributions and belief that together we can make a difference. We look forward to keeping you updated on our progress and appreciate your continued support of and interest in The J. M. Smucker Company.

Richard Smucker
Mark Smucker

2018 CORPORATE RESPONSIBILITY REPORT

THE J. M. SMUCKER COMPANY
For more than 120 years, The J. M. Smucker Company has brought families together to share memorable meals and moments. Guided by a vision to engage, delight, and inspire consumers through trusted food and beverage brands that bring joy throughout their lives, Smucker has grown to be a well-respected North American marketer and manufacturer with a balanced portfolio of leading and emerging on-trend brands.

FINANCIAL HIGHLIGHTS
Year ended April 30

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<th>Year</th>
<th>NET SALES (Dollars in billions)</th>
<th>CAPITAL EXPENDITURES (Dollars in millions)</th>
<th>ADJUSTED EARNINGS PER SHARE — ASSUMING DILUTION</th>
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<td>2015</td>
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**TARGETS**

**95%**
TARGET: Divert 95 percent of waste from landfills to alternative uses by 2020.
For more information see page 52.

**15%**
TARGET: Reduce water use intensity by 15 percent by 2020.
For more information see page 53.

**100%**
TARGET: Develop a fully sustainable palm oil supply chain that ensures 100 percent of our direct palm oil purchases are from responsible and certified sustainable sources.
Achieved and maintained since 2015.

**10%**
TARGET: Purchase 10 percent of total retail coffee from certified green coffee sources.
Achieved and maintained since 2016.

**ADDITIONAL INFORMATION**

ABOUT SMUCKER

Smucker At-a-Glance

For more information see page 52.

4 THE J.M. SMUCKER COMPANY

2018 CORPORATE RESPONSIBILITY REPORT 5
Corporate Governance

The J.M. Smucker Company is a publicly traded company whose shares are listed on the New York Stock Exchange (“NYSE”). A diverse, 13-member Board of Directors governs the Company on behalf of our shareholders. The majority of our Directors are independent under the rules of the NYSE and the U.S. Securities and Exchange Commission (“SEC”). The role of the Board is outlined in the Company’s Corporate Governance Guidelines, which are designed to confirm the Board’s independence from management and its role of aligning management and Board interests with the interests of our shareholders. The Board has three committees — Audit; Executive Compensation; and Nominating, Governance and Corporate Responsibility — all of whose members are independent under the rules of the NYSE and the SEC. The Corporate Governance Guidelines and committee charters are available on our Company’s website.

The Nominating, Governance, and Corporate Responsibility Committee of the Board considers a diverse group of experiences, characteristics, attributes, and skills, including diversity in gender, ethnicity, race, cultural background, and age, in determining whether an individual is qualified to serve as a Director of the Company. While the Board does not maintain a formal policy regarding diversity, it does consider the diversity of the Board when considering Director nominees. Diversity is important because a variety of points of view contributes to a more effective decision-making process. Currently, five women sit on our 13-member Board. Additional information about the Board is included in the Company’s most recent Proxy Statement, which is available on our Company’s website.

ENTERPRISE RISK

Our enterprise risk program is managed within our Legal department. This program is directed by the Enterprise Risk Committee, which is primarily staffed by the executive leadership team. The Enterprise Risk Committee helps identify, assess, and prioritize risks that face our Company and ensures that the Board is aware and informed of these risks and the actions we are taking to close any gaps in managing them. Risks are assessed across all facets of the business, including strategic, financial, operational, and compliance areas.
WORKPLACE CULTURE

The strong values on which our Company was founded provide the standards for how we treat one another. We cultivate a workplace where people are treated like family, empowered to reach their full potential, and inspired to make a difference.
Our Culture

WHY WE ARE WHO WE ARE

A culture of dotting the i’s and crossing the t’s ...  
Of doing the right things and doing things right ...  
A culture of growth — individual and as a company.  
It’s who we are. It’s because of who we are.  
It’s a result of living our Basic Beliefs ...  

Our Commitment to Each Other. To our consumers and to our customers.  
As we look to the future of unlimited possibilities, we recognize the principles that are instrumental to our success ...  
A culture deeply rooted in our Basic Beliefs ...  
Guideposts for decisions at every level ...  
Why we are who we are.  
A culture that encourages commitment to each other ...  
Clear communication and collaboration ...  
Vision... A culture of appreciation.  
A family-sense of sharing in a job well done ...  
Where every person makes a difference.

Our Commitment to Each Other

Comments by Paul Smucker written in the 1980s.

“As Smucker’s experiences growth in the ’80s, we need to ensure that we retain one of Smucker’s most cherished goals — the mutual respect of our fellow employees and an atmosphere that makes people proud to work here. This same commitment can be enlarged to include our customers, suppliers, and shareholders.”

Paul Smucker  
(1917–1998)

Here are a few basic thoughts, when put into our everyday lives, that can help:

- **THANK YOU FOR A JOB WELL DONE**  
  This small recognition shows that we notice and appreciate the efforts of our fellow employees.
  
  By giving our undivided attention, we are showing that there is nothing more important at that moment than what is being said.

- **LISTENING WITH YOUR FULL ATTENTION**  
  By seeing the good in others, we are demonstrating our respect and confidence in their intentions to do what is right, and we are developing an atmosphere where we can grow and learn.

- **LOOKING FOR THE GOOD IN OTHERS**  
  Our work efforts are important — that is how we set the example and take the lead. Our sense of humor is also important, for that is how we maintain our perspective to our work. Humor, not at the expense of others, but as a brief relief from difficult tasks, can make our working atmosphere more pleasant and enjoyable.

  By keeping these few thoughts in our minds every day, we can build a bridge of understanding that will nourish the atmosphere in which we work and our mutual respect for each other.

  I ask for your commitment to these thoughts, I ask for your commitment to each other.
Our Basic Beliefs

Our Basic Beliefs are the Company’s values and principles that guide both strategic decisions and daily behavior. The Basic Beliefs are deeply rooted in the philosophy and heritage of the Company’s founder.

These Basic Beliefs regarding Quality, People, Ethics, Growth, and Independence have served as a strong foundation throughout our history and will continue to be the basis for future strategy, plans, and accomplishments.

In 1897, the Smucker Company was formed by a dedicated, honest, forward-looking businessman, J. M. Smucker. Because he made a quality product, sold it at a fair price, and followed sound principles, the Company prospered.

Today, we who inherit the Smucker name and the Smucker tradition of successful business operations base present practices on these time-honored values and principles. We interpret them, in terms of current business thinking, to be the guidelines for decision-making and daily interactions with consumers, customers, employees, suppliers, communities, and shareholders.

QUALITY
Our reputation and business success are built on a foundation of quality, earning the enduring trust of our constituents.

Quality applies to our brands and products, our manufacturing methods, our marketing, our people, and our relationships.

The Smucker family of brands will continue to be known as the highest-quality products offered in our respective markets. We only offer products that enhance the quality of life and well-being. We continuously look for daily improvements that will, over time, result in consistently superior products and performance.

At Smucker, quality will continue to come first.

PEOPLE
We are fair with our employees and maintain an environment that encourages personal responsibility within the Company, the community, and our lives. We expect our employees to be responsible for not only their individual jobs but for the Company as a whole. We seek employees with integrity who are committed to preserving and enhancing the values and principles inherent in our Basic Beliefs and who share a passion for Our Purpose.

Our people produce exceptional results.

• Responsible people produce exceptional results.
• The highest-quality people produce the highest-quality products and services.
• The highest business ethics require the highest personal ethics.
• Responsible people produce exceptional results.

ETHICS
The same strong ethical values on which our Company was founded provide the standards by which we conduct our business as well as ourselves. These values include honesty, respect, trust, responsibility, and fairness.

We accept nothing less, regardless of the circumstances. Therefore, we maintain the highest standard of ethics with our consumers, customers, employees, suppliers, communities, and shareholders.

INDEPENDENCE
We have a strong commitment to the stewardship of the Smucker Company and owning our own destiny. We strive to be an example of a company that can achieve success while conducting business in accordance with our Basic Beliefs.

We believe that the interests of all of our constituents — consumers, customers, employees, suppliers, communities, and shareholders — are best served by preserving the unique Smucker culture and maintaining our independence.

Growing is reaching for that potential through: • Innovation leading to the development of new products and new markets; • Discovery of new capabilities; • Acquisition of new brands and development of strategic partnerships; and • Personal growth and development of our people and their ideas.

Growth also requires that we maintain a global perspective of the world in which we conduct business and a responsibility for our impact on the cultural, economic, environmental, and social fabric of our global community.

We are committed to strong, balanced growth within prudent financial parameters. This balanced growth will enable us to meet the evolving needs of our consumers, our customers, and our Company and provide a fair return to our shareholders. We remain independent from short-term, external influences because we believe that when we make decisions with a long-term perspective, growth will naturally follow.

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We strongly believe that our proven track record of creating long-term value has been built on the foundation of our culture and independence.

To us, value means bringing families together, building brands that are among the most trusted with consumers and customers, investing in our communities, developing our people, and ultimately delivering long-term returns to our shareholders.

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Engagement

Preserving and Strengthening Our Unique Culture

Ask a Smucker employee to describe our unique culture and the word “family” will inevitably be mentioned. Since our founding more than 120 years ago, Smucker has been a family-led business and today is fortunate to have the fifth generation of its founding family leading our Company. This consistency of leadership has shaped and preserved our culture through generations. The positive values and traits inherent to family permeate our organization to help define who we are, how we treat each other, and ultimately why we are here: helping to bring families together to share memorable meals and moments.

We strongly believe that our unique culture is the foundation of our long-term business results. Therefore, preserving and strengthening the Smucker culture is a strategic priority. When we talk about our culture, we are referring to an environment that engages our employees, inspires passion for our brands, and makes people proud to work here — an atmosphere where everyone makes a difference.

ENGAGING ALL, INCLUDING EVERYONE

In recent years, Smucker has been through a significant period of growth and transformational change. Given the marketplace in which we compete, we expect this to continue to be the norm, yet our culture and people will continue to remain the foundation that contributes to our Company’s long-term success.

We use a variety of sources to solicit employee feedback and incorporate inclusiveness to strengthen our Company, nurture our culture, and ensure all employees are provided with the direction, clarity, encouragement, and resources they need to perform at their best. Inclusiveness means bringing people together with different ideas, perspectives, and histories — listening and considering their input and ideas in the work we do on a daily basis.

As an example, during 2017 we conducted our first employee engagement survey. The survey results have helped us establish a quantifiable baseline to create more targeted action plans, which further enhance our employees’ experience at Smucker.

Additionally, in early 2018, an Appreciative Inquiry Summit brought together 260 employees representing every level and location of the organization. This employee-led gathering was a creative brainstorming session that focused on unleashing the potential of every employee to drive unprecedented results while operating in an ever-changing world with industry-leading agility, yet also through a lens of inclusion, transparency, and high trust decision-making across our teams. The summit wrapped up with several key takeaways for consideration, and all who attended were empowered to share their learnings and explore other ideas to build on the positive momentum with their respective team members.

Also, our Workplace Flexibility program was recently enhanced, providing flexible work arrangements to help employees find the right balance between work and their personal lives. Flexible work arrangements are consistent with our People Basic Belief because we believe in maintaining an environment of trust that supports flexibility while encouraging personal responsibility. In return, we expect our employees to be responsible for their individual jobs and for the Company as a whole. We believe the high degree of trust we place in our employees creates an environment in which responsible people are positioned to produce exceptional results. This enables a mindset of openness to when, where, and how employees deliver on their personal performance expectations. Our openness to alternative work arrangements acknowledges that different people can perform and successfully deliver results in different ways.

Lastly, by continuing to invest in our Information Services capabilities by developing new social platforms and utilizing state-of-the-art videoconferencing services, we allow for a deeper connection and collaboration among our people and for sharing information across any device, anytime and anywhere.

The variety of tools offered to our employees enhances our overall communication practices and is one of the many ways we can bring Our Purpose of helping to bring families together to share memorable meals and moments to life while still meeting the needs of the business, our employees, and our constituents.

LEADING FROM WITHIN

The value we place on personal interaction is underscored in how we approach the relationships between managers and employees — a significant part of every employee’s experience with the Company and a key way we foster engagement. We are a principles-based organization, which means that while formal policies have their place, we empower our people to act and to share responsibility for everything around us.

This begins with an open and transparent manager–employee relationship and effective and engaging employee communication. In the spirit of Paul Smucker’s legacy, we encourage our leaders to “manage by walking around” and act as role models of our Basic Beliefs and Our Commitment to Each Other to nurture a culture that makes our employees proud to work here. We demonstrate this philosophy by locating the offices of our senior leaders among their respective teams rather than in a C-suite executive office space.

Creating a strong foundation of mutual respect and trust allows employees to approach managers with both positive ideas and concerns, if and when they arise. We challenge our managers to know their employees as individuals; become invested in their development; and provide ongoing, candid coaching and feedback that enables them to grow.

We believe it is in the long-term best interests of our employees and the Company to work together directly. Nevertheless, we have always respected our employees’ right to be represented by a third party. Today, fewer than half of our manufacturing facilities in North America are covered by collective bargaining agreements.
We have a long-held philosophy of hiring people for a career — not just an individual job. This philosophy is supported through a holistic approach focused on every phase of an employee’s career with Smucker: from recruitment and onboarding to retention and development and through to retirement. Though there are different needs, opportunities, and challenges to address within each of these phases, strong relationships are the common theme among them all.

We recruit talent through multiple well-proven channels:

- Our Employee Referral Program enables Smucker employees to recommend qualified candidates for available positions, which tends to provide a pool of candidates inherently better aligned with Smucker’s unique culture than might be found through other channels.
- Local and regional partner universities, where we work across campuses to build relationships with students and faculty, bring a wealth of talent to our door.
- Interns and co-op students, who annually number more than 100 across all plants and corporate functions, are encouraged to apply for full-time positions.

We help employees prepare for their first day before they even step through the door. Our New Hire Orientation ensures that each new employee receives a consistent introduction to our Company and culture through:

- A company overview and tour
- A summary of resources, policies, and benefits
- E-learning modules on our core strategy and an overview of the consumer packaged goods sector, Smucker brands, and locations.

We’re proud of an employee retention rate that is well above the industry average and believe it reflects our organization’s unique encouragement of employees to explore different functions across the Company. We facilitate this through:

- A promote-from-within mindset that is focused on career mobility;
- Internal posting of available positions so that all employees have the ability to apply; and
- Empowered employees who can take the initiative to explore and build the necessary relationships to learn about all functions and options that interest them.

Professional development reflects our Growth Basic Belief of personal growth and development of our people and their ideas. Programs develop our employees across multiple disciplines and immerse them in cross-functional environments, including:

- Our Company: Why We Are Who We Are teaches all new employees how to be successful within Smucker and how individual work relates to overall Company strategic initiatives.
- Discovering the Art of Leadership introduces the fundamentals of the Smucker approach to managing people, focusing on the importance of leadership, Smucker People Manager processes, and key leadership concepts.
- Mastering the Art of Leadership helps managers understand how to set the “climate” for their teams and focuses on more advanced leadership concepts in order to provide a deeper understanding of the leader role.
**Employee Well-Being**

**Supporting Employees’ Lives as a Whole**

Personal well-being is about more than physical health. It’s a way of life that leads to more balanced, healthier, and happier living. It is a path shaped by daily choices, and it means something different for each individual. Well-being is important because it enables people to perform at their best — both at work and at home.

Caring for our employees is consistent with our culture. We believe in the value of investing in an overall environment of health and well-being for employees. Not only is this the right thing to do, but it also makes natural business sense: Happy and healthy employees performing at their best translates into better business performance. This philosophy is reflected in our holistic approach to well-being and in our Total Rewards program.

Total Rewards supports the physical, financial, and emotional well-being of our more than 7,000 employees. The program encompasses the compensation, health and welfare benefits, retirement benefits, work environment, professional development, workplace flexibility alternatives, and community involvement opportunities provided or offered as options to our employees.

The Total Rewards program supports the physical, financial, and emotional well-being of our more than 7,000 employees.

This framework enables us to attract top talent, motivate and reward our employees, and ensure that we remain competitive in the marketplace. It is an approach that is financially sustainable for the long term and, importantly, can be implemented in a consistent and fair manner across our businesses. Several core philosophies are incorporated into Total Rewards:

- A shared responsibility between employees and the Company for physical, financial, and emotional well-being
- Compensation and benefits that are competitive with other large consumer packaged goods companies and financially sustainable over the long term
- Performance rewarded on both the success of the Company and the contributions and performance of individuals — recognizing and reinforcing the spirit and belief that every employee makes a difference
- Ability for employees to integrate their personal and professional needs and commitments through a supportive culture of trust and workplace flexibility alternatives — enabling employees to live Our Purpose and enjoy time away from work for rest and renewal
- An environment of resonant leadership that nurtures and inspires mindfulness, hope, and compassion

Total Rewards plays an important part in building and reinforcing the Smucker culture. It’s an approach that reflects our belief that while competitive pay and benefits are essential, work environment, workplace flexibility, professional development, and the support of family, relationships, and community are ultimately what enrich our culture and result in mutual success.

We have developed Total Rewards to help employees and their families improve or maintain physical, emotional, and financial well-being — all of which are interconnected. We offer a variety of options that support employees through all stages of their lives and careers. These take the form of actual rewards, such as salary, paid time off, and financial incentives, as well as our culture’s inherent support of balance and renewal in the lives of our employees.

**Employee Safety and Security**

We continue to focus on the health of our people and the safety of our workplace, with an overall Company goal to reduce our total incident rate and our incident losses to zero. We believe employee health and safety are everyone’s responsibility, and all of our employees have an opportunity to contribute to our goals. We continue to deliver best-in-class performance for employee safety across the Company.
A motivating environment is one in which our employees are encouraged to work in a manner that enables them to do their best. The goal is to create a warm, welcoming environment that facilitates open communication and interaction among employees. Our corporate campus is intentionally designed to provide a sense of community where people are proud to gather, work, and learn from one another. A range of amenities and flexible work options facilitate this.

**Ethics**

**Doing Things Right**

As one of our Basic Beliefs, Ethics is the foundation of successful, sustained business relationships with our consumers, customers, employees, suppliers, communities, and shareholders.

Our Code of Business Conduct and Ethics is an extension of our long-standing principles and values. It is a resource that guides daily conduct in the workplace. The Code outlines our expectations across numerous areas and situations in which ethical choices might be necessary, such as creating a positive work environment; engaging with customers, suppliers, and competitors; handling confidential information; avoiding conflicts of interest; avoiding the exchange of gifts, meals, and entertainment; avoiding bribery and corruption; and avoiding insider trading. Recently revised and refreshed in early 2018, several important enhancements were made, including adding provisions on workplace safety and health, workplace violence, advertising and product labeling, human and workplace rights, international trade, and environmental protection and sustainability.

Our Ethics and Compliance team is centralized within our Legal department to create a more robust presence throughout the organization. The Ethics and Compliance team is focused on:

- Helping Our Employees by providing tools and resources and encouraging a safe environment;
- Protecting Our Company by preventing criminal and unethical conduct, identifying operational efficiencies, and mitigating risk; and
- Maintaining the Respect and Trust of Our Constituents by demonstrating commitment to integrity and protecting our reputation and brand.

At Smucker, we define ethics as a set of moral values that guide us in knowing the right thing to do and doing things right. Compliance is following all applicable laws and Company policies. It is important for employees to understand the difference, especially in the complex business environment in which we operate. During the past three years, we have strengthened our compliance program to better support our employees in these areas.
We have a deep understanding of consumer needs, a pulse on emerging trends, and an obsession with delighting our consumers. In a digitally powered, omnichannel world, this means delivering meaningful products and experiences, inspired design, and relevant communication at every touch point. This consumer centricity powers the growth of our portfolio of iconic brands and high-growth emerging brands, and guides innovation and acquisition of new brands.
Our Vision and Purpose

Helping to bring families together to share memorable meals and moments.

We have always defined success by more than financial performance. We believe how we do things is as important as what we do. Our Purpose aims to articulate why we are in business and the impact we aspire to have on society.

Being together with the people and pets we love isn’t just a pleasant way to spend time — it’s vital to a healthy, happy, fulfilling life. In fact, the more family and friends spend time with each other, the richer their lives become. The same can be said of people and their pets. We believe we can help strengthen families, friendships, and the bonds people have with their pets through memorable meals and moments. By nurturing the bonds that bring people together, as well as people and their pets closer together, we can help make every day a little more special. And the stronger these bonds are today, the stronger our society will be tomorrow.

Quite simply, life tastes better together.

Achieving Our Purpose is what motivates and inspires our employees — people who strive every day to provide high-quality products that feed and nurture people and their pets.

We are honored that consumers choose our iconic brands and portfolio of trusted products as part of everyday meals, snacks shared with friends, family celebrations, and to feed pets throughout all stages of their lives. It is through these times that we connect with each other, nurture relationships, build meaningful traditions, and create lasting bonds with those most special to us.

A PORTFOLIO THAT COMBINES

#1 LEADING BRANDS WITH EMERGING, ON-TREND BRANDS TO DRIVE BALANCED GROWTH.

Our Vision:
Engage, delight, and inspire consumers through trusted food and beverage brands that bring joy throughout their lives.
Choice and Innovation

As a leading marketer and manufacturer of food and beverage and pet foods and pet snacks products in North America, we have a responsibility to continually educate consumers about making wise food choices — for themselves, their families, and their pets.

Within our family of consumer food and beverage brands, our goal is to offer a variety of products to meet consumers’ diverse needs and preferences. This variety includes multiple flavors and product options, such as natural, organic, and non-GMO products; reduced-sugar and sugar-free alternatives; gluten-free options; and whole-grain offerings. In the past year, we have increased the number of non-GMO offerings within our portfolio, and nine of our manufacturing facilities are non-GMO certified.

Our focus on providing choice includes not only people but also their pets — cherished members of the family. Our pet foods and snacks business enables us to deepen the emotional bond we create with consumers and broadens our connection with the two-thirds of U.S. households that include a family pet. Our portfolio includes Rachael Ray Nutrish, Meow Mix, Milk-Bone, Kibbles ‘n Bits, Nature’s Recipe, and Natural Balance, to name just a few. Similar to trends in consumer food preferences, pet parents are seeking specialized food and snack options for their dogs and cats. To meet these preferences, we offer a variety of Limited Ingredient Diet (“LID”), whole grain, grain-free, and high-protein dog and cat food choices. We also introduced Milk-Bone Farmer’s Medley — a line of dog treats made with USA-sourced meat and easy-to-recognize ingredients, free of fillers, corn, artificial flavors, and preservatives.

PRODUCT INNOVATION

We continue to make significant investments in product innovation to provide consumers with additional choices to meet their diverse needs for taste, convenience, wellness, and value across all of our product categories. We also continue to collaborate with retail partners at our Smucker Innovation Center to generate new ideas and opportunities, provide forward-thinking content, and build on our strong customer relationships.

This state-of-the-art facility, located at our corporate headquarters, features interactive presentations and hands-on learning technology to help us gain insights into shopper behaviors and preferences, retail solutions, and in-store execution to better serve our consumers and customers. The Smucker Innovation Center is a key platform to collaborate and expand our relationships with our customers and other constituents while further showcasing our Company’s heritage and ongoing focus on innovation.

How We Align Innovation and Consumer Trends

Demographic, lifestyle, and economic factors all play a role in influencing consumer food trends. Here’s how we’re innovating across our portfolio to meet the specific preferences of our consumers.

MEOW MIX BISTRO RECIPE

This new line features tasty ingredients baked into crunchy kibble to bring out delicious, natural flavors for cats.

NATURAL BALANCE LID HIGH-PROTEIN FORMULA

Free from grains, potatoes, and fillers, these formulas feature one animal protein source and two primary carbohydrate sources, helping pets avoid ingredients commonly associated with food sensitivities.

R.W. KNUDSEN FAMILY® ORGANIC JUICE

Nearly half of these juices feature USDA organic, Non-GMO Project™ Verified ingredients.

1850®

Our new premium coffee platform, inspired by Folgers heritage, features fire-roasted and steel-cut Arabica beans for a bold, smooth flavor.

SAHALE SNACKS®

Carefully crafted nut mixes are free of artificial flavors and preservatives, and are non-GMO Project Verified, and Certified Gluten-Free.

JIF POWER UPS™

These grab-and-go snacks contain 6 grams of protein per serving and are perfect for those looking for a delicious bite to eat on the run.
Quality and Food Safety

When Jerome Monroe Smucker began selling apple butter from the back of his horse-drawn wagon, each crock bore a hand-signed seal as his personal guarantee of quality. Five generations later, the Smucker name remains associated with the highest-quality products. So it is fitting that Quality is not only one of our Basic Beliefs but also one of our Smucker Quality Management System (“SQMS”) Pillars, an internal and integrated work system that is composed of 12 Pillars, or Centers of Excellence. We embed our quality mindset and culture into everything we do. Our quality initiatives focus on achieving zero product defects or quality incidents, as well as ensuring that product quality specifications and all product regulatory requirements are met or exceeded. At Smucker, quality continues to come first.

Audits of our internal manufacturing sites, contract manufacturing sites, and supplier sites are a key part of our Company’s quality assurance program. This approach promotes a focused and continuous process that identifies improvement opportunities within all relevant internal and external quality assurance programs. Additionally, many of our employees are engaged in food safety training with universities, technical organizations, and third-party consultants across the country.

We support and participate in the Global Food Safety Initiative (“GFSI”) managed by The Consumer Goods Forum, an independent global network for consumer goods retailers and manufacturers. GFSI has certified a limited number of organizations, or “auditing bodies,” whose auditing practices meet GFSI’s rigorous global quality and food safety standards. All Smucker sites are currently GFSI-certified.

The Company supports the Food Safety Modernization Act (“FSMA”), which vests food companies with many new responsibilities. The legislation has a major focus on prevention, with risk-based priorities to ensure a safe food supply for all consumers. We have implemented all required provisions of the law for all of our manufacturing plants.

Additionally, all quality managers and other plant personnel who support FSMA have undergone the required Preventive Control Qualified Individual (“PCQI”) training. This training equips key employees to implement their plants’ food safety plans.

We embed our quality mindset and culture into everything we do. At Smucker, quality comes first.

Labeling and Product Information

The labeling of our products is an important element of our consumer education, brand building, and marketing efforts. Transparency in labeling allows our consumers to make the most informed purchasing decisions based on what is best for their families.

This commitment to transparency aligns with new regulatory changes in the way the Nutrition Facts label discloses information. We support the new federal requirements for modernizing nutritional labeling information to reflect current and relevant nutrition science. The Nutrition Facts label will soon include both the amount and the percentage of the Daily Value of vitamin D, potassium, and added sugars. These changes also support a commitment we have made with others in the food industry, through The Consumer Goods Forum, to “provide transparent, fact-based information that will help consumers and shoppers make informed product choices.”

We also continue our commitment to federal bioengineered food labeling regulations. These regulations will require labeling of foods that are bioengineered, or that include bioengineered ingredients. Disclosure must be through text, a symbol, or a scannable code, such as a SmartLabel™ QR code. Once the government has fully developed the language and guidelines for labeling, Smucker will implement these requirements across all products that contain bioengineered ingredients.

IMPLEMENTING SMART LABELS

The SmartLabel™ program leverages digital technology and smart devices to provide consumers with another way to easily access detailed product information, such as nutrition, ingredients, descriptions, allergens, certifications, and information about bioengineered ingredients, among many other product attributes. Our implementation of SmartLabel™ began in late 2017 through the addition of information on our brand websites and by adding Quick Response (“QR”) codes on some of our products.

For more information about SmartLabel™, visit SmartLabel.org.
Smucker has a long-standing commitment to responsible marketing and advertising, with guidelines in place regarding advertising placement, content, and target audience. Our guidelines prohibit marketing to children under the age of 18. Although marketing programs and packaging may appeal to the entire family, our messaging is directed to adults, with advertisement placement limited to programming and media outlets where children constitute no more than one-quarter of the audience.

We are committed to the same stringent guidelines and principles as more of our marketing and promotion expenditures are directed to a digital environment. The same high standards that we have always insisted upon in an offline environment extend to the online environment. This includes programmatic digital advertising, which uses algorithms to determine product placements on sites based on consumer preferences.

**CONNECTING WITH CONSUMERS**

We make open and ongoing dialogue with our consumers a priority. Our marketing practices include frequent research into consumer preferences and needs in order to help guide our product development initiatives. Our Consumer Communications Center is staffed with representatives who serve as an important link between our Company and consumers through daily phone and email interaction. These representatives, who are based at our headquarters, receive extensive training so they are well-equipped to provide information and answer questions about our entire portfolio of products.

Digital and social media continue to be key components of our consumer outreach because these channels play to the evolving dynamic of food as an experience. As we look to maintain a continuous dialogue with our consumers, we have a Social Media Command Center at our headquarters. Using a combination of multimedia tools, we listen to and engage with our consumers through nearly 100 digital and social media properties across our brands. These interactions also serve as a resource to gather consumer insights and feedback. We use these and other insights to make our messaging more relevant to our consumers.

**Communicating With Consumers by the Numbers**

- **350,000**
  - The Consumer Communications team handles approximately 350,000 consumer contacts annually across phone, email, web chat, and social media.

- **5 MINUTES**
  - On average, representatives are able to effectively resolve consumer phone calls in roughly 5 minutes.

- **TOP 3**
  - The top three brands consumers contact us about are Smucker’s, Folgers, and Jif.

- **10,000**
  - Leveraging the Consumer Communications Command Center, the team tracks brand-specific social conversations and responds to roughly 10,000 consumers each year on social media.

- **TOP 3**
  - Consumer contacts often lead to online sales.
Operating responsibly applies not only to how we run our own business but also to the actions of those who grow our raw ingredients, from strawberries and peanuts to quinoa and coffee beans. Smucker has a comprehensive strategy for ensuring our food ingredients are safely, sustainably, and ethically produced.
Supplier Expectations

We consider the strength and quality of our relationships with all constituents a core competency for Smucker. Relationships with suppliers are particularly important, given they directly impact our ability to meet the product quality and performance expectations of our consumers and customers. To this end, we seek suppliers that have a strategic fit with our business; are aligned culturally and ethically and support our Basic Beliefs; and meet our operational excellence standards for quality, delivery, and location.

Suppliers must operate transparently, responsibly, and sustainably in order to minimize social and environmental risks across our supply chain. We expect every supplier to conduct its business with the same high standards of honesty, fairness, ethics, and regard for the environment that we apply to our own business.

Smucker is taking a further step in its commitment to corporate responsibility with the creation of the Responsible Sourcing function in order to consolidate and enhance our responsible sourcing activities. We will roll out our global Responsible Sourcing Program by the end of calendar year 2018.

The mission of the Smucker Responsible Sourcing Program is to:
• Ensure that all Smucker products are produced ethically and in accordance with local laws and standards;
• Empower the workers of our supply chain with the management of social, ethical, and environmental impacts in their communities;
• Protect our business and brand reputation, and mitigate risk for our customers by implementing effective and proactive supply chain risk management systems; and
• Create competitive advantage by building capacity for our suppliers so that they can meet our responsible sourcing standards and expectations.

Our Global Supplier Code of Conduct emphasizes our strong stance on human rights. The Code requires direct suppliers to contractually agree not to employ children, prison labor, or indentured or bonded labor, or to participate in human trafficking. We also expect our suppliers to maintain and enforce a safe working environment for their employees and one that meets or exceeds all applicable industry and government safety standards.

As part of our supply chain assessment, in addition to quality audits we perform scheduled social compliance audits and look for any evidence of human rights violations in targeted supplier facilities. We continually evaluate these risks as our Company grows, and conduct training programs for supply chain personnel on how to manage identified risks that could threaten our commitment to our Basic Beliefs.

HUMAN RIGHTS
As part of our commitment to eliminate human rights issues in our supply chain, we are active in The Consumer Goods Forum’s social sustainability efforts, which focus on eradicating forced labor from the supply chains of their members. We have committed to supporting the following Priority Industry Principles:
• Every worker should have freedom of movement.
• No worker should pay for a job.
• No worker should be indebted or coerced to work.

As a member organization, Smucker seeks to apply these principles across our supply chain to all workers, regardless of employment status, location, contractual arrangements, or role.
Green Coffee

As a market leader in the U.S. coffee category through our Folgers, Dunkin’ Donuts, Café Bustelo, and Café Pilon® brands, we are one of the largest annual purchasers of coffee in the nation. Since 2012, we have pursued a three-pronged green coffee sustainability strategy built around Responsible Sourcing, Smallholder Support, and Integrated Environmental Efforts. We are proud of our impact throughout the past five years, as outlined on page 37.

RESPONSIBLE COFFEE SOURCING

Smucker is committed to purchasing green coffee in a responsible manner, and we have extensive internal processes and controls to ensure this commitment. Our coffee suppliers, for example, must sign and abide by our Master Agreement and Operating Guidelines, which address laws pertaining to human rights, environmental practices, and safety procedures. Our coffee-trading team, with offices in the U.S., Brazil, and Vietnam, has years of industry experience and has developed many long-standing supplier relationships, which are invaluable to ensuring the integrity of our efforts. In addition, this team conducts site visits to coffee-producing countries each year to maintain open and transparent dialogue.

Since 2016, we have sourced 10 percent of our total retail coffee from certified green coffee sources, including Rainforest Alliance and UTZ.

SMALLHOLDER SUPPORT IN CENTRAL AMERICA

Much of the world’s coffee supply is grown by individual farmers on small parcels of land in developing countries, where the opportunity to improve agricultural and business practices is often significant. A sustainable coffee supply and the economic viability of these small growers are intrinsically linked. For this reason, we partner with leading nonprofit organizations to better address holistic and systematic improvements in coffee growing regions.

One of those organizations is TechnoServe, a well-respected nonprofit dedicated to empowering people in the developing world to build businesses that break the cycle of poverty. TechnoServe has developed an adult learning model for coffee farmers that incorporates information with a hands-on approach, along with demonstration plots to show results. In 2017, TechnoServe had 17 active coffee projects in 10 countries, assisting 80,000 beneficiaries, 35 percent of whom were women.

Currently, we are in the fourth and final year of the Better Coffee Harvest Project (“BCHP”), a partnership with TechnoServe, the United States Agency for International Development (“USAID”), and the PIMCO Foundation, to help mitigate the detrimental effects of coffee leaf rust in Central America, specifically in Nicaragua and El Salvador. The goal of this project is to help smallholder coffee farmers increase their productivity and farm sales by more than 25 percent through the adoption of good agricultural practices. In order to do this, the project provided intensive training to farmers as well as support to access financing and quality planting materials.

TechnoServe’s expertise in coffee farming and Central America enabled faster-than-expected project results. To date, the program has exceeded its goal to reach 6,000 smallholder coffee farmers by engaging and registering nearly 9,445 participating farmers, 26 percent of whom are women.

Given the challenges that climate change continues to impose on the coffee-growing regions of Central America, BCHP put an Environmental Mitigation Plan (“EMP”) in place to analyze the potential negative impacts on the environment and promote good agricultural practices.
In 2017, the BCHP hired an external consultant to assess its compliance with 30 key environmental mitigation measures outlined in the EMP, in El Salvador and Nicaragua. Using both qualitative and quantitative data, this monthlong assessment determined the BCHP complied with 93 percent of these key indicators and 70 percent of the recommendations provided in the 2016 midterm evaluation. Additionally, all 9,445 farmers received Climate-Smart Agriculture training, and 7,387 received Integrated Pest Management training. This work continues to demonstrate the BCHP’s commitment to using sustainable agricultural practices as a means to improve coffee farmers’ livelihoods and the success of coffee growing in this region.

Additional BCHP accomplishments include:

• Increased smallholder yields by 34 percent in El Salvador and 30 percent in Nicaragua;
• Facilitated $3.6 million in loans to 991 farmers;
• Post-project job placement for 65 percent of this monthlong assessment determined the BCHP its compliance with 30 key environmental mitigation measures, including:
  • Achievement of Good Agricultural Practices (“GAP”) certification by four nursery operators in Nicaragua, and exporters; and
  • Post-project job placement for 65 percent of community trainers at coffee sector NGOs and exporters; and
  • Achievement of Good Agricultural Practices (“GAP”) certification by four nursery operators in Nicaragua, representing 35,000 high-quality coffee plantlets.

Looking ahead, TechnoServe, the U.S. Department of Agriculture, and Smucker officially launched the MAS PLUS Project in Honduras during 2017. MAS PLUS largely continues the same type of work conducted by the BCHP, and the program is estimated to assist another 24,000 coffee farmers during the next five years.

SMALLHOLDER SUPPORT IN INDONESIA

For more than four years, we have been working on the ground in Indonesia with the Hanns R. Neumann Stiftung (“Neumann Foundation”), a private nonprofit development organization based in Germany that implements sustainable economic development programs and projects with smallholder coffee farmers around the world. We’ve been collaborating on a direct outreach project with smallholder coffee producers in the mountain regions of southern Sumatra. Indonesia is a significant producer of coffee but is challenged by extremely low yields that often result in difficult economic, social, and environmental conditions in farming communities. The project’s goal is to increase coffee yields by 50 percent for up to 5,000 participating farmers by providing them with technical expertise and farmer organization support.

The significant damage caused by El Niño in 2015 and La Niña in 2016 has increased farmers’ interest in understanding how their farms can be more resilient to these severe climatic events. During 2017, farmers adopted new practices at a rate of 57 percent, compared to 15 percent in 2016. Program participants have also learned the importance of healthy, nutritious soil as a means to greater productivity, and have started to incorporate Integrated Farm Management techniques, such as shade trees, onto their farms.

ENVIRONMENTAL EFFORTS AND INDUSTRY RESEARCH

As one of the world’s leading coffee roasters, Smucker is committed to ensuring that coffee production around the world can keep pace with rising demand while protecting natural resources. We partner with World Coffee Research (“WCR”), which aims to increase the availability of quality coffee in a sustainable manner through research and development. WCR does vital work to address the challenges facing coffee in the 21st century, including preparing for climate change, increasing yields, improving farmer profitability, protecting and increasing quality, and controlling disease and pests.

Due to the project’s success and visibility, registration has now reached more than 7,000 farmers, many of whom live in remote areas with limited access to extension services or best practices. Active training continues with these farmers, who are organized into 309 farmer groups, and has increased significantly as project technicians have equipped farmer trainers and government extension officers to lead sessions on their own. With more than 84,000 training contacts accumulated since 2014, this training takes an intensive, farmer-centric approach in which the participants are active in determining what type of training they need. Over the course of this project, farmers have increased yields by 50 percent. This productivity is significantly higher than the regional average.

In 2017, WCR published Global Coffee Conservation Strategy for Coffee Genetic Resources, a comprehensive strategy to conserve the future of coffee with The Crop Trust. This work assessed the security of the current conservation system by identifying its gaps, resource requirements, constraints, and improvement opportunities. The recommended strategy includes six high-priority actions to transition our current system toward a model that fosters global coffee conservation.

WCR also announced in 2017 that it is building the world’s largest network of on-farm coffee trials, called the Global Coffee Monitoring Program. This 20-country program will use 500,000 coffee trees on 1,100 sites to collect a global data set on agricultural practices to assess farmer training protocols. As WCR’s largest project to date, it is designed to test how different combinations of varieties and climate-smart agricultural interventions affect yield, coffee quality, and farmer profitability. The trials will provide farmers with improved varieties and farming approaches, acting as a key mechanism for disseminating new technologies and knowledge to producers worldwide. The program is expected to reach 25,000 farmers.

To ensure the world’s best varieties are available to the largest possible number of coffee producers, WCR continues its global varietal exchange in the International Multilocation Variety Trial. Currently, 14 countries have received the 31 top-performing varieties in the world, where they are planted, grown, and evaluated in standardized research plots. Each country monitors how the different varieties perform under local conditions so they can select the best-performing varieties and make them available to coffee farmers in their country. During 2017, 19 countries participating in the trial saw their first vegetative growth measurements, a significant achievement for the future of coffee in these countries. This, and other WCR research, continues to have a positive impact on the coffee supply chain, from agriculture and processing to exporting, roasting, marketing, and consumption.
Palm Oil

Though palm oil represents a relatively small percentage of our commodity purchasing, it is a versatile stabilizing ingredient found in a range of products across our business, from pet food to ice cream toppings. Due to the social and environmental risks involved in the palm oil supply chain, we are committed to maintaining a fully sustainable and traceable palm oil supply chain, as we have since 2012 when we made our first Roundtable on Sustainable Palm Oil (“RSPO”)-certified palm oil purchases. Additionally, seven of our manufacturing facilities are now RSPO supply chain-certified. These facilities are subject to additional RSPO training, record-keeping, and physical handling protocols.

Today, 100 percent of the palm oil we purchase is directly from responsible and certified sustainable sources — 82 percent of which comes from Indonesia and 17 percent from Malaysia. While 100 percent is traceable to the mill, we continue to work toward tracing 100 percent of our palm oil purchases to the plantation on which they were grown, a commitment that we hope to achieve by 2020. At the start of calendar year 2018, our purchases are roughly 30 percent traceable to the plantation.

Seafood

Seafood is part of the supply chain in our pet food and pet snacks business, which uses fishmeal in canned, wet pet food. In recent years, there have been reports about the use of forced labor through the practice of transshipping in certain areas of the world.

At sea transshipping moves fish from one ship to another at sea. We have a zero-tolerance policy for illegal transshipments at sea and strictly ban the practice throughout our supply chain. We require all our suppliers to provide us with appropriate legal documentation to validate they are not sourcing their seafood in this manner.

To help eradicate forced labor practices in regional seafood supply chains, we are members of the Seafood Task Force, which is focused on addressing fishing labor practices in the Gulf of Thailand in Southeast Asia. Member organizations include U.S. and European retailers, manufacturers, seafood companies, importers, governments, and NGOs, all of which work together to drive measurable social and environmental change in the Thai seafood industry through greater supply chain accountability, verification, and transparency.

Black Pepper

Some of the finest ingredients in our Sahale Snacks products are sourced from Vietnam, including cashews, cinnamon, and black pepper. Our partnership with PeaceTrees Vietnam is part of an ongoing effort to help the people who help us make delicious snacks. Among its many missions, PeaceTrees is dedicated to healing the land by making it safe for children to play, farmers to prepare the soil, and families to build their homes by helping clear unexploded bombs and land mines.

The Black Pepper Farming Project is a program funded by PeaceTrees that provides poor, largely ethnic-minority farmers in the Cheng Village of Tan Lien Commune with trees and fertilizer, and trains the farmers to grow their own black pepper plants to earn an income for their families.
Quinoa

Our truRoots® brand features organic, gluten-free, and non-GMO ancient grain products, including sprouted and nonsprouted grains, pastas, beans, legumes, and seeds. The brand works with Fundación Valles (“FTDA Valles”), a foundation that offers innovative technology to support the development of rural economies and builds capacity for sustainable production of organic quinoa through the support of small-scale, indigenous farmers in the Altiplano, or “high plain,” regions of Bolivia. Through our partnership with FTDA Valles, we are helping local growers bring consumers a sustainable product from farm to fork.

During 2017, the program focused specifically on strengthening traceability mechanisms from the field to the supplier, continuing to improve producer capability to achieve organic certification, and implementing new integrated pest management techniques. Specific project objectives and outcomes included:

- Establish organic quinoa traceability mechanisms from the field to the supplier
  - Delivered 402 metric tons of organic quinoa from growing associations

- Continue to strengthen producer capacity on National Organic Program (“NOP”)-USDA production standards and organic certification
  - Provided technical assistance to 317 small producers
  - Certified 1,420 hectares despite a 23 percent loss due to climate effects
  - Obtained organic production certification under NOP-USDA standards for 2018
  - Held 21 workshops on environmental protection, traceability, pest management, and biological input management

- Implement new integrated pest management techniques
  - Delivered nine different types of soil improvement, foliar fertilizing, and insecticide bio inputs to producers

Specialty Corn

Through our Mill-shed project in Tennessee and Kentucky, we work with growers who are focused on optimizing nutrient management and sustainable practices. The project utilizes the Field to Market® online calculator which allows farmers to input data and compare their activities with other farmers in their region. Growers provide data pertaining to farm activities, including fertilizer use, water use, soil practices, and GHG emissions, which enables continuous improvement of their farming practices. We also analyze this information with our mill partner annually to highlight results and find opportunities for further improvement of sustainability practices. Each year in our annual grower meeting, we bring in experts to speak on topics of interest regarding sustainability.

More than 94 percent of all the participating farms are no-till, meaning they grow their crops without plowing the soil. This progressive farming practice helps prevent soil erosion and increases organic matter and nutrient cycling within the soil. Many of our farmers have been practicing no-till agriculture since the 1970s, and their continued no-till practice is a testament to long-standing commitments to sustainability practices. These efforts eliminated the anticipated use of an estimated 65,000 gallons of diesel fuel. It also helps in preserving and maintaining healthy soil through the improvement of root growth and water-holding capacity.

In addition to practicing no-till agriculture, 11 percent of these farmers irrigate their crops, as irrigated fields average about 52 more bushels per acre than only rain-fed plots. Of the farmers who irrigate their fields, 78 percent replaced fuel-intensive diesel pumps with electric-powered water pumps. Since the program’s start, the use of electric power instead of diesel fuel in crop irrigation has avoided the release of 323,000 pounds of CO2 equivalents, which is equal to the annual emissions from 31 U.S. cars.

SPECIALTY WHITE CORN MILL-SHED BY-THE-NUMBERS

- 20 Growers
- 6.2M Bushels
- 36,787 Acres
- 22% Higher Yield Since 2015 Using Sustainable Farming Practices
Fruit

As a leading producer of jams, jellies, preserves, and juices, the Smucker’s brand is synonymous with fruit. We partner with industry-leading organizations and growers to support research and best practices for the long-term viability of fruit supply chains across the U.S. Though fruit is a small portion of our total ingredient purchases, we buy thousands of tons each year, 80 percent of which is processed in our own facilities. This means we often work directly with growers to promote safe, high-quality production.

We regularly sample and test our fruit for more than 400 pesticides before using it in our products, and prohibit all substances and residues banned by the U.S. Environmental Protection Agency and the Food and Drug Administration. Smucker also participates on several fruit-growing commissions, composed of growers, processors, and manufacturers, that collaborate to support industry research and grower education.

The California Strawberry Commission (“CSC”) is a state government agency charged with conducting research to support California’s strawberry industry, with an emphasis on sustainable farming practices. As an active member, Smucker works with CSC on funding various research projects, ranging from environmentally friendly agricultural practices, integrated pest management, solar treatments, soil health, and crop rotation to irrigation management, pesticide reduction, and strawberry varieties. We also work with both the Oregon Raspberry and Blackberry Commission and the Washington Red Raspberry Commission to promote sustainable red raspberry, black raspberry, blackberry, and boysenberry production.

In addition to working with industry commissions, Smucker works directly with growers that engage in on-the-farm research. For example, raspberry and blueberry producer Enfield Farms, in Lynden, Washington, seeks to foster proper irrigation and soil health to maintain a healthy balance of nutrients and soil biology to plant the best-quality plants in the best-quality soil. It also runs a berry breeding program to develop disease-resistant and machine-harvestable berry varieties. The aims of this breeding program are not only to produce high-yielding, high-quality fruit but also to help reduce the need for chemical inputs.

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Respect for the environment is part of Smucker’s heritage. We are committed to becoming a more sustainable company, with goals to reduce our impacts related to greenhouse gas emissions, water, and waste. Continuous monitoring and auditing help us uncover new areas for improvement.
Sustainability Approach

Environmental responsibility has been a consistent part of our heritage. Today, we incorporate environmental considerations into virtually every aspect of our operations — from large projects, such as the construction of LEED® (Leadership in Energy and Environmental Design)-certified facilities, to everyday practices, such as the use of recyclable materials in our cafeterias. In 2017, we captured all of these actions and our future aspirations into a comprehensive 2020 Sustainability Strategy, which is focused on delivering our 2020 Environmental Goals and achieving a sustainability mindset across the organization in line with our business strategies.

CSR AND SUSTAINABILITY GOVERNANCE

Our Vice President, Government Relations and Corporate Sustainability (“Vice President”), is the executive sponsor of the Company’s cross-functional Sustainability Steering Committee (“Committee”) and has the highest level of direct responsibility for climate change initiatives within the Company. This Committee, which is chaired by our Director of Sustainability, leads our sustainability goal-setting and related efforts, including actions to mitigate climate change risks and pursue opportunities to reduce emissions. The Committee meets on a regular basis to prioritize and report on the progress of the various sustainability efforts throughout the Company. The Vice President reports on these activities to our executive leadership team, including the Chief Executive Officer and Board of Directors through its Nominating, Governance and Corporate Responsibility Committee.

PLANT-LEVEL LEADERSHIP

We have active sustainability programs at each of our manufacturing locations, all of which have a specific project plan to help us meet our Company goals. These plans are based, in part, on the results of waste, water, and energy audits. Projects are evaluated for implementation with an eye toward balancing the waste, water, emissions, and energy-reduction benefits with the return on investment. Manufacturing facilities post their plans and progress in visible locations so all employees know what is required to achieve their specific goals.

SQMS Sustainability Pillar leaders at each of our facilities are critical to the implementation of these plans and strategies. Specifically, these leaders are charged with identifying and implementing waste-, water-, emissions-, and energy-reduction projects. Most important, they help engage all employees at each location in order to nurture a sustainability mindset throughout our Company. Sustainability Pillar leaders from each of our facilities meet periodically throughout the year to discuss the different sustainability projects that are being implemented at each facility, review best practices, and collaborate on sustainability plans and initiatives. In 2017, we continued the ongoing training of our Sustainability Pillar leaders to ensure new leaders understand our Company-wide goals, metrics, and best practices.

CLIMATE CHANGE CHALLENGES

Climate change-related risks continue to influence our corporate strategy, and drive our efforts toward our GHG reduction target. We monitor climate change risks, which include GHG emissions regulation, on a continuous basis. In addition, natural disasters or extreme weather due to climate change could disrupt the productivity of our facilities or the operation of our supply chain. We maintain business continuity plans to mitigate these potential disruptions. Climate change could also cause changes in global temperatures and weather patterns, which may negatively affect the production of certain commodities that are necessary for our products, such as green coffee, peanuts, oils and fats, protein meals, sweeteners, grains, and fruit. Each commodity supply chain has different risks, opportunities, and challenges, and we seek to prioritize our resources and efforts to address the risks with respect to our most significant agricultural commodities.

EMPLOYEE ENGAGEMENT

While capital investments reduce our impact through process improvements and ongoing plant initiatives, our employees are the real drivers of sustainable change. We depend on plant managers and operators, who are present daily and know plant procedures intimately, to identify future efficiencies that drive change and progress toward our 2020 Goals. We also harness the power of our employees to spread sustainability awareness throughout our local communities. Many Smucker plants, for example, have hosted annual Earth Day celebrations. Activities include tree plantings, park cleanups, community picnics, presentations by local environmental organizations, e-waste recycling, and waste audits.

Employees from across our organization serve as part of a Sustainability Employee Engagement Working Group alongside sustainability ambassadors to help encourage a sustainability mindset throughout the corporate headquarters. These employees have implemented multiple sustainability-focused changes to help the Orrville office work toward improving waste diversion on campus, including increasing the number of campus recycling containers, collecting food scraps to convert to energy, and educating employees on how to properly recycle common items. Additionally, the team has implemented an internal communications campaign to bring education and awareness about sustainability-related topics.

In 2017, our Folgers coffee roasting facility in Gentilly, Louisiana, was named “Best All Around” at the Love Your City Awards, hosted by the New Orleans Chamber of Commerce and the Greater New Orleans Foundation. This ceremony honors sustainable business leaders in the New Orleans community, and recognized Folgers not only for its commitment to achieving zero waste at its plant by 2020 but also its contributions to the local community.

Additionally, our Cincinnati, Ohio, plant has partnered with the Mill Creek Alliance for several years to conserve the Mill Creek watershed through financial support and employee volunteerism. The Mill Creek Alliance has improved the diversity of fish and macro-invertebrate species in the stream such as crayfish, caddisflies, and mayflies by double in the past 20 years. Ospreys, herons, ducks, beavers, and many other long-missing species of birds and mammals have also returned to its shores. As a result of the conservation efforts, people can now enjoy hiking and biking on the banks of the stream as well as canoeing and fishing in the stream.

SUSTAINABILITY FOCUS AREAS

OPERATIONS EXCELLENCE

Aspire to reach a 100 percent efficient state in all Company facilities with respect to our environmental footprint

PACKAGING

Integrated sustainability thinking and approach to packaging development and sourcing

EMPLOYEE ENGAGEMENT

Unlock the passion of each employee to create a sustainable future for the Company

COMMUNICATION

Develop and execute strategies to share sustainability progress

SUPPLY CHAIN

Engage internal and external resources to define and prioritize Smucker supply chain sustainability efforts
Minimizing the environmental footprint of our operations is a central focus of our Sustainability Strategy. Since we first started monitoring and measuring our progress in 2009, we have been pleased with our success in diverting waste from landfills while addressing opportunities and challenges with reduction in our water use intensity and GHG emissions intensity. We are incorporating lessons from our successes and challenges as we work to achieve the following goals by 2020:

- Divert 95 percent of waste from landfills to alternative uses.
- Reduce water use intensity by 15 percent.
- Reduce GHG emissions intensity by 10 percent.

In October 2017, we officially launched our environmental sustainability tracking platform, which enables enhanced tracking of our platform and environmental improvements. This system enables more timely tracking of our sustainability data and reporting of the results of our environmental sustainability efforts. Additionally, the adoption of this platform has allowed us to integrate Smucker data with historical Big Heart Pet Brands (“Big Heart”) data, back to 2014. We have restated all operational data to reflect this integration and will do the same in the future to reflect our recent acquisition of Ainsworth Pet Nutrition.

As part of our annual sustainability reporting process, independent accountants perform independent assurance procedures in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Greenhouse gas emissions and water withdrawals from our wholly owned facilities, including our corporate headquarters, are within the reporting scope of these independent assurance procedures.

Our reporting boundary was established using the financial control approach based on criteria from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Protocol and encompasses our North American business. Our greenhouse gas emissions are assured as total Scope 1 and Scope 2 separately, and emissions are examined to obtain a reasonable level of assurance. Our total water withdrawals are reviewed to obtain limited assurance. Please see page 67 for these assurance statements.

**Environmental Goals**

- **DIVERT** 95% of waste from landfills to alternative uses.
- **REDUCE** water use intensity by 15%.
- **REDUCE** GHG emissions intensity by 10%.

Pursuing LEED® (Leadership in Energy and Environmental Design) Certification for construction projects is one way we are realizing our focus on constructing sustainable workspaces. We currently have nine facilities that have earned LEED® designation, and we have made a commitment to strive for LEED® Certification on major new construction projects. We received LEED® Certification in December 2017 for our Origins Building at our corporate campus, home to our Smucker Natural Foods business. The building features sustainable attributes such as bamboo flooring, LED lighting, and furniture made from recycled components and reclaimed wood.
During the past three years, we have made consistent progress in reducing the amount of water used in our operations. From a 2014 baseline through 2017, absolute water withdrawals have decreased by 10.1 percent, while water use intensity has decreased by 7.2 percent. Our water data now incorporate historical data from the 2015 acquisition of Big Heart. For more information, please see the Independent Accountant’s Report on page 67.

Though all facilities are focused on water conservation, we continue to prioritize initiatives in our most water-intensive facilities. We are investing to improve the water footprints of nine facilities, where we aim to save an additional 120 million gallons to reach our 2020 goal. Such targeted efforts are making a significant difference in our overall water reduction results.

Ongoing efforts are facilitated by material analysis studies across our manufacturing plants, most of which are participating in a variety of waste recycling programs with third parties. As part of these programs, we encourage all facilities to adhere to the EPA’s Food Recovery Hierarchy. This hierarchy prioritizes actions in tiers to prevent and divert food waste and — most optimally — reduce the amount of surplus food sent to landfills by making landfills a last resort. By continuing to audit and find solutions for our waste streams, we achieved a 92.4 percent landfill diversion rate for the Company in 2017, a 0.4 percent improvement from the previous year.

We have many waste management activities underway at each of our locations to help achieve this goal and continue to explore emerging technologies. We are pleased to report that nine of our manufacturing facilities sent 3 percent or less of their waste to landfills in 2017, meaning at least 97 percent of their manufacturing waste was used for alternative purposes.

During 2017, Smucker also became a partner member of TRUE Zero Waste (formerly the U.S. Zero Waste Business Council). Our Chico, California, manufacturing facility has maintained its platinum-level TRUE Zero Waste certification (previously the U.S. Zero Waste Business Council certification), and we are on track for other plants to receive similar certification.

We are committed to water management best practices that focus not only on water conservation but also on the quality of the water we discharge into the environment. Water use surveys conducted across our manufacturing footprint have enabled us to focus on opportunities to recycle, reuse, and reclaim wastewater. As opportunities are identified, the resulting initiatives fall into one of two types of activities: general infrastructure improvements, such as waterline improvements, or continuous improvement projects, such as water reclamation.
Energy and Emissions Reduction

Improving the energy and GHG emissions footprint of our operations remains a significant opportunity. From 2014 to 2017, absolute GHG emissions decreased from our baseline by 9.9 percent, while GHG emissions intensity was reduced by 7.0 percent.

Smucker facilities will continue to make gains through capital improvements, such as more energy-efficient lighting, chillers, air compressors, and other plant systems. With 96.4 percent of our GHG emissions resulting from electricity, natural gas, and steam sources, we continue to focus specifically on utility consumption reduction opportunities. As an example, the conversion of a freezer from refrigerant to ammonia use helped our Scottsville, Kentucky, plant reduce GHG emissions by more than 25 percent.

During 2017, we launched a project to identify areas where we can minimize our energy use through active energy management. Through this data-driven process, we want to better understand, on a plant-by-plant basis, why certain days are more efficient than others, and to define what optimal daily efficiency should be. We have engaged 11 plants, which combined account for more than 80 percent of our GHG emissions. Each plant will soon be able to determine optimal energy use by the exact department and manufacturing line in order to realize energy, emissions, and cost reductions. Already, our manufacturing facility in Lawrence, Kansas, has been able to realize a nearly 9 percent decrease in GHG emissions since 2016.

RENEWABLE ENERGY

We continue to evaluate on-site and off-site renewable energy opportunities. To date, our investments have included solar arrays at our natural foods campuses in Chico, California, and Havre de Grace, Maryland. Two of our brands, Santa Cruz Organic and Sahale Snacks, also purchase renewable energy credits and place renewable energy seals on their products. We recently entered into a virtual power purchase agreement (“VPPA”) to increase the amount of renewable energy we contribute to the nation’s electrical grid. The VPPA will offset a significant portion of the Company’s electrical use and related GHG emissions.

Product Life Cycle

From ingredient sourcing to end-of-life disposal, we consider the environmental impact of our products throughout their life cycle. Here’s a look at some of the steps we’re taking to conserve natural resources in the manufacturing, distribution, and consumption of our products.

RAW MATERIALS

We engage in sustainable agriculture projects across our supply chain.

MANUFACTURING

We set goals and measure our annual progress toward reductions in water, waste, and energy.

PACKAGING

We are partnering with the Sustainable Packaging Coalition with the mission to create packaging that is good for people and the environment.

DISTRIBUTION

We optimize shipping lanes to reduce energy and fuel costs and forge partnerships to reduce our footprint through shared resources.

USE

When designing new packaging, we consider environmental factors throughout the entire process, including minimizing food waste while protecting food safety and quality.

DISPOSAL

We strive to increase our recyclable packaging content while reducing the package-to-product ratio.
As a responsible corporate citizen, we care about the communities in which our employees and consumers live and work. By offering our time, resources, and expertise to a range of community organizations, we’re bringing people together in countless positive ways.
Our Areas of Giving

Our Company exists as part of a global social and public environment, and our continued success and sustainability are dependent on the success and sustainability of the local, regional, national, and even global communities of which we are a part. Our support comes in the form of donated funds, products, and equipment, as well as time from our employees, whom we encourage to volunteer for various civic and charitable organizations. We work across seven key areas of giving:

Education

Education is critical to creating better communities today and tomorrow. Employees at our local plants and facilities frequently volunteer their time to support education initiatives. Many locations participate in Adopt-A-School, literacy, or Junior Achievement® programs in their communities.

Programs Implemented Across the Company

Our Company strongly believes in lifelong learning and continuous improvement, which we support through partnerships with local colleges and universities. Smucker has made a significant financial commitment to support ongoing research and student success at The Ohio State University’s College of Food, Agricultural, and Environmental Sciences in Columbus, Ohio. This monetary gift is supporting scholarship funds within the college in the areas of food science and technology, leadership, and innovation to help prepare students to lead and contribute to Ohio’s food industry. Smucker also provided funding to The University of Akron to develop the Institute for Leadership Advancement at the College of Business Administration. The Institute is creating a framework for educating and training successful leaders through a unique combination of professional development course work, experiential learning projects, and campus-wide forums and workshops.

Additionally, in fiscal 2018, 150 internships offered meaningful on-the-job learning and experience to college students. While internships are structured in a variety of ways, such as year-round work-study programs, all interns execute their assignments as Smucker team members and participate in our “Why We Are Who We Are” training. Each year, many eligible graduating interns join Smucker in full-time positions, underscoring the effectiveness of this educational program.

Boys & Girls Clubs of America

Smucker is proud to be a national supporter of Boys & Girls Clubs of America, which offers many programs focused on education — particularly literacy, health, nutrition, and character education — all well-aligned with our own business focus and giving philosophy. Our support of Boys & Girls Clubs includes a financial contribution at the national level, and many of our employees donate their time and talents to the local Orrville Club. We also make donations to Boys & Girls Clubs on behalf of our suppliers and vendors in lieu of holiday gifts.

El Café Del Futuro Scholarship

The Café Bustelo El Café Del Futuro Scholarship offers ten $5,000 scholarships to Hispanic students each year. Eligible students submit an essay about how their Latino heritage, family, and the community impacted their desire and motivation to obtain a college degree.

LeBron James Family Foundation

Smucker is proud of our newly formed partnership with the LeBron James Family Foundation (“LJFF”). The LJFF mission is to positively affect the lives of children who are at-risk in reading and in need of additional academic intervention through education and co-curricular initiatives. A volunteer service component provides our teams with numerous opportunities for team-building activities. For example, Smucker employees are helping prepare the new I PROMISE school building in Akron, Ohio, for its 2018 opening.

Heartland Education Community, Inc.

Shifting the focus from school to education and shifting the responsibility from school to community: This is the focus of the Heartland Education Community, Inc. (“Heartland”), which started when a group of Orrville, Ohio, citizens came together in 1991 with a focus on improving education throughout the community. Smucker has been an ongoing supporter of the Heartland Education Community and is proud of the time and talent that our employees have invested in Heartland throughout the past 27 years.

Heartland Education Community, Inc.

Heartland is led by a volunteer steering committee that includes educators, city officials, parents, community leaders, business representatives, social service representatives, and students. Heartland efforts are based on “The Five C’s,” which are fundamental principles about the philosophy of education: Community, Connecting Learning to Life, Critical
Thinking, Character Development, and Continuous Improvement.

Through the years, the priorities of Heartland have evolved to serve the changing needs within the Orrville community. Some key accomplishments of the organization include:

- Character education training in partnership with the Institute for Global Ethics;
- Creation of the Character Education Word of the Month initiative, which earned a “Promising Practice” award from the Character Education Partnership;
- Creation and support of a long-range facilities plan, allowing the Orrville School District to construct new elementary, middle, and high school buildings;
- Creation and publication of OrrViews, a community newspaper; and
- Support of the College Academy program.

Heartland’s current priorities include:

- Continuing promotion of character education in the schools and throughout the community;
- Addressing availability and affordability of preschool in the community so that more of Orrville’s children begin school prepared to learn;
- Continuing to strengthen the relationship between the Orrville School District and English Language Learner students and their families;
- Engaging the school and business communities to help better prepare students for life beyond high school, whether it’s college or a career;
- Supporting school district mentoring programs for students who are struggling academically or in other ways that may affect their future success; and
- Continuing to support the publication of the OrrViews community newspaper.

Heartland also has a physical presence in downtown Orrville called Heartland Point, which serves as a community connecting place. Citizens of all ages can participate in lifelong learning classes, hold community meetings, volunteer at the information desk, or informally join friends for a cup of coffee at the café.

Family Meals and Hunger Relief

As a manufacturer of consumer food and snacks, we are uniquely positioned to help relieve hunger and promote wellness through our products and sponsorships.

For more than 20 years, we have made product and monetary donations to Feeding America®, a nationwide network of charitable food banks, to help relieve hunger. Through this partnership, we are able to maximize the impact on those communities across the U.S. that need it most and make a difference in the communities in which we have facilities. In addition to our monetary support, we donated more than 4 million pounds of Smucker product to food banks across the country in 2017 — enough food for more than 3.4 million meals. We also have a long-standing relationship with the Akron-Canton Regional Foodbank (“ACRF”), located near our corporate headquarters. In 2017, we donated nearly 1 million meals to the ACRF alone. Additionally, many of our employees volunteer their time at the ACRF as part of team-building activities.

We donated more than 4 MILLION pounds of Smucker product to food banks across the country in 2017 — enough food for more than 3.4 MILLION meals.
Sustainability

Strong, healthy populations of pollinators, such as honeybees and butterflies play a vital role in the world’s food supply chain. Pollinator health is impacted by a variety of factors, including lack of suitable habitat, increased levels of disease, need for improved colony management, and exposure to pesticides, as outlined in the U.S. National Pollinator Health Strategy. At Smucker, we recognize the seriousness of pollinator health and that all food companies need to understand the implications pollinator health risk has for our supply chain and business.

We have made a multiyear commitment to the Pollinator Partnership (“P2”) in support of the Monarch Wings Across Ohio Project. P2 is focused on promoting the health of pollinators, critical to food and ecosystems, through conservation, education, and research. The Monarch Wings Across Ohio Project is focused specifically on maintaining and augmenting the Ohio segment of North American monarch migration.

In support of this project, we have built a monarch butterfly habitat located at The J. M. Smucker Company Store & Café in Orrville, Ohio. In addition, we have funded 18 monarch habitat research plots across Ohio, collected three years’ worth of plant-pollinator interaction data, and produced four Ohio-specific monarch habitat development guides. Going forward, these monarch habitat research plots will continue to provide valuable insights into monarch foraging preferences.

Family Pets

As one of the largest manufacturers of pet foods and snacks, we regularly donate our products and contribute financially to community-based animal welfare and rescue organizations throughout the U.S.

Rescue Bank®

Smucker is proud of its partnership with Rescue Bank®. Rescue Bank® operates under a national food bank model and provides pet food and pet snacks to community-based animal welfare groups and support to pets that are displaced due to disasters and emergencies. Throughout 2017, we provided product and monetary donations to Rescue Bank®, donating more than 6.1 million cat meals and more than 11.2 million dog meals across the country.

In support of this project, we have built a monarch butterfly habitat located at The J. M. Smucker Company Store & Café in Orrville, Ohio. In addition, we have funded 18 monarch habitat research plots across Ohio, collected three years’ worth of plant-pollinator interaction data, and produced four Ohio-specific monarch habitat development guides. Going forward, these monarch habitat research plots will continue to provide valuable insights into monarch foraging preferences.
As a proud sponsor of the 2018 U.S. Olympic and Paralympic teams, Smucker provides financial support to the United States Olympic Committee (“USOC”) in support of Team USA® athletes. Our partnership with the USOC is a natural fit for our Company. Much like Our Purpose of helping to bring families together to share memorable meals and moments, the Olympic Games strengthen bonds between families and friends as Americans come together to celebrate the special moments of our athletes and the Olympic Games.

Canine Assistants®
Since 1997, our Milk-Bone brand has provided annual monetary and product support to Canine Assistants®, a nonprofit program that educates dogs and the people who need them, to improve the lives of one another. Dogs taught by Canine Assistants® provide support to children and adults with physical disabilities, seizure conditions, or other special needs. In hospitals across the country, these dogs bring comfort and calm to children who are sick and provide support to individuals with mobility limitations. The dogs also visit schools to bring happiness and security to children with learning disabilities and emotional disorders. Throughout its more than 20-year partnership, Milk-Bone has helped provide more than 2,000 dogs to people in need and has spearheaded numerous promotional activities to raise awareness for the organization. In 2017, Milk-Bone partnered with Canine Assistants® to demonstrate that “Dogs Are More” through an inspirational video. The video shared four incredible stories about assistance dogs and the humans whose lives they have transformed. The video resulted in half a million views and placements across online, broadcast, and social media outlets.

The Rachael Ray Foundation™
With the recent addition of Rachael Ray Nutrish to our portfolio of pet brands, we look forward to continuing the brand’s commitment to donate a portion of Nutrish sales to The Rachael Ray Foundation™. The foundation helps animals in need by working with nonprofit animal charities and other organizations to provide food, medical supplies, treatments, and more. Through March 2018, The Rachael Ray Foundation has donated more than $27 million to support cats and dogs.

Culture and the Arts
For more than 30 years, we have proudly supported The Cleveland Orchestra, which is celebrating its 100th anniversary in 2018. The Cleveland Orchestra was created by a group of visionary citizens who believed in the power of music and aspired to having the best performances of great orchestra music possible anywhere. Over the ensuing decades, the orchestra has grown from a regional organization to being one of the most admired symphony orchestras in the world. The Cleveland Orchestra has a long and proud history of sharing the joy and benefits of music with people throughout Northeast Ohio. Franz Welser-Most leads the orchestra into its second century with a renewed commitment to music education and community engagement, based on his belief that every child should be touched by music, that the arts are critical to a well-rounded education, and that learning never ends.

Today, concert performances, community presentations, touring residencies, broadcasts, and recordings provide access to the orchestra’s acclaimed artistry to an enthusiastic constituency around the world.

Wellness
As a proud sponsor of the 2018 U.S. Olympic and Paralympic teams, Smucker provides financial support to the United States Olympic Committee (“USOC”) in support of Team USA® athletes. Our partnership with the USOC is a natural fit for our Company. Much like Our Purpose of helping to bring families together to share memorable meals and moments, the Olympic Games strengthen bonds between families and friends as Americans come together to celebrate the special moments of our athletes and the Olympic Games.

This sponsorship provides a unique opportunity to reach multiple generations of consumers through exclusive retailer activation, packaging, advertising, digital, and public relations activities for six brands — Smucker’s, Folgers, Jif, Smucker’s Uncrustables®, Sahale Snacks, and Milk-Bone. As an example, our social media campaign, #PBJ4TeamUSA, celebrates PB&J as more than just a sandwich. It’s a tangible reminder of love and support that fuels families and athletes alike. The campaign includes a donation of $100,000 to the USOC to support future Team USA® athletes. Fans can show their support for Team USA® by sharing a photo using #PBJ4TEAMUSA or retweeting brand content on Twitter.
Non-GAAP Measures

The following table reconciles certain non-GAAP financial measures to the comparable GAAP financial measure. See page 32 of the J. M. Smucker 2018 Annual Report for a reconciliation of net sales adjusted for certain noncomparable items to the comparable GAAP financial measure.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Net income reconciliations:</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$1,338.6</td>
<td>$992.3</td>
<td>$888.7</td>
<td>$344.9</td>
<td>$565.2</td>
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<tr>
<td>Income tax expense (benefit)</td>
<td>$(477.6)</td>
<td>286.1</td>
<td>289.2</td>
<td>178.1</td>
<td>284.5</td>
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<tr>
<td>Amortization</td>
<td>206.8</td>
<td>207.3</td>
<td>208.4</td>
<td>199.7</td>
<td>98.9</td>
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<tr>
<td>Goodwill impairment charge</td>
<td>145.0</td>
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</tr>
<tr>
<td>Other intangible assets impairment charges</td>
<td>31.9</td>
<td>133.2</td>
<td>132</td>
<td>1.2</td>
<td></td>
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<tr>
<td>Unallocated derivative losses (gains)</td>
<td>$(37.3)</td>
<td>27.2</td>
<td>(12.0)</td>
<td>24.5</td>
<td>(5.3)</td>
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<tr>
<td>Cost of products sold — special project costs</td>
<td>3.9</td>
<td>5.7</td>
<td>12.2</td>
<td>6.2</td>
<td>9.4</td>
</tr>
<tr>
<td>Other special project costs</td>
<td>45.4</td>
<td>76.9</td>
<td>135.9</td>
<td>56.6</td>
<td>25.6</td>
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<tr>
<td>Adjusted income before income taxes</td>
<td>$1,256.7</td>
<td>$1,328.7</td>
<td>$1,322.4</td>
<td>$721.2</td>
<td>$978.3</td>
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<tr>
<td>Income taxes, as adjusted</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Income taxes, as adjusted</td>
<td>$352.1</td>
<td>432.8</td>
<td>391.1</td>
<td>245.6</td>
<td>327.5</td>
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<tr>
<td>Adjusted income</td>
<td>$904.6</td>
<td>$899.9</td>
<td>$931.3</td>
<td>$475.6</td>
<td>$650.8</td>
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<tr>
<td>Weighted-average shares — assuming dilution</td>
<td>113.6</td>
<td>116.1</td>
<td>119.5</td>
<td>103.7</td>
<td>104.3</td>
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<tr>
<td>Adjusted earnings per share — assuming dilution</td>
<td>$7.96</td>
<td>$7.72</td>
<td>$7.79</td>
<td>$4.59</td>
<td>$6.24</td>
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</table>

Income taxes, as adjusted, is based upon our GAAP effective tax rate and reflects the impact of items excluded from GAAP net income to derive adjusted income.

Report of Independent Accountants

The J. M. Smucker Company (the Company) 2018 submittal to the CDP consists principally of applying analytical procedures, making inferences of persons responsible for the Subject Matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. A review also does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that our review provides a reasonable basis for our conclusion.

In our opinion, the Schedule of Total Scope 1 and Scope 2 Greenhouse Gas Emissions for the years ended December 31, 2017 and 2014 is presented in accordance with the Criteria, in all material respects.

Independent Accountants’ Review Report

The J. M. Smucker Company (the Company) 2018 submittal to the CDP provides a reasonable basis for our conclusion.

In our opinion, the Schedule of Total Scope 1 and Scope 2 Greenhouse Gas Emissions for the years ended December 31, 2017 and 2014 is presented in accordance with the Criteria, in all material respects.

Forward-Looking Statements

This Report includes certain forward-looking statements about the Company’s business and the Company’s future business plans, initiatives, and objectives. These forward-looking statements are based on the Company’s current expectations, estimates, assumptions, and beliefs concerning future events, conditions, plans, and strategies and are subject to a number of risks, uncertainties, and other factors, many of which are outside of the Company’s control and could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, those described under “Risk Factors” in reports and statements filed by the Company with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

The J. M. Smucker Company and its subsidiaries, is the owner of all trademarks referenced herein, except for the following, which are used under license: Carnation® is a trademark of Société des Produits Nestlé S.A.; Dunkin’ Donuts® is a trademark of DD IP Holder, LLC; K-Cup® is a trademark of Keurig Dr Pepper Inc.; and Rachael Ray® is a trademark of Ray Marks Co., LLC.
### Appendix A: Management’s Schedule of the Subject Matter and Criteria

#### THE J. M. SMUCKER COMPANY

#### Schedule of Total Scope 1 and Scope 2 Greenhouse Gas Emissions

For the Years Ended December 31, 2017 and 2014

Amounts in Metric Tonnes CO2e

<table>
<thead>
<tr>
<th>Amounts in Metric Tonnes CO2e</th>
<th>2017</th>
<th>2014 Recalculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>187,932</td>
<td>196,643</td>
</tr>
<tr>
<td>Scope 2</td>
<td>248,095</td>
<td>287,236</td>
</tr>
<tr>
<td>Total</td>
<td>436,027</td>
<td>483,879</td>
</tr>
</tbody>
</table>

#### Appendix B: Management’s Schedule of the Subject Matter and Criteria

#### THE J. M. SMUCKER COMPANY

#### Schedule of Total Water Withdrawal

For the Years Ended December 31, 2017 and 2014

<table>
<thead>
<tr>
<th>Amounts in Megaliters</th>
<th>2017</th>
<th>2014 Recalculated</th>
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</thead>
<tbody>
<tr>
<td>Water withdrawal</td>
<td>3,906</td>
<td>4,340</td>
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<tr>
<td>(amount in cubic meters)</td>
<td>3,906,083</td>
<td>4,340,452</td>
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</table>

#### NOTE 1 — BASIS OF PRESENTATION:
The above amounts represent the Scope 1 and Scope 2 greenhouse gas emissions (in metric tonnes CO2e) of the Company for the years ended December 31, 2017 and 2014 that the Company prepared for its 2018 submittal to the CDP Climate Change Disclosure and for presentation in the Company’s 2018 Corporate Responsibility Report. These amounts have been prepared based on the criteria established by the World Resources Institute/World Business Council for Sustainable Development’s The Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard, Revised Edition. The Company additionally uses source specific calculation methodologies established by the Climate Registry: General Reporting Protocol, Version 2.1, and the United States Environmental Protection Agency Mandatory Reporting of Greenhouse Gases: Subpart C.

#### NOTE 2 — BIG HEART ACQUISITION:
Greenhouse gas emissions associated with the facilities acquired in 2015 as part of the Big Heart acquisition are included within both the 2017 and 2014 reporting scope and boundary.

#### NOTE 3 — MOBILE EMISSIONS:
Emissions from all vehicles are included for both the 2017 and 2014. Under the selected reported boundary (financial control approach), only those vehicles under capital or finance leases are required to be included. However, due to informational gaps in historical data, specific lease types were indeterminable in 2014, and therefore JMS continues to report emissions from all vehicles, including those that are leased for consistency.

#### NOTE 4 — 2014 RECALCULATION:
The 2014 baseline recalculation was due primarily to divestitures occurring in 2015 as well as the Big Heart acquisition in accordance with the GHG Protocol criteria on recalculations for structural changes. These transactions and updates required the 2014 baseline data to be recalculated for applicable comparisons to current period information.

#### NOTE 5 — MEASUREMENT UNCERTAINTIES:
The Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques may result in materially different measurements. The precision of different measurement techniques may also vary.

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1. The Greenhouse Gas Protocol released an amendment to the Scope 2 guidance, which requires emissions reporting using two different methods: location-based reporting and market-based reporting. Location-based reporting utilizes emission factors generated by geography or specific locations such as eGRID, whereas market-based reporting utilizes emission factors generated by the specific supplier of electricity. Emissions are calculated based only on location-based reporting, with the exception being one location green historically used and more specific information from the energy provider.