

THE J. M. SMUCKER COMPANY

CORPORATE RESPONSIBILITY REPORT

2017

OUR 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 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.



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OUR MESSAGE



DEAR FRIENDS,

We are pleased to share The J.M. Smucker Company's 2017 Corporate Responsibility Report and to have this opportunity to update our constituents about the progress we have achieved in executing our Company's Sustainability Strategy.

This Sustainability Strategy calls for us to create a better tomorrow by focusing on:

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

Our philosophy of corporate responsibility builds upon the wisdom of our founder, J.M. Smucker, a deeply principled man also known for his forward thinking. For our Company, being responsible means doing the *right* things and doing *things* right for our consumers, customers, employees, suppliers, communities, and shareholders. We take our responsibility as global citizens seriously, and with our *Basic Beliefs* as guideposts and a continuous improvement mindset, we strive to have a positive impact on the lives and livelihoods of those we serve.

ECONOMIC

We are well down the path of transforming our Company to ensure sustainable, long-term growth. We are capitalizing on current consumer trends and are poised for future growth in the rapidly changing retail marketplace. Today, our brands and products can be found in 93 percent of U.S. households, and our priority is to ensure that Smucker products remain the brands of choice for consumers.

Our most important corporate responsibility is the long-term economic viability of our business. Our strong financial foundation ensures we have the resources to reinvest in making our business, people, and communities stronger.

ENVIRONMENT

Environmental responsibility is an inherent part of our heritage, and we incorporate environmental considerations in all our decision-making, including how we operate our facilities, develop new products, and source ingredients and other materials.

We remain committed to our 2020 environmental goals versus a 2014 baseline:

- Diverting 95 percent of waste from landfill to alternative use;
- Reducing water usage intensity by 15 percent; and
- Reducing greenhouse gas (GHG) emissions intensity by 10 percent.

We are pleased to have realized significant reductions in waste and water use and continue to seek new ways to balance emissions reductions with a constantly evolving manufacturing footprint.

These gains wouldn't be possible without the passion and dedication of our people. Resource conservation and efficiency are ingrained in our culture, and we are grateful for the continued efforts of our employees to find innovative ways to reduce our environmental impact.

Today, our portfolio includes hundreds of products spanning a wide range of commodities. Increasingly complex supply chains can provide challenges, but we are committed to helping ensure that these supply chains operate in a manner consistent with our own *Basic Beliefs* and ethical standards, while providing transparency to consumers who are



more socially and environmentally conscious than ever before.

That's why we've strengthened our Global Supplier Code of Conduct, particularly in the area of human rights, and believe that many broad-based issues, such as forced labor, are best addressed at an industry level. As an example, we are a member of The Consumer Goods Forum and are committed to its sustainability efforts, including the Priority Industry Principles on human rights.

This work builds on the successes we've realized in other areas of responsible sourcing. These include achieving and maintaining a commitment to source 10 percent of our total retail coffee from certified green coffee sources and a similar commitment to ensure that 100 percent of direct palm oil purchases come from certified sustainable sources. Lessons learned are now being applied to other commodities — such as quinoa, specialty corn, and black pepper — through which we have opportunities to maximize efficiencies and improve livelihoods.

SOCIAL

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.

We maintain our long-standing partnerships with Feeding America® and the Boys & Girls Clubs of America. We are excited to continue our support of the U.S. Olympic and Paralympic teams and are looking forward to fostering the dreams of talented athletes representing the country during the 2018 Olympic and Paralympic Games. We are also honored

to have added Rescue Bank® to our national charities of choice, ensuring community-based animal welfare and rescue organizations throughout the U.S. receive our pet food products. In 2016, more than 10 million meals were served to dogs and cats using our donated pet foods distributed by Rescue Bank®.

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.

OUR COMMITMENT

This has been a transformational year for the Company as we leverage insights to serve more consumers in new and exciting ways. We will do so while remaining focused on *Our Purpose* and *Basic Beliefs* with a steadfast commitment to **Economic, Environmental, and Social** sustainability.

We know that every person can make a difference in striving to achieve our sustainability goals, and we are grateful for the contributions of all our employees and constituents in these efforts.

We look forward to keeping you updated on our progress and appreciate your continued support and interest in The J.M. Smucker Company.

Richard

Richard Smucker

Mark

Mark Smucker

ABOUT SMUCKER



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SMUCKER AT A GLANCE



FOR 120 YEARS,

The J. M. Smucker Company has been committed to offering consumers quality products that bring families together to share memorable meals and moments. Today, Smucker is a leading marketer and manufacturer of consumer food and beverage products and pet food and pet snacks in North America.

BASIC BELIEFS



QUALITY



PEOPLE



ETHICS



GROWTH

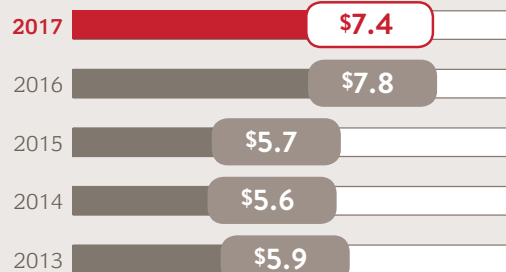


INDEPENDENCE

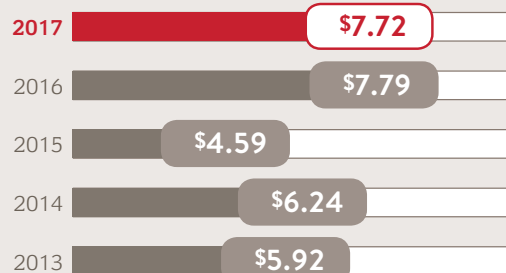
FINANCIAL HIGHLIGHTS

Year Ended April 30

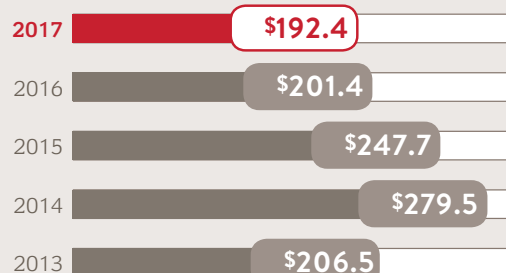
NET SALES (Dollars in billions)



ADJUSTED EARNINGS PER SHARE — ASSUMING DILUTION ^(A)



CAPITAL EXPENDITURES (Dollars in billions)



^(A)We use non-GAAP financial measures to evaluate our performance. Refer to "Non-GAAP Measures" on page 66 for a reconciliation to the comparable GAAP financial measure.

LOCATIONS

OFFICES

Orrville, Ohio — Corporate Headquarters
Burbank, California
Markham, Ontario, Canada
San Francisco, California

MANUFACTURING FACILITIES

Bloomsburg, Pennsylvania
Buffalo, New York
Chico, California
Cincinnati, Ohio
Decatur, Alabama
Grandview, Washington
Harahan, Louisiana
Havre de Grace, Maryland

Lawrence, Kansas
Lexington, Kentucky
Memphis, Tennessee
New Bethlehem, Pennsylvania
New Orleans, Louisiana (3)
Orrville, Ohio
Oxnard, California
Ripon, Wisconsin

Scottsville, Kentucky
Seattle, Washington
Sherbrooke, Quebec, Canada
Suffolk, Virginia
Toledo, Ohio
Topeka, Kansas

SALES AND INTERNATIONAL BUSINESS OFFICES

Charlotte, North Carolina
Cincinnati, Ohio
Edina, Minnesota
Grand Rapids, Michigan

Ho Chi Minh City, Vietnam
Mexico City, Mexico
Rogers, Arkansas
Scottsdale, Arizona

Shanghai, China
Tampa, Florida

BRANDS FROM OUR PORTFOLIO*

CONSUMER AND NATURAL FOODS

Smucker's®
Jif®
Crisco®
Pillsbury™
Smucker's® Uncrustables®
Robin Hood®
Hungry Jack®

Martha White®
R.W. Knudsen Family®
Santa Cruz Organic®
truRoots®
Sahale Snacks®
Bick's®

COFFEE


Folgers®
Dunkin' Donuts®
Café Bustelo®


PET FOOD AND PET SNACKS


Meow Mix®
Milk-Bone®
Kibbles 'n Bits®
Natural Balance®
Pup-Peroni®
Nature's Recipe®

*Not all brands are listed.

GOALS AND TARGETS


95% Divert 95 percent of waste from landfill to alternative use by 2020.
Status: For more information see page 56.


15% Reduce water usage intensity by 15 percent by 2020.
Status: For more information see page 57.


10% Reduce greenhouse gas emissions intensity by 10 percent by 2020.
Status: For more information see page 57.

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

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

FOR MORE INFORMATION ABOUT THE COMPANY, VISIT JMSMUCKER.COM.

OUR BRANDS

For 120 years, The J.M. Smucker Company has been committed to offering consumers quality products that help bring families together to share memorable meals and moments.





WHY WE ARE WHO WE ARE

A culture of doing the *right* things and doing *things* right...

Of dotting the i's and crossing the t's...

A culture of growth — individual and as a company.

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;

A culture that encourages commitment to each other,
clear communication and collaboration;

A culture of appreciation;

A *family*-sense of sharing in a job well done;

Where every person makes a difference.



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 guideposts 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*.

We firmly believe that:

- Every employee makes a difference.
- An inclusive environment and diverse organization strengthens our Company and enables every employee to reach their full potential.
- Highest quality people produce the highest quality products and services.
- 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.



GROWTH

Along with managing the day-to-day business, we continuously look forward and embrace changes that allow us to recognize the full potential of our Company. 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.



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.

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.

A portrait of Paul Smucker, an older man with grey hair and blue eyes, wearing a dark suit, white shirt, and blue tie. He is looking directly at the camera with a slight smile. The background is a mottled brown and tan color.

ABOUT SMUCKER

OUR COMMITMENT TO EACH OTHER

OUR COMMITMENT TO EACH OTHER

Comments by Paul Smucker written in the early 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.

LISTENING WITH YOUR FULL ATTENTION

By giving our undivided attention, we are showing that there is nothing more important at that moment than what is being said.

LOOKING FOR THE GOOD IN OTHERS

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.

SENSE OF HUMOR

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.

A handwritten signature in black ink, reading "Paul Fmucker". The signature is written in a cursive, flowing style with a large initial "P".

WORKPLACE



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Employee Well-Being

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PRESERVING AND STRENGTHENING OUR UNIQUE CULTURE

We strongly believe that our unique culture is the foundation of our long-term business results. 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.



At Smucker, *Our Commitment to Each Other* and our *Basic Beliefs* of *People* and *Growth* foster an environment that engages and supports employees. We live *Our Commitment to Each Other* by saying thank you for a job well done, listening with our full attention, looking for the good in others, and maintaining a sense of humor, while our *Basic Beliefs* remind us that:

- Every employee makes a difference;
- An inclusive environment and diverse organization strengthens our Company and enables every employee to reach their full potential;
- Highest quality people produce the highest quality products and services;
- Highest business ethics require the highest personal ethics; and
- Responsible people produce exceptional results.

During the past two years, Smucker has been through a significant period of growth and transformation. Given the marketplace in which we compete, we

expect change to continue to be the norm. This is why it is more important than ever to engage our people and nurture our culture.

We are doing so by enhancing infrastructure and programs that empower employees to work more efficiently, communicate more effectively, build careers that support their lives as a whole, and take time to focus on personal well-being. We have implemented new systems and harmonized programs that will allow us to offer support and services to our more than 7,000 employees while remaining agile for future growth.

While focusing on delivering business results, there is also a genuine care and compassion for one another, personally and professionally. *Our Purpose* is *helping to bring families together to share memorable meals and moments*, and that sense of family extends to our relationships with colleagues, within teams, and across the Company. As we adapt to a rapidly changing marketplace, we continue to focus on fostering this sense of family and an environment where our people and our Company can thrive.

NURTURING OUR CULTURE

The relationship between manager and employee is one of the most significant in an employee's experience with the Company and is a key aspect of fostering 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. We believe 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 employees proud to work here.

Establishing trust creates a strong foundation for mutual respect and 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 have a special focus on building the leadership and management skills of our managers. In turn, we expect them to create an environment where people can be at their best and reach their full potential.

Similarly, 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.



INCLUSION AND DIVERSITY

We value our employees and believe we must all embrace and take ownership of the Company's commitment to diversity in the workplace.

We believe that an inclusive environment and diverse organization strengthens our Company and enables every employee to reach their full potential. We expect our leaders, managers, and employees to work together to live the principles and values consistent with our *Basic Beliefs* and *Our Commitment to Each Other*, which includes promoting an atmosphere of mutual respect and inclusion. We recognize that families are defined in diverse ways, and we believe that we serve our constituents by being an equal opportunity employer and by providing benefits and workplace flexibility that support employees and acknowledge the ways in which we value diverse demographics, backgrounds, experiences, and perspectives.



BUILDING A CAREER ON STRONG RELATIONSHIPS

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.

RECRUITMENT

Leveraging the relationships of our existing employees is one of the primary ways in which we recruit new employees. Though we recruit talent through multiple channels, our Employee Referral Program remains a key method for identifying new employees. When a position within the Company becomes available, Smucker employees have the opportunity to recommend qualified candidates for the job. Our employees tend to refer individuals who possess similar values and professional motivation, providing a pool of candidates inherently more aligned with Smucker's unique culture than we might find with a traditional recruiting approach. In addition to providing workplace benefits, our referral program makes the recruitment process significantly faster and more efficient than other methods.

50% TARGET

New hires from
employee referrals

25% TARGET

New hires from
Smucker interns

We have also developed strong ties with local and regional partner universities, from which we recruit heavily. We work across campuses with university administration, career services, and faculty to build relationships with students and faculty. These



partnerships help us recruit for not only full-time positions, but also our internship and co-op program. Each semester, we offer more than 100 internships and co-ops for positions across all plants and corporate functions. We encourage interns and co-ops to apply for full-time positions and target filling approximately 25 percent of our open positions with interns.

ONBOARDING

Given the time and attention invested in the hiring and selection process, onboarding is an equally critical step in launching a successful career at Smucker. Done right, onboarding can lay a solid foundation for an outstanding career. We seek to welcome our new employees so they feel valued and empowered to contribute from the start.

Over the past year, we have enhanced our onboarding process to help new employees better understand the culture and legacy of Smucker. With new investments in human resource tools and technology, we help employees prepare for their first day before they even step in the door. Our New Hire Orientation is designed to ensure that each new hire receives a consistent introduction to our Company and our culture. This includes a Company overview, tour, and summary of resources, policies, and benefits, among other foundational relationship-building activities. We also offer e-learning modules around our core strategy and an overview of the consumer packaged goods sector

and Smucker brands and locations, as well as future learning and development opportunities.

RETENTION

At Smucker, our employees have the flexibility to pursue their own distinct career paths, which can take shape in various ways. Our organization is unique in that we encourage our employees to explore careers across different functions throughout the Company. This means that if our employees start in one department, they are not obligated through constraints of a particular path to stay there throughout their entire career with us. While we do not discourage specialization in one field or function, we provide the ability for our employees to make cross-functional career moves within Smucker.

When a new position becomes available, it is posted internally so all employees have the ability to apply for it. While our managers can recommend that high-performing individuals apply for certain positions, we encourage employees to take their own initiative to explore various functions throughout the organization and build the necessary relationships to explore all options that interest them. The effectiveness of our promote-from-within mindset and focus on career mobility is reflected in an employee turnover rate that is well below industry average. Meanwhile, employee engagement, as measured by sales and profit per employee, far outpaces the industry average.





SUPPORTING EMPLOYEES' LIVES AS A WHOLE

Personal well-being is 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 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. During the past year, we have redesigned Total Rewards to better support the physical, financial, and emotional well-being of our more than 7,000 employees.

This new 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 guided the development of this new, more harmonized program:

- Reinforcing a shared responsibility between employees and the Company for physical, financial, and emotional well-being
- Providing compensation and benefits that are competitive with other large consumer packaged goods companies and financially sustainable over the long term
- Rewarding performance based 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
- Supporting our employees' ability 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
- Creating an environment of resonant leadership that nurtures and inspires mindfulness, hope, and compassion

Our Total Rewards play 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.

WORKPLACE ENVIRONMENT

Providing a motivating environment that fosters collaboration and teamwork is an essential part of our Work Environment vision. Our office environment aligns with our culture through shared spaces for collaboration, relationship building, and interaction, paired with adequate individual and personal space. We provide shared spaces such as conference rooms, huddle rooms designed for ad hoc meetings and discussions, dining areas for communal meals and breaks, and other informal, open work areas throughout our campuses. We strive to make each of our locations look and feel like a uniquely Smucker workspace.

As we grow, we have continued to invest in telecommuting capabilities and resources to foster effective communication, enhance workplace flexibility, and strengthen relationships among teams spread across the globe. Several of our locations also offer amenities that support our commitment to employee well-being,



including on-site health and wellness centers and fitness centers. In Orrville, our Smucker Child Development Center provides on-site child care for employees' children aged six weeks to prekindergarten.

EMPLOYEE SAFETY AND SECURITY

We continue to focus on the health of our people and the safety of our workplace with an overall Corporate goal to reduce our total incident rate (TIR) and our incident losses to zero. We believe employee health and safety is everyone's responsibility, and all of our employees have an opportunity to contribute to our goals. From fiscal 2016 to fiscal 2017, we have maintained our outstanding results, and we continue to deliver best-in-class performance for employee safety across the Company.





DEVELOPING OUR PEOPLE AND THEIR IDEAS

Professional development at Smucker reflects our Growth Basic Belief of personal growth and development of our people and their ideas. Providing our employees with training and development opportunities allows them to embrace a continuous improvement mindset and commit to personal and professional growth while supporting the growth of the Company.

Our training programs combine classroom-style instruction with relationship building. These programs aim to develop our employees across multiple disciplines and immerse them in cross-functional training environments that include participants from across our locations so employees can meet people with whom they do not have everyday contact. We offer many custom courses that focus on Smucker's unique culture and creating an environment of resonant leadership that inspires mindfulness, hope, and compassion among our managers and employees. Some of these courses include:

- **Our Company: Why We Are Who We Are** — A program offered to all new employees that lasts up to two and a half days and provides an introduction to the history, heritage, culture, and guiding philosophies of The J.M. Smucker Company. In this course, employees learn how to be successful within Smucker and how individual work relates to overall company strategic initiatives.

- **Discovering the Art of Leadership** — An offering for new managers that introduces the fundamentals of the Smucker approach to managing people. This class focuses on the importance of leadership at Smucker and introduces new managers to Smucker People Manager processes and key leadership concepts, including Emotional Intelligence, Coaching for Development, and Mindfulness at Work.

- **Mastering the Art of Leadership** — A program that goes beyond the tactical aspects of managing people to help Smucker managers understand how to set the “climate” for their teams. This course builds upon the fundamentals learned in Discovering the Art of Leadership and focuses on more advanced leadership concepts to provide a deeper understanding of the role of a Smucker leader.

All core training is led by Smucker employees and is conducted in person to model our guidelines for consistent communication.



DOING THINGS RIGHT

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

Our Code of Business Conduct and Ethics 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.

Our Code of Conduct applies to our employees, officers, and Directors, all of whom are required to receive, review, understand, acknowledge, and adhere to the Code. In addition, we have specific policies that amplify the principles highlighted in our Code of Conduct. Using a risk-based approach, we provide training to employees whose roles are relevant to these policies.

At Smucker, we define ethics as a set of moral values that guide us to 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 two years, we have strengthened our compliance program to better support our employees in these areas.

Our Ethics and Compliance team is centralized within our Legal department to create a more robust presence throughout the organization. An Ethics and Compliance Program Mission guides the work of this team:

- **To Help Our Employees** by providing tools and resources and encouraging a safe environment
- **To Protect Our Company** by preventing criminal and unethical conduct, identifying operational efficiencies, and mitigating risk
- **To Maintain the Trust of Our Employees** by demonstrating commitment to integrity and protecting our reputation and brand





RESPONSIBLE AND TRANSPARENT GOVERNANCE

The J.M. Smucker Company is a publicly traded company whose shares are listed on the New York Stock Exchange (NYSE). A diverse, 11-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 and Corporate Governance — all of which operate under written charters and all the members of which 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 at jmsmucker.com/investor-relations.

The Nominating and Corporate Governance 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 contribute to a more effective decision-making process.

Additional information about the Board is included in the Company's most recent Proxy Statement, which is available on our Company's website, jmsmucker.com.

ENTERPRISE RISK

In 2016, we developed a new enterprise risk program that 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 ensure 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 risks.



SUSTAINABILITY LEADERSHIP

Our Vice President, Government Affairs (VP-GA), which is an executive officer position, has the highest level of direct responsibility for climate change initiatives within the Company. The VP-GA is the executive sponsor

of the Company's cross-functional Sustainability Steering Committee (Committee). This Committee 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 progress on the various sustainability efforts throughout the Company within the functions of operations and supply chain, sustainable agriculture, and employee engagement. The VP-GA reports on such activities to our executive leadership team, including the Chief Executive Officer. These activities are also presented to the Board of Directors on an annual basis.

CLIMATE CHANGE CHALLENGES

Climate change-related risks have influenced our corporate strategy. Uncertainty around legislation that could be enacted to regulate greenhouse gas emissions has influenced us to monitor legislation and set a corporate greenhouse gas reduction target. 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. There is also a risk that climate change could cause changes in global temperatures and weather patterns that could impact agricultural productivity. Our strategy to mitigate these potential agricultural issues involves building a diverse base of qualified suppliers, partnering with suppliers to improve growing practices, and creating flexibility in the use of raw material inputs.



MARKETPLACE



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Our Purpose
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**Choice
and Innovation**
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Marketing and
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OUR VISION AND PURPOSE



OUR VISION

“Engage, delight, and inspire consumers through trusted food and beverage brands that bring joy throughout their lives.”

A portfolio that combines #1 and leading brands with emerging, on-trend brands to drive balanced growth.





OUR 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 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.

Achieving *Our Purpose* is what motivates and inspires our employees — people who strive every day to provide high-quality products that help families create memorable meals and moments together. In fact, the majority of the social media content we publish and pay to amplify to millions of consumers, including recipes and tips, is designed to get them preparing food with, and for, others.

We are honored that consumers choose our iconic brands and portfolio of trusted products as part of their everyday meals, snacks shared with friends, and family celebrations. 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.



MEETING CONSUMER NEEDS

As a leading marketer and manufacturer of food and beverage products in North America, we believe that we have a responsibility to continually educate consumers about making wise food choices, emphasizing the value of moderation and the importance of exercise.

Within the Smucker Family of Brands, our goal is to offer consumers a variety of products to meet their 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.

Our consumer focus includes not only people, but also their pets — cherished members of the family. Our pet food and pet snacks business enables us to deepen the emotional bond we create with consumers and broadens our connection with the approximately two-thirds of U.S. households that include a family

pet. Our portfolio includes *Meow Mix*®, *Milk-Bone*®, *Kibbles 'n Bits*®, *9Lives*®, and *Natural Balance*®, to name just a few.

PRODUCT INNOVATION

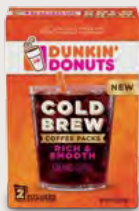
We continue to make significant investments in product innovation to provide consumers with additional choices to meet their diverse needs for taste, convenience, wellness, and value across all of our product categories. We have launched many new items that reflect consumer preferences for products that incorporate simple ingredients, protein, and nutrients; are packaged for on-the-go convenience;

PRODUCT CHOICE AND INNOVATION



FOLGERS® SIMPLY GOURMET™

A new line of all-natural-flavored premium coffees, available in a variety of flavors ranging from vanilla to chocolate raspberry.



DUNKIN' DONUTS® COLD BREW

A kit to bring the coffee shop experience of cold brewing into the comforts of home.



NUMI® BOTTLED TEA

This refreshing beverage is Certified USDA Organic, Non-GMO Project™ Verified, and made with Fair Trade Certified™ sugar.

and meet snacking needs. For example, we have expanded our offerings within our *Jif*® brand outside the traditional peanut butter category by introducing *Jif Bars*, offered now in both peanut butter and nut butter granola, which provide a delicious, easy-to-eat, on-the-go source of protein. Additionally, our *Smucker's*® *Uncrustables*® sandwiches are now made with non-GMO ingredients and without high-fructose corn syrup, attributes that resonate with today's consumers.

In addition to launching innovative products, we 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 in Orrville, Ohio, features interactive presentations and hands-on brand learning technology to help us gain insights into shopper behaviors and preferences, retail solutions, and in-store execution to better serve our customers and consumers. 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.

ORGANIC AND CERTIFIED TRANSITIONAL

Our portfolio has included organic options since the early 1980s when we acquired the R.W. Knudsen Company. According to the United States Department of Agriculture (USDA), consumer demand for organically produced food continues to see double-digit growth year over year. We have responded by incorporating organic product lines into many of our brands, such as *Smucker's*, *Adams*®, and *Laura Scudder's*® Organic peanut butters, *Santa Cruz Organic*® products, *Crisco*® Organic Coconut Oil, and *truRoots*® Organic quinoa and other grains.

The goal of organic food production is to employ practices and materials that balance and integrate the ecosystems that help produce our food. USDA Certified Organic agriculture prohibits the use of synthetic pesticides, herbicides, fertilizers, bioengineering, or ionizing radiation. Examples of practices to increase farm and ecosystem health include promoting soil biodiversity through crop rotation; utilizing compost, animal manure, and cover crops for fertilizer; and implementing integrated pest management techniques to discourage the growth of pest populations.

The rise in demand for organic products has produced a significant shortage of raw organic ingredients, since less than 1 percent of United States cropland is certified organic. Smucker is working to address this shortfall through support of initiatives such as the USDA National Certified Transitional Program (NCTP). "Transitioning" is the process of converting from conventional agricultural practices to certified organic ones. A farm must comply with USDA Organic standards for at least three years in order to apply for organic certification. Crops produced on a transitioning farm during those three years are considered "transitional" crops and cannot yet be labeled as organic.

To support these farms, Smucker currently buys transitional ingredients for use in our conventional products. We are also working toward putting NCTP Smucker products on grocery store shelves. This industry-wide program helps incentivize organic transitioning and increases choice for our consumers.



MILK-BONE FARMER'S MEDLEY™

This line of dog treats is made with USA-sourced meat and contains no fillers, corn, artificial flavors, or preservatives.



SMUCKER'S UNCRUSTABLES

To meet consumer needs, all *Smucker's Uncrustables* sandwiches are now made with non-GMO ingredients and without high-fructose corn syrup.



JIF BARS

Jif Bars are available in both peanut butter and nut butter granola, providing a delicious, easy-to-eat, on-the-go source of protein.

RESPONSIBLE MARKETING AND CONSUMER ENGAGEMENT

Smucker has a long-standing commitment to responsible marketing and advertising, with very stringent guidelines in place regarding advertising placement, content, and target audience.

For more than 10 years, Smucker has partnered with the Association of National Advertisers (ANA) Alliance for Family Entertainment (AFE), a group of nearly 40 national advertisers with a mission to find, nurture, develop, and support high-quality, family-friendly content on multiple distribution platforms. Through the AFE, Smucker works directly with broadcasters to develop the best programming that the entire family can watch.

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 clearly directed to adults, with advertisement placement limited to programming and media outlets where children constitute no more than one-quarter of the audience.

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 Orrville, Ohio, 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.

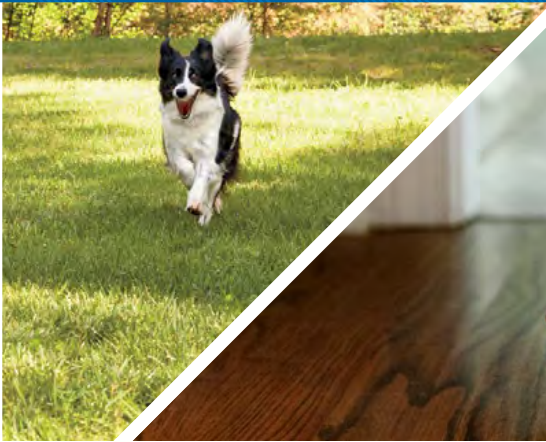
We use these and other insights to make our messaging more relevant to our consumers. By engaging directly with consumers about what is important to them, we are able to connect on causes we mutually support. For example, due to an increased consumer interest in sustainability and environmental issues, we share information from our Corporate Responsibility microsite on some of our branded websites. Specifically, our *Folgers* brand website features information about our green coffee Sustainability Strategy, and visitors can read about specific coffee farmer stories, responsible coffee purchasing, resource conservation, and more, directly from the *Folgers* site.

Learn more about the *Folgers* brand's sustainability efforts at folgerscoffee.com/our-story/sustainability.



NATURAL BALANCE NUTRITION EXPERT PROGRAM

Why won't my dog eat her food? Is my cat overweight? Is there a danger in feeding my pet the wrong diet? *Natural Balance* is reaching out to pet owners to answer these and other questions by providing access to our in-house staff of nutrition experts. Each of the *Natural Balance* brand's nutrition experts is a highly trained veterinary technician with a background in animal health science. These nutrition experts, available via hotline, email, social media, or live chat, are able to field questions and have properly informed conversations about finding a food that is exactly right for each pet's unique nutritional needs and tastes. Information about the program is available on *Natural Balance* product labels, social media outlets, and the *Natural Balance* website. This program is just one example of how all Smucker brands are dedicated to engaging with consumers to keep them informed about our products.



CLEAR AND TRANSPARENT LABELING

The labeling of our products is an important element of our 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've 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 have committed to using the SmartLabel™ program, which leverages digital technology and smart devices to provide consumers with another way to easily access detailed product information, such as nutrition, ingredients and ingredient descriptions, allergens, certifications, and genetically modified ingredients, among many other product attributes. Launch of SmartLabel™ implementation will begin in late 2017 via information on our websites and Quick Response (QR) codes on some of our products.

At Smucker, we are committed to federal GMO labeling regulations. These regulations will require labeling of foods that contain GMO 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 with GMO ingredients.

HEALTHY WEIGHT COMMITMENT FOUNDATION

Smucker is a founding member of the Healthy Weight Commitment Foundation (HWCF), which is committed to helping reduce the incidence of obesity, especially among children, in the United States. As part of the Foundation's Commitment to Healthy Communities (CHC) program, 11 food and beverage companies invested in community-based health and wellness initiatives that reached more than 11 million Americans in 2016. The CHC program was created to evaluate corporate-community investment in healthful eating and active living programs. It assesses corporate programs and uses scope and impact data to build a catalog of best practices and concepts companies can use to move toward implementation of impactful, new, and better programs. We are proud of the work that CHC has done and look forward to the future impact it will have on our communities.



COMMITTED TO THE HIGHEST STANDARDS

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 will continue 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 schemes meet GFSI's rigorous global quality and food safety standards. All Smucker sites are either currently GFSI-certified or working toward certification.

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 our non-pet food manufacturing plants since the law went into full effect in September 2016. Our pet food manufacturing plants are in compliance with all federal guidelines and will implement all the required provisions by September 2017. 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.

RESPONSIBLE SOURCING



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**Commodity
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Impact Reduction

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MINIMIZING RISKS AND ENVIRONMENTAL IMPACT

We consider the strength and quality of our relationships with all constituents a core competency for Smucker. Our 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; possess a cultural fit that supports our Basic Beliefs; and meet our operational excellence standards for quality, delivery, and location.

We encourage our suppliers to operate transparently, responsibly, and sustainably in order to minimize social and environmental risks across our supply chain. Our enhanced Global Supplier Code of Conduct strengthens our stance on human rights. The Code of Conduct requires our direct suppliers to contractually agree not to employ children, prison labor, 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.

In short, 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. Using internal resources, we perform scheduled quality assurance audits with suppliers. As part of this process, our auditing personnel look for any evidence of human rights violations, such as human trafficking or slavery. We will continue to evaluate these risks in our supply chain as our Company grows, and are also conducting training programs for supply chain personnel as necessary to manage identified risks that could threaten our commitment to our *Basic Beliefs*.

Since we expanded our business to the pet food and pet snacks category in 2015, we are managing additional supply chains that are unique to this category. As part of our strategy to manage these supply chains, we created a cross-functional task

force to assess risk in our commodity sourcing. One of their first tasks was to assess the use of forced labor across our entire supply chain to identify high-risk commodities sourced from countries with known human rights issues. With that work complete, we are now working with regional suppliers of these commodities to determine whether a social compliance audit or other certification has been completed within the past 12 months. If not, we will perform the audit on the suppliers' behalf.

As part of our commitment to human rights issues, we have joined The Consumer Goods Forum's social sustainability efforts, which focus on eradicating forced labor from the supply chains of their members. As part of this program, 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.



SUSTAINING SUPPLY CHAINS

As a leading manufacturer and marketer of food and beverage products, Smucker purchases a wide array of raw ingredients to manufacture our products. We seek to source sustainably produced materials that directly benefit farmers and the communities in which they live and work.

We are committed to supporting a supply chain that is always mindful of its economic, environmental, and social impacts, and approach sourcing in a manner that is consistent with our *Basic Beliefs* of *Quality, People, Ethics, Growth, and Independence*. We strive to source our products with a comprehensive view that accommodates both responsible sourcing practices and marketplace business dynamics. As an example, we have committed to source 100 percent cage-free eggs by 2020 for our consumer food products.

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. We source from many coffee origins around the world where small family farmers grow coffee. These farmers are an important part of the global coffee supply chain and critical to the long-term viability of the coffee industry. To this end, we are committed to a green coffee strategy built around three elements:

- Responsible Sourcing;
- Smallholder Support; and
- Integrated Environmental Efforts.

SUPPLY CHAIN COMMITMENTS



10%

Continue to purchase 10 percent of our total retail coffee from certified green coffee sources.



100%

Develop a fully sustainable and traceable palm oil supply chain that ensures 100 percent of our direct palm oil purchases are from responsible and certified sustainable sources.



100%

Source 100 percent cage-free eggs by 2020 for our consumer foods products.

COMMODITY
SOURCING

UTZ COFFEE CERTIFICATION



**38
BILLION**

Cups of UTZ Certified coffee sold in 2016.



226,424 FARMERS 296,208 WORKERS

Number of coffee farmers and workers benefited in 2016.



**25
COUNTRIES**

Grow UTZ Certified coffee.



#1

Smucker is top buyer of UTZ Certified coffee in the U.S.



76% UTZ Certified coffee farms are smaller than five acres.



Learn more about our Smallholder Support and Integrated Environmental Efforts of our green coffee strategy on page 43.

Smucker is committed to purchasing green coffee in a responsible manner, and we have extensive internal processes and controls to help us keep 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 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.

In 2012, we committed to purchase 10 percent of our total retail coffee from certified green coffee sources by 2016, a goal we successfully met in 2015. We plan to continue sourcing 10 percent of coffee from certified sources, including coffee from farms that are UTZ Certified and Rainforest Alliance Certified™.

For the fourth consecutive year, Smucker has also been the largest North American purchaser of coffee

certified by UTZ, which covers a broader spectrum of origins and coffee varieties that can be applied across our entire portfolio of coffee products. UTZ activities focus on professional farm management practices so that producers not only earn a better price for their product, but also do so in a resource-efficient manner. In Colombia, for example, UTZ farmers had a 65 percent higher net income per kilo of coffee than non-certified farmers. More than 500,000 coffee farmers and workers in 25 countries benefit from the UTZ program, making it the world's largest available supply of certified coffee. Through our partnership with UTZ, we've reinforced sustainable coffee practices that enable better farming and a better future for all stakeholders.

While the majority of our certified coffee purchases are currently UTZ Certified, we are aware that different coffee certifications can be suited for different growers based on various regional, economic, quality, and varietal factors. In fact, our *Dunkin' Donuts Dunkin' Dark*® coffee, available in bagged and K-Cup® pods, contains 30 percent Rainforest Alliance Certified™ coffee. Criteria for Rainforest Alliance's certification focus on sustainable farming practices, driven by its mission to conserve natural resources and promote sustainable livelihoods. Rainforest Alliance Certified™ farms meet comprehensive standards for sustainable agriculture that protect wildlands, waterways, wildlife habitat, and the rights and well-being of workers, their families, and communities.

SEAFOOD

Seafood is part of the supply chain in our pet food and pet snacks business, which uses fishmeal as a key ingredient in certain types of pet food products. In recent years, there have been reports about the use of forced labor through the practice of transshipping in certain areas of the world. Transshipping is the transport of goods to an intermediate destination before their final one. At Smucker, we have a zero-tolerance policy for illegal transshipments at sea and strictly ban the practice throughout our supply chain. We require all of our suppliers to provide us with appropriate legal documentation to validate that they are not sourcing their seafood in this manner.

To help eradicate forced labor practices in regional seafood supply chains, we have joined the Seafood Taskforce, formerly the Shrimp Sustainable Supply Chain Taskforce, specifically assembled to address fishing 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 whom work together to drive measurable social and environmental change in the Thai seafood industry through greater supply chain accountability, verification, and transparency.



COMMODITY SOURCING

PALM OIL

Though palm oil represents a relatively small percentage of our commodity purchasing, Smucker is committed to developing a fully sustainable and traceable palm oil supply chain. Due to the social and environmental risks involved in the palm oil supply chain, we have been purchasing Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil since 2012 and have had several of our manufacturing facilities RSPO-certified since 2013. RSPO is the leading not-for-profit association uniting more than 3,000 members in the palm oil sector to develop and implement global standards for sustainable palm oil. In 2016, more than 6 million acres of palm oil production were certified according to the RSPO principles and criteria.

Today, 100 percent of our direct palm oil purchases are from responsible and certified sustainable sources. We continue to work toward tracing 100 percent of our purchases of palm oil to the plantation on which it is grown, a commitment that we hope to achieve by 2020. As part of our commitments, we have outlined a set of principles, policies, and procedures to help guide our palm oil purchases:

Protecting Forests

- No development in high-carbon stock forest areas or high-conservation-value areas.
- No burning to clear land for new planting or replanting.

Protecting Peat Lands

- No new development on peat lands, regardless of depth.
- Apply Best Management Practices for existing plantations on peat lands and explore options for restoration when feasible.

Fostering Positive Impacts on Human and Community Rights

- Respect and support the Universal Declaration of Human Rights.
- Respect and recognize the rights of all workers.
- Facilitate the inclusion of smallholders into the supply chain.
- Prohibit the use of forced and child labor and human trafficking.
- Respect land tenure rights, including the rights of indigenous and local communities to give or withhold their free, prior, and informed consent to all new development or operations on lands to which they hold legal, communal, or customary rights.
- Resolve all verifiable complaints and conflicts through an open, transparent, and consultative process.

FACTS ABOUT ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

3,413

RSPO members

**6 MILLION
ACRES**

Palm oil production
area certified by RSPO

89

Countries with
RSPO members

325,284 HECTARES

RSPO-certified
smallholders-managed area

**11.83 MILLION
TONS**

RSPO-certified
sustainable oil

134,654

Individual smallholders
with RSPO membership

21%

Proportion of global
palm oil certified by RSPO

93%

RSPO certified palm oil
produced in Malaysia and
Indonesia combined.



SUPPORTING THE ENVIRONMENT AND FARMERS

At Smucker, we invest in sustainable agriculture projects and initiatives, not only to help us maintain a reliable supply of these raw ingredients, but also to support the farmers who produce them and the environment in which they are grown.

Our commitment to sustainable agriculture includes our membership in The Sustainability Consortium (TSC), an independent organization committed to the development of transparent strategies and tools to drive sustainable products and supply chains. As part of our efforts to better understand sustainable agricultural practices, we partnered with TSC, the University of Arkansas, and Arizona State University to conduct a water risk analysis in nine Company supply chains. The research used data from the World Resources Institute's (WRI) Aqueduct™ Measuring and Mapping Water Risk tool to calculate water risk for 12 water indicators. The research also provided insight on production intensity, irrigated versus rain-fed crops, and relative water risks to global supply versus our sourcing regions.

GREEN COFFEE SUSTAINABILITY

In addition to responsible green coffee purchases, our Smallholder Support and Integrated Environmental Efforts help provide access to certain markets, resources, and technologies to improve farmer livelihood. The key elements are focused strategically on long-term supply, producer viability, and climate change — issues that we believe are critical to supply chain participants, customers, consumers, and shareholders.

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. Sustainable coffee supply and the economic viability of these small growers must be linked. For this reason, we partner with leading development organizations to better address holistic and systematic improvements in coffee regions.

As the largest mainstream coffee roaster in North America, we draw upon years of global market experience to source coffee from around the world in a responsible manner. Some of our direct global engagement includes maintaining offices in Brazil and Vietnam, two of the largest coffee-producing countries, as well as program support in multiple producing countries for efforts to improve the long-term sustainability of smallholder coffee farmers.

Our green coffee strategy is built around three elements:

- Responsible Sourcing;
- Smallholder Support; and
- Integrated Environmental Efforts.

**TECHNOSERVE PARTNERSHIP
IN CENTRAL AMERICA**

A long-term Smucker partner is TechnoServe, a well-respected nonprofit organization 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. While other training programs bring farmers to classroom settings, TechnoServe conducts trainings on coffee farms, using a highly participative approach. Rather than cover concepts in a single session, TechnoServe offers an 18-month program to fully cover a coffee-growing cycle, as well as including additional training topics such as finance, farm management, and gender equity. Upon completion of this intensive training, farmers have the necessary knowledge to maintain high yields, be more resilient, and have greater long-term economic potential. In 2016, TechnoServe had 13 active coffee projects in nine countries, assisting 103,806 beneficiaries, 37 percent of which were women.

We are engaged in the Better Coffee Harvest Project (BCHP), a four-year partnership with TechnoServe, the United States Agency for International Development (USAID), and the PIMCO Foundation to help mitigate



“I became enthused with the project and with the idea of working again in my plot. I learn from the training, practice with the seed, and take advantage of the plot. I moved from harvesting 150 pounds two years ago to almost 700 pounds this harvest.”

–Juan Humberto Rosales

the detrimental effects of coffee leaf rust in Central America, specifically in Nicaragua and El Salvador. The initial goal of this project was to reach 6,000 smallholder coffee farmers with the intensive training necessary to boost productivity and farm revenues by 25 percent. The project also focuses on improving farmer access to appropriate inputs like financing and quality planting materials. The expertise of TechnoServe in coffee farming and in Central America is enabling faster-than-expected project results. In its third year, the program exceeded its goal by engaging more than 9,000 participating farmers, 88 percent of whom have started adopting practices learned through the program.

“I feel empowered. I want to continue learning and collaborating with my community and with my family.”

–Maritza Carmen Colindres Montalván

During 2016, the project’s third year, 23 percent of the coffee area for the project in El Salvador and in Nicaragua was pre-productive. This means the coffee trees were either renovated by replacing old coffee trees with new ones or stumped. While this process requires three to four years before plants become productive, temporarily reducing yield and limiting farmer income, it is essential to the long-term health of the farm. The willingness of farmers to undergo this finance- and labor-intensive process represents a milestone for the BCHP. It exemplifies farmers’ investment and dedication to the long-term sustainability of their farming operations.

Additional 2016 project accomplishments included:

- Increased yields by 43 percent in El Salvador and 24 percent in Nicaragua by smallholder beneficiaries;
- Providing farmers with access to more than \$570,000 in approved loans;
- Improving procedures and quality of planting materials in plant nurseries; and
- Planting some alternative crop demonstration plots, which included crops such as organic chia, plantains, and passion fruit, to improve food security and support income diversification.

HANNS R. NEUMANN STIFTUNG PROJECT IN INDONESIA

We continue to have a strong partnership 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 and cocoa farmers around the world. To date, the Neumann Foundation has worked with more than 177,000 farmer families in 18 countries to improve their production systems, entrepreneurial skills, and incomes — while protecting and conserving vital natural resources.

For nearly four years, we have been working on the ground with the Neumann Foundation in Indonesia to collaborate 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.

Due to the project's success and visibility, registration has now reached almost 5,700 individuals, including 4,700 actively engaged smallholders who live in remote areas with limited access to extension services or best practices. Active training continues with these farmers, who are organized into 197 farmer groups, and has increased significantly as project technicians have supported farmer trainers and government extension officers to lead sessions on their own. With more than 44,000 training contacts accumulated since 2014, a near 75 percent increase from 2015, this training takes an intensive, farmer-centric approach in which the participants are active in determining what type of training they need. Overall adoption of agricultural best practices was 63 percent, with pruning, grafting, and rejuvenation among the most adopted practices. Using these techniques, farmers' productivity is significantly higher than the regional average.

OUR GREEN COFFEE SUSTAINABILITY VISION

We will offer a coffee experience that impacts lives through Responsible Sourcing, Smallholder Support, and Integrated Environmental Efforts that enable a viable livelihood for producers so that generations of consumers enjoy a sustainable cup of coffee.

Learn more about our Responsible Green Coffee Sourcing on page 40.



A FAMILY FARM FINALLY BECOMES FRUITFUL

Dedi Kusnadi grew up on the family farm in South Sumatra, Indonesia. When his parents passed their two-hectare, 5,000-tree plot down to him, he continued to manage it the way his parents had taught him. He was producing 600–800 kg per hectare each year, and even his community knew how nonproductive and poorly managed his plot was. It was not until a portion of his crop was devastated by pests that he decided to seek help. Dedi convinced his local farmer group to join the Neumann Foundation's intervention project. Since implementing proper pruning, grafting, fertilizing, and soil management practices learned through farmer field days, his productivity has increased to 1,500 kg per hectare.

As part of the formation of the local coffee marketing collective, Dedi and other farmers are obtaining a better price for their coffee. "Who would have thought that I would be someone others look to for guidance as a role model?" says Dedi. "I am thankful for the initiative. It has changed my life."

As a result of trainings, coaching, and mentoring from project technicians, multiple farmer groups are now selling directly to exporters. The improved supply chain results in increased margins for farmers.

In addition to improving yields and margins, special projects for the year included:

- A visit by an Indonesian Coffee Research Institute employee and an Indonesian government official to the Neumann Foundation research center in Vietnam to promote the exchange of best growing practices;
- The implementation of a new solar dryer, which helps reduce coffee drying time from 21 days to seven to improve quality and farmer cash flow; and
- The establishment of nurseries in villages around Sumatra to help foster seedling growth.

ENVIRONMENTAL EFFORTS AND INDUSTRY RESEARCH

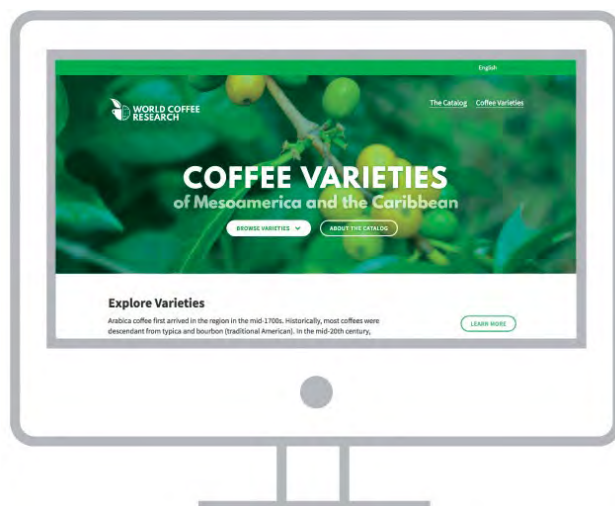
As one of the world's leading coffee roasters, Smucker is committed to ensuring that coffee production around the world can keep pace with rising demand while protecting natural resources. Many of the agricultural strategies imparted by TechnoServe, the Neumann Foundation, and others help address the unique environmental conditions for coffee production, including elevation, temperature, precipitation, and soil.

For the past four years, we have also partnered 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, lifting farmer profitability, protecting and increasing quality, and controlling disease.

The development of stronger, higher-yielding varieties offers one of the few ways coffee farmers can reduce their risks and increase their profitability and sustainability. WCR works in partnership with coffee-producing countries around the world to develop the next generation of coffee varieties.

The organization also works in the short term to assist farmers in getting access to the best varieties of today, ensuring those plants are healthy and genetically pure and that farmers can make informed choices about which varieties are right for them.

In 2016, WCR published Coffee Varieties of Mesoamerica and the Caribbean, the first comprehensive catalog of coffee varieties ever made available to coffee farmers. While farmers of many crops take basic farming catalogs like this one for granted, describing plant characteristics such as yield, disease resistance, and quality potential — no such tool has existed before for coffee farmers, putting them at high risk for selecting inadequate plants. The open-source tool has been accessed more than 20,000 times online.



WCR launched a coffee nursery and seedling quality assurance program. Again, while producers of most crops take for granted that seed they purchase is certified as healthy and genetically pure, there has been limited assurance for coffee farmers until now. The program aims to set a new global standard to lower the risk farmers face when they purchase new coffee plants.

To ensure that 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, 24 countries have received the 35 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 that they can select the best-performing varieties and make them available to coffee farmers in their country. 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 finally consumption.

Also in 2016, in conjunction with the Specialty Coffee Association, WCR completed an overhaul of the coffee flavor wheel. This universal coffee flavor wheel

creates a common language to describe flavors within different types of coffees, which ultimately enables growers to ensure they are producing marketable coffee with flavors that consumers have come to expect. The new wheel is based for the first time on rigorous sensory science.

FRUIT

As a leading producer of jams, jellies, preserves, and juices, the Smucker Family of Brands 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 that we often work directly with growers to promote safe, high-quality ingredients.

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 in 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.



Coffee experts and novices alike can use the coffee flavor wheel to help them recognize flavors ranging from hues of strawberry to notes of dark chocolate.

In addition to working with industry commissions, Smucker also works directly with growers who 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 ground. They also run a berry breeding program to develop disease-resistant and machine-harvestable berry varieties. The aim of this breeding program is to not only produce high-yielding, high-quality fruit, but also to help reduce the need for chemical inputs.

QUINOA

Our *truRoots* brand features organic, gluten-free, and non-GMO ancient grain products, including sprouted and non-sprouted grains, pastas, beans, legumes, and seeds. The brand works with Fundación 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. By extending our partnership with Fundación Valles, we are helping local growers bring consumers a sustainable product from farm to fork.

In 2016, Fundación Valles received a partial grant for quinoa “venteadoras,” or cleaning machines, to help improve efficiency and quality for small producers. This equipment specifically improves the process of separating the quinoa grain from the dry leaves and other material, which would otherwise be done by hand. Fifty venteadoras will be used by 100 quinoa-producing families. The machines have the capacity to process 500 kilograms of grain per hour, are easily transported, and are locally manufactured in Oruro, Bolivia.

The I.S. Wong Foundation and The Resource Foundation provided the initial grants for the venteadoras, while Smucker provided initial training and will continue to provide ongoing machine maintenance. Each family has also helped finance these machines to help achieve ownership and ensure longevity of the program.

SMUCKER/FUNDACIÓN VALLES ORGANIC QUINOA 2016 PROGRAM HIGHLIGHTS

Metric	2015	2016
Hectares of land certified as USDA organic	616	1,372
Number of small-scale quinoa growers provided technical assistance	275	301
New varieties of quinoa introduced in the region	5	5
Number of workshops conducted	13	18
Number of workshop participants	199	310
Tons of 100 percent certified organic quinoa harvested for the U.S. market	450	435



The venteadoras, or quinoa cleaning machines, help increase producer income by improving processing efficiency as well as grain quality.



SPECIALTY CORN

Through our Mill-shed project in Tennessee and Kentucky, we work with 17 growers who represent 100 percent of our specialty corn supply on a project focused on optimizing nutrient management and sustainable practices. The project, which represents 14,000 acres, utilizes an online calculator that allows farmers to input data and compare their activities with other farmers in their region. Growers provide data pertaining to farm activities, including fertilizer usage, water usage, soil practices, and greenhouse gas (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.

Nearly 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 on their farms and avoids an estimated 46,300 gallons of diesel fuel. It also helps in preserving and

maintaining healthy soil through the improvement of root growth and water-holding capacity. In 2016, these environmentally friendly farm practices led to GHG emissions that were 10 percent lower than regional averages.

BLACK PEPPER

Some of the finest ingredients in our *Sahale Snacks*® products are sourced from Vietnam, including cashews, cinnamon, and black pepper. Since 2014, we have partnered with PeaceTrees Vietnam as part of our 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.

Though it has been more than 40 years since conflict ended in the region, the suffering caused from that era is still very real. The Black Pepper Farming Project is a program funded by PeaceTrees that trains poor, largely ethnic minority farmers in Cheng Village of Tan Lien Commune. *Sahale Snacks* supports PeaceTrees with contributions to this important mission. In 2015, the farmers successfully started growing their own black pepper plants to earn an income for their families.





SUSTAINABLE PRODUCT PACKAGING

We continually examine sustainable packaging options for our products, and our goal is to use fewer resources and more energy-efficient product distribution methods.

When designing new packaging, we consider environmental factors throughout the entire process, including minimizing packaging materials, reducing waste to landfill, using recycled content, and minimizing food waste, all while protecting food safety and quality. We continue to work to ensure the recyclability of as many of our packaging materials as possible. Currently, the majority of our products have packaging materials that can be recycled.

WEIGHT REDUCTION

We have introduced multiple lightweight packaging solutions across each of our business areas, resulting in a reduction in weight and total materials used. For example, a project reducing packaging weight in the closure of our *Smucker's® Magic Shell®* bottles has reduced the amount of plastic used, which in turn reduced the total number of trucks on the road by nearly 40 percent in 2016. We are continuing to pursue additional projects across our product portfolio, with a focus on lightweighting and energy reductions while delivering our standard of high-quality and safe food products.

SUSTAINABLE PAPER AND FIBER

Our suppliers within the paper industry are leading members of sustainability organizations, including the American Forest & Paper Association, the Paper Recycling Coalition, and the Paperboard Packaging Council. As a member of The Consumer Goods Forum, we are committed to helping achieve net zero deforestation and are working closely with our suppliers to ensure fiber packaging materials are from recycled content or virgin wood that is not a contributor to deforestation. We remain focused on increasing our compostable or recyclable content while reducing the package-to-product ratio.

PRODUCT DISTRIBUTION

We continue to explore ways to optimize our freight and shipping methods throughout North America. Our strategic alignment with suppliers allows for optimization of shipping lanes, along with associated energy and fuel costs.

We also continue to partner with CHEP, a logistics distribution company, through their business model of “shared” pooled pallets, which brings both operational efficiencies and environmental benefits. Our commitment to reusable wooden pallets reduced nearly 26 million pounds of solid waste and eliminated approximately 965 tonnes of CO₂e in 2016. These savings are equivalent to 83,000 trees planted and grown for 10 years.

ENVIRONMENTALLY PREFERRED PURCHASING

Our *Sahale Snacks* facility in Seattle, Washington, has begun implementing an Environmentally Preferred Purchasing (EPP) program. The program focuses on purchasing materials for the manufacturing plant that:

- Reduce environmental impact;
- Limit toxic chemicals that are harmful to health;
- Save money through reduced consumption and reuse of materials; and
- Support markets for recycled products.

The plant considers the “triple bottom line,” or the environmental, social, and economic impact, when purchasing plant supplies. Coffee cups are an example of how EPP works. The plant determined that replacing disposable coffee cups with reusable ceramic coffee mugs would not only save more than \$5,000 a year, but also reduce plant waste and the resources needed to manufacture the cups.

Our Chico, California, plant has a similar purchasing program that gives preference to “sustainable products that have a reduced impact on the environment and human health, and are comparable to their standard counterparts in quality and price.” As more of our plants roll out EPP programs, we look forward to seeing Company-wide results through improved progress toward our operational goals.



OPERATIONAL IMPACT



Our Approach

page 54

Goals and Progress

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2016 Initiatives

page 58



Employee Engagement

page 59

OUR APPROACH



SUSTAINABILITY FEATURES

SITE

FLOORING

BUILDING

LEED® CERTIFICATION

Pursuing LEED® Certification for construction projects is one way we are realizing our focus on constructing sustainable workspaces. The Company currently has seven facilities that have earned LEED® designation and has made a commitment to strive for LEED® Certification on major new construction projects. We are currently in the process of commissioning LEED® Certification for our newly renovated Origins Building at our corporate campus, home of our Smucker Natural Foods business. The building features sustainable attributes such as bamboo flooring, LED lighting, and furniture made from recycled content and reclaimed wood. It is expected to achieve certification by the end of 2017.

Create a better tomorrow by focusing on preserving our culture, ensuring our long-term **Economic** viability, driving positive **Environmental** impact, and being **Socially** responsible.

LEADING POSITIVE CHANGE

Environmental responsibility is a natural 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.

The Vice President, Government Affairs (VP-GA) is the executive sponsor of the Company's cross-functional Sustainability Steering Committee. The Committee, which is chaired by our Director, Sustainability, leads our sustainability goal-setting and related efforts, including actions to mitigate climate change risks and pursue opportunities to reduce emissions. The Committee focuses on a variety of sustainability areas, such as operations and supply chain, sustainable agriculture, and employee engagement, among others. This multidisciplinary team meets on a regular basis to review and plan its ongoing work. Updates on the Steering Committee's progress are provided to our executive leadership and Board of Directors. Read more about Board oversight of corporate responsibility in our Corporate Governance section on page 24.

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 to date in visible locations so that all employees know what is required to achieve their specific goals.

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, on-site Sustainability Pillar leaders 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.

Smucker continues to voluntarily participate in the CDP Climate Change and Water Programs.



REDUCING OUR FOOTPRINT

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 landfill, are making significant reductions in our water use intensity, and continue to be challenged to reduce our GHG emissions intensity. As we continue to learn from these successes and challenges, we are currently working toward the following goals to achieve by 2020:

- Divert 95 percent of waste from landfill to alternative use.
- Reduce water usage intensity by 15 percent.*
- Reduce greenhouse gas emissions intensity by 10 percent.*

As part of our annual sustainability reporting process, our 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 boundary for 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.



WASTE REDUCTION AND LANDFILL DIVERSION

Robust waste reuse and recycling programs at all Smucker locations have enabled us to make significant and consistent progress toward our goal in this area. 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 our waste recycling 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 — from, most optimally, reducing the amount of surplus food produced, to landfilling as a last resort.

By continuing to find solutions for difficult waste streams, such as diverting peanut butter filled plastic jars from landfill, we achieved a 91.6 percent landfill diversion rate for the Company in 2016, an improvement from the previous year. We have many waste management activities underway at each of our locations to help achieve this goal, and we 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 landfill in 2016, meaning 97 percent of their manufacturing

*Baseline 2014 intensity based per equivalent unit of production.

waste was used for alternative purposes. Our Chico, California, manufacturing facility has maintained their platinum-level Zero Waste certification from the U.S. Zero Waste Business Council, and we continue to learn from these successes and are on track for other plants to receive similar certification.

WATER REDUCTION

From our 2014 baseline to 2016, absolute water withdrawals have decreased by 6.9 percent, while our water use intensity has decreased by 5.7 percent. Though all of our facilities are focused on water usage reduction, we continue to prioritize initiatives in our most water-intensive facilities, as they have the largest impact on our overall water use. Such targeted efforts are making a significant difference in our overall water reduction results.

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

ENERGY AND EMISSIONS REDUCTION

From 2014 to 2016, absolute GHG emissions have increased from our baseline by 3 percent. Our GHG emissions intensity has been reduced by 7.8 percent through 2016 versus our 2014 baseline, excluding the 2015 acquisition of Big Heart Pet Brands (Big Heart). However, we currently project that the inclusion of the Big Heart facilities in future reporting years may significantly reduce progress against this goal.

Gains made through capital improvements, such as more energy-efficient lighting, chillers, air compressors, and other plant systems, have been offset by changes in our manufacturing footprint. Increases in more energy-intensive product manufacturing, particularly for coffee, as well as research and development activities that consume energy and water but that do

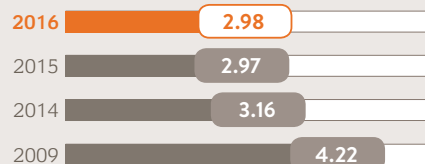
RENEWABLE ENERGY

We continue to evaluate on-site and off-site renewable energy opportunities. To date, our investments have included solar arrays and methane turbines 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. As with all capital projects, we will continue to weigh the environmental and social benefits of renewable energy in relation to its return on investment.

WASTE DIVERTED FROM LANDFILL*



WATER INTENSITY* (gallons per EU)



Equivalent unit (EU) is an internal measure of volume based on tonnage.

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.

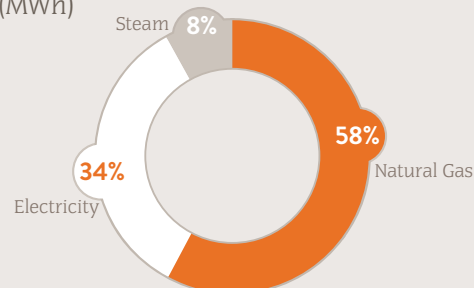
EMISSIONS INTENSITY* (tonnes CO2e per 1,000 EU)



Equivalent unit (EU) is an internal measure of volume based on tonnage.

not have corresponding sales from an intensity ratio perspective, have been key drivers of a changing footprint. With 93.4 percent of our GHG emissions produced from electricity, natural gas, and steam sources, we continue to focus specifically on utility consumption reduction opportunities.

2016 ENERGY USE BY SOURCE (MWh)



*Metrics do not yet include facilities from the Big Heart acquisition that occurred on March 23, 2015.



2016 INITIATIVE HIGHLIGHTS



WATER

Suffolk, Virginia

Through the installation of new water breakout meters, plant personnel are now able to more efficiently evaluate consumption, resulting in ongoing plant-wide water and cost reductions.

Toledo, Ohio

Water usage has been reduced by 32 percent since 2014, attributed to process and maintenance improvements.

Cincinnati, Ohio

Through the use of a cooling tower, this plant reduced its water usage by more than 4.6 million gallons in 2016.

Orrville, Ohio

By replacing elements on a pasteurization line, this plant was able to save nearly 15 million gallons of water.



WASTE

Lexington, Kentucky and Memphis, Tennessee

Putting principles from the EPA Food Recovery Hierarchy pyramid into action, these plants implemented a program to divert more than 4 million pounds of scrap to be used as animal feed instead of sending to landfill.

Orrville, Ohio

A new trial to recycle glass jars with jam and jelly residue will help drive progress toward our 2020 waste goal.

Buffalo, New York

By finding a recycling outlet for their used wax cardboard, this pet food plant diverted nearly 150,000 pounds from landfill in 2016.



GHG

New Bethlehem, Pennsylvania

The replacement of a compressed air dryer with a more efficient model is expected to save 45,000 kWh per year.

Lawrence, Kansas

Decreased use of electricity and natural gas at this plant has reduced GHG emissions 13 percent since 2014.



RENEWABLE ENERGY

Chico, California

More than 3,500 solar panels were installed in 2016, offsetting a portion of the facility's electricity.

Havre de Grace, Maryland

In 2017, a 0.5 megawatt solar array on the plant's warehouse roof is projected to save 425 tonnes CO2e and offset 640,000 kWh of electricity usage.

THE POWER OF OUR PEOPLE

While we make capital investments to reduce our impact through process improvements and ongoing plant initiatives, our employees are the real drivers of sustainable change.

We depend on operators and plant managers, who are on shop floors daily and know plant procedures intimately, to provide visibility into our systems and identify future efficiencies that drive change to realize progress toward our 2020 commitments.

We also harness the power of our employees to spread sustainability awareness throughout our local communities. Every Smucker plant, for example, hosts an annual Earth Day celebration. Activities include tree plantings, park cleanups, community picnics, presentations from local environmental organizations, e-waste recycling, and waste “audits.”

For Earth Day in 2016, Seedles were distributed to employees at all of our manufacturing facilities. These are rainbow-colored seedballs composed of clay, compost, seeds, natural pigments, and water.



When planted, Seedles can grow between five and 25 wildflowers to be pollinated by the local bee population.

At our Corporate headquarters in Orrville, Ohio, a team of employees serve as sustainability ambassadors to help encourage a sustainability mindset throughout the office environment. These employees have implemented multiple sustainability-focused changes to help Orrville work toward achieving its 95 percent waste diversion rate on campus, including increasing the number of campus recycling containers, eliminating usage of disposable cups, and composting food waste. Additionally, the team is encouraging carpooling and has implemented an internal communications campaign to bring education and awareness to sustainability-related topics.

SCRAPPING WASTE FOR ENERGY

Employee engagement in Orrville, Ohio, is helping to support an innovative waste-to-energy project at our Corporate headquarters. We have partnered with Grind2Energy™ to create energy from food scraps in our Corporate cafeteria, plant, and R&D facility. Scraps are properly sorted to avoid contamination with inorganic material and then placed into an industrial “garbage disposal,” which has the capacity to process 2,700 gallons of waste into a slurry. Once the tank is full, we send its contents to a facility in Wooster, Ohio, for bio-digestion. As the slurry digests, it produces methane gas, which, when hooked up to a generator, adds the energy produced directly to the local power grid. The project diverts our waste from landfills and brings renewable energy to our community.



Since the installation of the grinder, our employees and support teams have supported its success: Kitchen staff have trained on proper use and what can and cannot be digested; employees have learned how to compost; and all cafeteria trash cans now have a designated bin for organic waste. This program has increased our overall sustainability engagement and demonstrated how innovative sustainability solutions can become a part of routine workplace practices.

COMMUNITY



**Social
Responsibility**
page 62

**Education
Focus**
page 64





CORPORATE CHARITABLE 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.

As a good corporate citizen, we have a responsibility to support — financially and in other ways — organizations, projects, and programs, both public and private, that contribute to the well-being of the total social and public environment. 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. Our contributions come not only in the form of donated funds, products, and equipment, but also in the form of donated time. The Company encourages involvement by our employees in community activities, as they play an important role as volunteers for many civic and charitable organizations.

LOCAL ECONOMIC DEVELOPMENT

We continue to invest in the revitalization of Main Street in our hometown of Orrville, Ohio. Smucker has purchased more than 10 vacant properties in the downtown area, with the goal of significantly renovating the interiors and exteriors of the properties to attract viable businesses to the community. This includes Smucker, which is using one of the locations

for additional office space. Loft apartments also have been created in several of the buildings to provide convenient residential options downtown near the revitalized commerce area. This revitalization project does more than just represent the expansion of commercial activity; it also creates a more prosperous and viable downtown area, enhancing the community experience.



FEEDING AMERICA®

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. Throughout 2016, in addition to our monetary support, we donated more than 7 million pounds of Smucker product to food banks across the country — enough food for more than 6 million meals. We also have a long-standing relationship with the Akron-Canton Regional Foodbank (ACRF), located near our Corporate headquarters. In 2016, in addition to our monetary support, we donated more than 1.5 million pounds of product, or more than 1 million meals, to the ACRF alone. Additionally, many of our employees volunteer their time at the ACRF as part of team-building activities.

RESCUE BANK®

Smucker is proud to announce a newly formed 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 provides support to pets that are displaced due to disasters and emergencies. Throughout 2016, we provided product and monetary donations to Rescue Bank®. We have donated more than 2.4 million cat meals and more than 7.7 million dog meals across the country.

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.

CANINE ASSISTANTS®

Since 1997, our *Milk-Bone* brand has provided annual monetary and product support to Canine Assistants®, a nonprofit training program for service dogs that provide assistance to children and adults with physical disabilities, seizure conditions, or other special needs. In hospitals across the country, Canine Assistants® 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 20-year partnership, *Milk-Bone* has sponsored more than 2,000 dogs in the training program and has spearheaded a number of promotional activities to raise awareness for the organization. In 2017, *Milk-Bone* partnered with Canine Assistants® to launch the “Dogs Who Changed the World” campaign, a nationwide search for amazing canines that have made an extraordinary impact on the lives of individuals and communities. The campaign highlighted the lives of 15 incredible dogs on the brand’s pet blog, *The Noseprint*®, which was shared with the *Milk-Bone* brand’s more than 360,000 followers across its social channels.

TEAM USA® SPONSORSHIP

As a proud sponsor of the 2016 and 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*. For example, our *Smucker’s* brand helped turn America’s passion for peanut butter and jelly sandwiches into a way to support Team USA® athletes by donating \$1 to the USOC for every tweet using #PBJ4TeamUSA, with a goal of raising \$200,000.



Through our USOC sponsorship, we are honored to support the dreams of athletes striving to represent the United States in the Olympic and Paralympic Games.



IN SUPPORT OF LIFELONG LEARNING

We have a special commitment to education because it is critical to creating better communities for today and tomorrow. Employees at our local plants and facilities frequently volunteer their time and energy 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 support of education extends to our own employees. We offer reimbursement of tuition costs to employees for Company-approved college courses and offer a scholarship program for children of employees.

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 three 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 2017, more than 175 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.

EL CAFÉ DEL FUTURO SCHOLARSHIP

The *Café Bustelo* El Café Del Futuro Scholarship offers nine, \$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.

A HOMETOWN RESOURCE

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. Twenty-six years later, we are proud of the accomplishments this grassroots organization continues to achieve.

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 schools to construct new elementary, middle, and high school buildings;
- Creation and ongoing publication of “OrrViews,” a community newspaper; and
- Support of the College Academy program.



Heartland’s current priorities, as determined during the steering committee’s strategic planning session, 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 to 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.

Heartland and its programs have received numerous awards throughout the years, including honors from the U.S. Department of Education. More recently, the Orrville City Schools and Heartland received the Ohio School District of Character designation for its commitment to character education. Orrville was one of 35 schools across the country selected as a finalist for the National School District of Character award.

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 26 years. The Heartland Education Community embodies our ideas about the ways in which corporate responsibility can help create a better tomorrow.

NON-GAAP MEASURES

We use non-GAAP financial measures including net sales excluding acquisitions, divestiture, and foreign currency exchange; adjusted gross profit, operating income, income, and earnings per share; earnings before interest, taxes, depreciation, amortization, and impairment charges related to intangible assets ("EBITDA (as adjusted)"); and free cash flow, as key measures for purposes of evaluating performance internally. We believe that investors' understanding of our performance is enhanced by disclosing these performance measures. Furthermore, these non-GAAP financial measures are used by management in preparation of the annual budget and for the monthly analyses of our operating results. The Board of Directors also utilizes the adjusted earnings per share and free cash flow measures as components for measuring performance for incentive compensation purposes. Non-GAAP measures exclude certain items affecting comparability, that can significantly affect the year-over-year assessment of operating results, which include merger and integration and restructuring costs ("special project costs") and unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"). The special project costs in the following table relate to specific merger and integration and restructuring projects, and the unallocated derivative gains and losses reflect the changes in fair value of our commodity and foreign currency exchange contracts. Beginning May 1, 2016, we redefined our non-GAAP measures to also exclude amortization expense and impairment charges related to intangible assets, and have modified prior year results to conform to the new definition. We believe that excluding amortization expense and impairment charges related to intangible assets in our non-GAAP measures is more reflective of our operating performance and the way in which we manage our business, as these items are noncash expenses and can be significantly affected by the timing and size of our acquisitions. These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). Rather, the presentation of these non-GAAP financial measures supplements other metrics we use to internally evaluate our businesses and facilitate the comparison of past and present operations and liquidity. These non-GAAP financial measures may not be comparable to similar measures used by other companies and may exclude certain nondiscretionary expenses and cash payments.

	<i>Year Ended April 30,</i>				
(Dollars in millions, except per share data)	2017	2016	2015	2014	2013
Net income reconciliation:					
Net income	\$ 592.3	\$ 688.7	\$344.9	\$565.2	\$544.2
Income taxes	286.1	289.2	178.1	284.5	273.1
Amortization	207.3	208.4	109.7	98.9	96.8
Impairment charges	133.2	—	1.2	—	—
Unallocated derivative losses (gains)	27.2	(12.0)	24.5	(5.3)	(6.6)
Cost of products sold – special project costs	5.7	12.2	6.2	9.4	11.5
Other special project costs	76.9	135.9	56.6	25.6	49.5
Adjusted income before income taxes	\$1,328.7	\$1,322.4	\$721.2	\$978.3	\$968.5
Income taxes, as adjusted ^(A)	432.8	391.1	245.6	327.5	323.6
Adjusted income	\$ 895.9	\$ 931.3	\$475.6	\$650.8	\$644.9
Weighted-average shares – assuming dilution	116,120,780	119,477,312	103,697,261	104,346,587	108,851,153
Adjusted earnings per share – assuming dilution	\$ 7.72	\$ 7.79	\$ 4.59	\$ 6.24	\$ 5.92

^(A) 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.

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.

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REPORT OF INDEPENDENT ACCOUNTANTS

BOARD OF DIRECTORS AND SHAREHOLDERS OF THE J.M. SMUCKER COMPANY



We have examined the Schedule of Total Scope 1 and Scope 2 greenhouse gas emissions (the Subject Matter) included in Exhibit A for the year ended December 31, 2016 as well as the baseline for the year ended December 31, 2014 for The J.M. Smucker (the Company) 2017 submittal to the CDP (formerly the Carbon Disclosure Project) Climate Change Disclosure and for presentation in the Company's Corporate Responsibility Report (the Report). The Company's management is responsible for the Subject Matter included in Exhibit A and as presented in the CDP Climate Change Disclosure and the Report in accordance with the World Resources Institute/World Business Council for Sustainable Development's The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and other source specific calculation methodologies as set forth in Exhibit A (the Criteria). Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects. An examination involves performing procedures to obtain

evidence about the Subject Matter. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Subject Matter, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not address other criteria beyond those set forth in Exhibit A.

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 can result in materially different measurements. The precision of different measurement techniques may also vary.

In our opinion, the Subject Matter for the years ended December 31, 2016 and 2014 is presented in accordance with the Criteria in all material respects.

Ernst & Young LLP
June 15, 2017

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

BOARD OF DIRECTORS AND SHAREHOLDERS OF THE J.M. SMUCKER COMPANY



We have reviewed the Schedule of Total Water Withdrawal (the Subject Matter) included in Exhibit B and as presented in The J.M. Smucker Company (the Company) 2017 submittal to the CDP (formerly the Carbon Disclosure Project) Water Disclosure and for presentation in the Company's 2017 Corporate Responsibility Report (the Report) for the years ended December 31, 2016 and 2014 in accordance with the Company's criteria set forth in Exhibit B (the Criteria). We did not review all information included in the CDP Water Disclosure or the Report. We did not review the narrative sections of the CDP Water Disclosure or Report, except where they incorporated the Subject Matter. The Company's management is responsible for the Subject Matter included in Exhibit B and as presented in the CDP Water Disclosure and the Report, in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. A review consists principally of applying analytical procedures, making inquiries 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.

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 can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, we are not aware of any material modifications that should be made to the Schedule of Total Water Withdrawal for the years ended December 31, 2016 and 2014, in order for it to be in accordance with the Criteria.

Ernst & Young LLP
June 15, 2017

EXHIBIT 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, 2016 and 2014
Amounts in Metric Tonnes CO₂e

	2016	2014 Recalculated
Scope 1	121,463	115,717
Scope 2	199,177	195,346
Total	320,640	311,063

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, 2016 and 2014 that the Company prepared for its intended 2017 submittal to the CDP Climate Change Disclosure and for presentation in the Company's 2017 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 Protocol¹: 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 not included within the 2016 or 2014 reporting scope and boundary.

NOTE 3 – MOBILE EMISSIONS:

Emissions from all vehicles are included in both the 2016 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; 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 in accordance with the GHG Protocol criteria on recalculations for structural changes and also to update the greenhouse gas eGrid emission factors for the most recent release (2017). 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 can result in materially different measurements. The precision of different measurement techniques may also vary.

¹ The Greenhouse Gas Protocol released an amendment to the Scope 2 guidance which requires emission 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 given historically used and more specific information from the energy provider.

EXHIBIT 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, 2016 and 2014

	2016	2014 Recalculated
Water withdrawal (amount in megaliters)	2,800.2	3,007.8
Water withdrawal (amount in cubic meters)	2,800,200	3,007,800

NOTE 1 – BASIS OF PRESENTATION:

The above amounts represent the total water withdrawal of the Company for the years ended December 31, 2016 and 2014 that the Company prepared for its 2017 submittal to the CDP Water Disclosure and for presentation in the Company's 2017 Report. These amounts have been prepared based on criteria as established in the World Resources Institute/World Business Council for Sustainable Development's Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, and supported by the Global Reporting Initiative G4, EN8.

NOTE 2 – BIG HEART ACQUISITION:

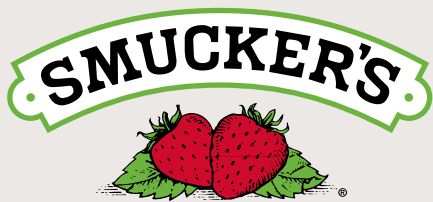
Water withdrawal associated with the facilities acquired in 2015 as part of the Big Heart acquisition are not included within the 2016 or 2014 reporting scope and boundary.

NOTE 3 – 2014 RECALCULATION:

The 2014 baseline recalculation was due to divestitures occurring in 2015 in accordance with the GHG Protocol criteria on recalculations for structural changes. These transactions required the 2014 baseline data to be recalculated for applicable comparisons to current period information.

NOTE 4 – 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 can result in materially different measurements. The precision of different measurement techniques may also vary.



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