



January 12, 2022

Dear Valued Customer,

Danone is currently experiencing diminished service levels on International Delight and Land O' Lakes PCs, driven by several factors including material shortages (specifically lid stock), COVID-related labor interruptions at our suppliers, and significantly increased demand – largely a result of service challenges in Q4 2021.

In October, our foil lid supplier began to short material deliveries due to market aluminum constraints. While they have secured additional raw materials, COVID has impacted their labor and caused further shortages in lid attainment, further delaying service recovery. At this point, we expect service levels to begin to improve by late Q1, with full recovery in or before Q3 2022 depending on demand and barring additional unforeseen circumstances.

Danone has taken several actions in the short term to maximize service levels:

- Implementation of order management process to promote fair and equitable product delivery across all channels and customers.
- Airfreighting of lid stock from EU to US to produce product as quickly as possible.
- Core flavor prioritization, including French Vanilla, Hazelnut, Caramel Macchiato, Original, International Delight Half & Half, and Land O' Lakes Half & Half.

In addition to the above, Danone is actively qualifying additional lid suppliers. To ensure quality and safety this work will not be completed until later in 2022.

We appreciate your patience and partnership as we work through these service challenges.

Sincerely,

Ariel Fortune Dalton

VP, Away From Home