



Stella & Chewy's®

Only the good stuff®

March 16, 2020

To: Stella & Chewy's Retail Partners and Distributors

From: Alison Potts, Chief Sales Officer

RE: Coronavirus-19

In light of the recent COVID-19 illness outbreak in the US and worldwide, Stella & Chewy's wanted to share with you the necessary precautions we have taken in our own facilities and with our kitchen and our supply partners.

Stella & Chewy's top priority is to ensure the protection of our pet parents and their pet's that rely on our food to stay healthy and fed. We are also sensitive to the changes in the business environment and the challenges you will all face in the coming months.

- Stella & Chewy's is running our factories 7 days a week, 24 hours a day and we have ramped up our Kibble, Freeze Dried and Frozen production to increase our on-hand inventory.
- With the demand that we are facing, we are adjusting our inventory to carry double the finished goods inventory levels to meet the demand of our retailers and distributor partners.
- We had decided prior to the recent surge in demand, to carry 3 months additional packaging over our current level of inventory.
- We have increased our current levels by 2x of all our raw materials. (We do not source any of our raw materials, vitamins or proteins from China.)
- Our kitchen has always had the proper sanitization process to ensure we keep bacteria and viruses out of the factory, and we have implemented a new shift movement to minimize exposure in our kitchens.
- We have increased our already high standards on maintaining the facility services such as laundry, safety supplies, and our janitorial service.
- We have chosen a cautious position for all our employees, contractors, and any outside visitors.
- All of our employees have been educated on the CDC's position and protections.

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- In an effort to slow exposure among our own employees and our retailers, we are going to temporarily suspend the S&C Demo program until further notice. We have heard from some retailers already that they are suspending store visits by sales reps and we feel it is prudent at this time to limit exposure. We will re-evaluate on April 1st the go forward plan.
- We have postponed our Good Stuff Tour, until further notice so that we may respect the request for observing social distancing in group events.

We do believe over the next few months it will be increasingly important as partners together to ensure pet parents have the ability to feed their trusted brands. We want to partner with all our neighborhood pet retailers to ensure there is no disruption within this important channel. It is in this spirit we want to ensure that our kibble and freeze dried is available to be sold online with our Neighborhood Pet Partners. These services could include order on-in, pick-up in store, local delivery or third-party delivery services. For many of you this is already available. It is on this note that your local Stella & Chewy's representative will be reaching out to show our support.

We will be doing the following:

- We will be, updating our website that has over 3M visitors with NHP Website availability to order our products.
- We will also be communicating via all of our social channels which includes over 1M pet parents NHP Website availability to order our products.
- We will be making all products available via Endless Aisles for any retailer wishing to participate in that program.
- We will be partnering with E-tailPet.com to help any of our retailers 'set up' their own at home delivery service.

Please know we have never been more fully committed to neighborhood pet, we will continue to share our sales and marketing support to strengthen NHP. All of our Employees will continue their remote connectivity to communicate with our trusted retail partners and distributors.

We will continue to monitor the CDC guidance as the situation evolves and will share any changes as soon as possible. Stella & Chewy's reserves the right to make changes to this action plan as necessary based on this very fluid situation. As always, if you have any questions – please do not hesitate to ask myself or any of your Stella & Chewy's local contacts.

Alison Potta

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