



March 19, 2020

Statement on Zafferano America and the COVID-19 Pandemic

Our current circumstance requires that we keep our friends, customers, and colleagues apprised of our business and the measures we are taking to handle the COVID-19 Pandemic.

Beyond business, though, we'll take the opportunity to note that a large portion of our customers are in the hospitality sector. Many restaurants, hotels, and caterers have been forced into agonizing choices regarding their staffing and whether they can remain open. Others have been forced to make fundamental changes to their business model, like converting from a sit-down restaurant to a take-out establishment, with zero warning. Our hearts go out to these customers, and all others who are experiencing unprecedented disruption during these uncertain times.

And, of course, we represent an Italian design leader and manufacturer. Italy is facing hardships as a nation that were unimaginable even a month ago, including difficult personal and professional choices for so many on our team. This is a terrible time and our hearts go out to all of our friends, colleagues, and customers as they navigate these troubled waters.

Our Team

Italy

Italy is in total lockdown and Zafferano Italy is temporarily closed. We plan to reopen on or before March 28, though our opening plans may be reevaluated as we near that date.

North America

Some US employees are directly affected by COVID-19 and parts of our operation are therefore operating on a limited basis. Though we expect little impact to customer-facing operations and inventory, our fulfillment capacity has been impacted significantly.

Specifically, a team member has tested negative for COVID-19 but has immediate family members who have tested positive. His family members are recovering and are

not expected to be medically affected in the longer term. This individual and the other staff who were in contact with him in recent weeks have quarantined at home.

Our Operations

Zafferano Italy bet big on the North American market with dedicated inventory, staff, sales, and marketing resources on this side of the Atlantic Ocean. There is ample product on our shelves and in transit to sustain our new sales rate. In the past 30 days alone, two 40' containers of merchandise from Italy have been dispatched to our US warehouse to avoid supply disruptions.

Overseas factories producing our designs under license are also back to working at full capacity, and we expect no medium- or long-term disruption to our ability to fulfill orders. We have created a redundant shipping structure in the US, with both a company-operated warehouse and an external third-party (3PL) warehouse in place. You may experience short-term delays in receiving orders because only inventory in the external (3PL) warehouse is currently available to ship. But we are in the process of transferring more inventory from our company internal warehouse to the external 3PL warehouse to help reduce the backlog.

As always, we remain eager to answer your questions and concerns and you can write us any time at info@zafferanoamerica.com

We will take this moment to thank our customers again for their support and their business. Zafferano America has grown dramatically in the past year and we could not do so, nor could our operations be as strong as they are, without the support of our retailers, design professionals, and advocates. Thank you – your support means more than you know.

This is a rapidly changing situation and we expect to issue new statements as circumstances change.