### The J. M. Smucker Company

MARKET CAPITALIZATION **TICKER HEADQUARTERS** NYS:SJM US\$12 billion **United States** 

DISCLOSURES **TARGETS** None

**UK Modern Slavery Act**: Not applicable

California Transparency in Supply Chains Act: Yes

**OVERALL RANKING** 

**OVERALL SCORE** 

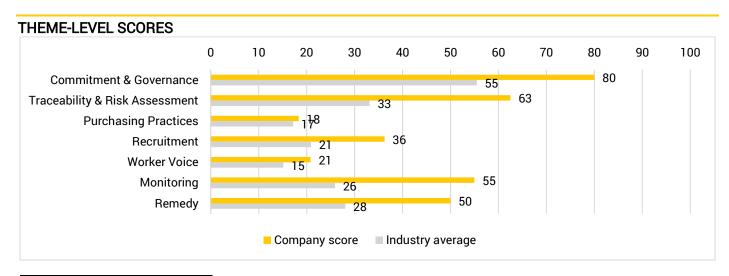
**8** out of **43** 

**46** out of **100** 

(2018 Rank: 14 out of 38)

#### **SUMMARY**

The J. M. Smucker Company (Smucker), an American food and beverage manufacturer, ranks 8th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Since 2018, the company has improved its score by 11 points. This is because the company began disclosing training for suppliers, the locations of some second-tier suppliers, further information on its risk assessment, a corrective action process, engagement with NGOs on forced labor risks in its Colombian coffee supply chains, and work on responsible recruitment in its supply chains. The company's score is based on its stronger performance on the themes of Commitment & Governance, Traceability & Risk Assessment, and Monitoring. The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Worker Voice.



Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset here. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre website.



# Food and Beverage Benchmark COMPANY SCORECARD 2020

### **KEY DATA POINTS**

**SUPPLIER LIST** 

No

SUPPORTS FREEDOM OF ASSOCIATION

No

**HIGH-RISK COMMODITIES** 

Coffee, fish, peanuts, and others<sup>1</sup>

**NO-FEE POLICY** 

Yes

REMEDY FOR SUPPLY CHAIN WORKERS

Nο

#### **LEADING PRACTICES**

**Stakeholder Engagement**: Smucker discloses that it is a part of the US Customs and Border Protections' (CBP) Forced Labor Working Group, whose objective is to "define obligations under the revised law, CBP's standards for allegations and appeals, and how to demonstrate integrity in the global labor and supply chain." It states this includes representation from multiple industries and government agencies. The company also discloses that it is actively involved in the Consumer Goods Forum through membership on its board, the Human Rights Coalition, the Social Sustainability Steering Committee, and various working groups that are implementing the priority industry principles in the seafood and palm oil sectors.

#### **NOTABLE FINDINGS**

**Risk Assessment**: The company discloses that it assesses forced labor in its supply chains by identifying high-risk commodities sourced from countries with known human rights issues. It states that suppliers are assigned a risk rating based on their self-assessment and human rights data from public sources. In addition, Smucker reports that it conducted a labor practices assessment in Colombia with an international and a local NGO to analyze forced labor risks in the country's coffee trade.

**Recruitment**: The company requires that workers be fully informed of their wages in writing during the recruitment process and provided with their employment terms in a language they understand. It states that it is working with two peer companies and a supplier company to provide input on improving the working conditions of fishermen on Thai fishing vessels, and it is in the process of designing "visual contracts" for workers to ensure that those who are illiterate or do not speak Thai can understand the terms of their employment. It also discloses that it is involved in a sub-group of the Seafood Task Force, focusing on responsible recruitment oversight.

Corrective Action Plans: Smucker states that suppliers will be expected to complete corrective actions and discloses detail on its process where findings of forced labor are identified. It states that its responsible sourcing department reviews corrective actions to ensure they have been implemented through a review of documentation or a follow-up third-party audit.



# Food and Beverage Benchmark **COMPANY SCORECARD 2020**

#### OPPORTUNITIES FOR IMPROVEMENT

**Purchasing Practices**: The company is encouraged to assess risks of forced labor at potential suppliers before entering into contracts with them. It is further encouraged to adopt responsible purchasing practices (such as prompt payment) and provide procurement incentives (such as price premiums or longer-term contracts) to its first-tier suppliers to encourage or reward good labor practices.

**Recruitment**: While the company has a policy that states workers must not be required to pay fees or deposits for recruitment, the company may consider integrating the <a href="Employer Pays Principle">Employer Pays Principle</a> into its policy and taking steps to ensure that it reimburses recruitment fees to its supply chain workers if it discovers that they have paid fees. The company may consider developing and disclosing a policy that requires direct employment in its supply chains, and that requires employment recruitment agencies and, where relevant, employment agencies in its supply chains to uphold workers' fundamental rights and freedoms. The company is further encouraged to disclose information on the recruitment agencies used by its suppliers.

**Worker Voice**: To support collective worker empowerment, the company is encouraged to work with suppliers to improve their practices regarding freedom of association and collective bargaining and with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

#### **ENGAGED WITH KNOWTHECHAIN**

Yes (Provided Additional Disclosure).

<sup>&</sup>lt;sup>1</sup> The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "<u>List of Goods Produced by Child Labor or Forced Labor</u>."