

## KnowTheChain 2023 Food & Beverage Benchmark

### Additional Disclosure

Company Name: The J.M. Smucker Company

Date: April 3, 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

.1/ 5.2 We would welcome additional information on the outcomes of assessments and the number of female and migrant workers identified.

[See Additional Disclosures in Sections 4 and 5](#)

10.1 We would welcome clarification on whether the Smucker Integrity Portal is open to grievances from supply chain workers.

[See Additional Disclosure in Section 10.1](#)

#### INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies and measures the effectiveness of capacity building.

- (2) J.M. Smucker discloses that it has "introduced required training on forced and child labor with [its] coffee suppliers" which "was sent to 43 suppliers and completed by 106 stakeholders". It does not disclose training efforts on forced labour in other supply chain contexts. It further discloses that it has "included" some suppliers beyond the first tier in its training sessions but does not provide further details (e.g., what kind of training, how many such suppliers).
- In late 2020 Smucker introduced training on Supplier Code of Conduct for all suppliers. The module was delivered in English, Spanish and French. Special emphasis was given to workers' rights. For broader communication, an English version of the training module is posted on our Responsible Sourcing microsite.

- On our corporate website we provide links to various government training resources to create awareness on forced labor and human trafficking.

[Respecting Human and Animal Rights | The J.M. Smucker Company \(jmsmucker.com\)](#)

#### Green Coffee

- Smucker partnered with Enveritas, a non-profit organization, to develop an online training module for 1<sup>st</sup> and 2<sup>nd</sup> tier coffee suppliers. The 60-minute training was delivered in 2021 to complement Enveritas' labor assessments on coffee farms. The training included an overview of forced/child labor indicators, Smucker's labor standards for suppliers, and the methodology of Enveritas' risk assessments, including remediation and grievance mechanism. It was available in English, Spanish, Portuguese, and Vietnamese. We kept track of attendance and measured effectiveness with post-training quizzes. A total of 114 individuals, representing suppliers, NGOs, and country stakeholders, completed the training.

#### Seafood

- Recognizing that a large majority of our suppliers choose SMETA for social audits of their facilities in 2022 we developed and introduced a SMETA audit training module to enhance our supplier capacity building program. The training was designed to raise awareness of the ETI Base Code, help suppliers understand the SMETA audit methodology and reinforce our expectation of non-retaliation against employees that provide information to the auditors. We invited one of our largest seafood supplier facilities to go through the online training prior to completing its annual social audit. The audit report showed zero non-conformances. As we continue our capacity building efforts, we will socialize it with other suppliers.
- For several years Smucker has actively participated in the Seafood Task Force Responsible Recruitment pilot programs. 100% of our tuna processors in Thailand also took part in the STF pilot for tuna supply chains, which was launched in mid-2020. Through these processors, we made sure that other supply chain stakeholders, such as feed mills and recruitment agencies, were engaged in the STF's capacity building activities. These activities involved Awareness and Alignment sessions for tuna processors and feed mills in June and August of 2020. Details about the pilot programs can be found in the STF Point Action Plan 2021 (Pages 33-37).

[SFT-10-Point-Plan-2021.pdf \(seafoodtaskforce.global\)](#)

### INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g., bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

1) Not disclosed. J.M. Smucker discloses information on responsibility for the areas of sustainability and ESG but **does not disclose specifically who is responsible for the implementation of supply chain policies on forced labour on a day-to-day basis**. It discloses that its Sustainability Steering Committee "is chaired by [its] Director of Sustainability and is comprised of key leaders from various functional areas" and "leads [its] sustainability goalsetting efforts and monitoring of activities". It states that its

"Vice President, ESG, Deputy General Counsel, and Assistant Secretary ("Vice President of ESG"), has the highest level of direct responsibility for ESG matters within the Company and is the executive sponsor of our Sustainability Steering Committee". It states that it has expanded its "ESG Governance Council, comprised of key leaders from various functional areas, which ... is responsible for [its] evolving ESG strategy and efforts", but **it is not clear whether that involves forced labour supply chain issues**. It further discloses that "all of [its] executive officers had 10% of their short-term incentive compensation based on the achievement of ESG objectives" but **does not disclose whether ESG objectives include improvements in working conditions in supply chains**.

Smucker's Responsible Sourcing (RS) implements human rights policies for suppliers on a day-to-day basis. As part of the Corporate Sustainability business function, RS also leads the efforts to integrate socially sustainable practices into our business operations. These practices aim at protecting human rights in our supply chain, including worker's rights.

Our RS team works in collaboration with other functional areas in the implementation of responsible sourcing initiatives. For example, it seeks the input of the Procurement team to identify priority supplier facilities for monitoring activities. In 2022 RS led a cross-functional team to prepare our business for the enforcement of the Uyghur Forced Labor Prevention Act (UFLPA).

The RS team also provides guidance to other business functions on human rights due diligence best practices. Since 2022 it supports HR Operations with social compliance training for management in Smucker's production facilities.

The Vice President of ESG and Assistant Secretary has an oversight role of all responsible sourcing activities. This position reports to Smucker's Chief Legal and Compliance Officer and Secretary.

Our Chief Legal and Secretary Officer has the highest level of direct responsibility for governance, ethics, compliance, and enterprise risk management.

#### 2022 Proxy Statement – Page 3:




Our Chief Legal and Compliance Officer and our Vice President of ESG, along with members of their teams who are on the ESG Governance Council, report on such activities to our executive leadership team, the Nominating Committee, and the Board, which in turn provide further direction on the prioritization of activities and resources. The Nominating Committee assists the full Board and oversees our ESG program.

For purposes of ESG reporting, Responsible Sourcing is included in the "Supply Chain Impact" focus area.

#### 2022 Proxy Statement Page 5:

##### **Supply Chain Impact**

We are committed to ensuring the sustainability of our supply chain while supporting those connected to it by strategically investing in our suppliers' ability to continuously deliver the quality ingredients used in our products. This supports livelihoods for our suppliers and their families, while ensuring we meet our expectation of ethical and responsible sourcing. This is realized by:

-  Communicating our expectations with regard to labor practices and human rights, business integrity, responsible environmental practices, and reporting and enforcement standards through our Global Supplier Code of Conduct;
-  Reinforcing our Animal Welfare Policy to reflect our commitment to not conduct or sponsor any harmful animal testing, our expectations for the humane treatment of animals in our supply chain, and our efforts to improve the lives of, and relationships with, our pets in the United States and Canada; and
-  Steadily expanding our Global Responsible Sourcing Program to drive positive impact across the supply chain through enhanced collaboration including streamlining processes, engaging internal and external stakeholders, and launching a training module available to all suppliers.

## 2022 Proxy Statement

<https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=116814094&type=HTML&symbol=SJM&companyName=J.M.+Smucker+Company+%28The%29&formType=DEF+14A&dateFiled=2022-07-07&CK=91419>

2.3. has tasked a board member or board committee with oversight of its supply chain policies that address forced labour and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

(3) "J.M. Smucker discloses that its Board of Directors receives from its Chief Legal and Compliance Officer "updates on the Responsible Sourcing Program (which addresses potential risks of forced labor in [its] supply chains) ... on a regular basis" at least annually. However, it does not disclose further details such as topics that have been discussed by the Board, outcomes of board discussions and how the experience of affected workers or relevant stakeholders informed board discussion

Responsible Sourcing topics discussed with the Board Topics include human rights impact assessments of priority supply chains, implementation of the Memorandum of Understanding with Thai Union and compliance efforts regarding the Uyghur Forced Labor Prevention Act.

In addition to their expertise in various aspects of the business, seven of our eleven members of the Board have experience with ESG issues. This allows our Board to understand the significance of issues related to forced labor in supply chains and advise our executive leadership on best practices.

### INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

We are not able to disclose supplier identifiable information.

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

We are not able to disclose supplier identifiable information.

(2) Not disclosed. J.M. Smucker discloses that it asks its prospective suppliers to complete a questionnaire which "gathers information about ... their suppliers" but it is unclear what kind of information it gathers and whether such information helps improve the company's visibility into lower tiers of its supply chain, as the purpose of the questionnaire is said to be to ensure the quality of its ingredients. It further discloses that it "continue[s] to strive for 100% traceability to the mill" for palm oil but does not disclose what efforts it makes to do so.

In late 2020 our Responsible Sourcing and Supply Chain QA teams completed the integration of our social audit process into the QA technology platform. The initial goal was to avoid duplication of efforts when obtaining supplier data and to maintain supplier QA and social compliance documentation in a central location. Smucker's Responsible Sourcing leveraged this successful integration to drive other social compliance efforts, including traceability.

Our ingredient traceability efforts are led by our Supply QA team and look for alignment with food safety regulations, but also include aspects of corporate responsibility. Through an online supplier questionnaire, in addition to information related to the supplier's quality and food safety programs, we ask for information about their supply chain and source of ingredients, risk assessment and monitoring processes, compliance with slavery and human trafficking laws, social responsibility programs, and social compliance certifications. Established suppliers must complete the questionnaire periodically to make sure we have up to date information.

For traceability of a portion of Smucker's green coffee and all our palm oil that is certified by the Rainforest Alliance and RSPO, respectively, we also follow the traceability guidance of the respective certification body.

### **Green Coffee Traceability**

Through our QA processes, we have traceability to the dry mill for 100% of the coffee we purchase. Records requested from suppliers may include flow diagrams and procedures, records of incoming material, shipping records and RFA/UTZ certification records.

### **Palm Oil Traceability**

We source our direct palm oil exclusively from suppliers that are active members of the RSPO. We collaborate with these suppliers and leverage the traceability data they obtain from mills, traders, or refiners. Through our suppliers' online traceability platforms, we have visibility to a list of mill locations, social or environmental grievance claims against individual upstream suppliers, and due diligence performed by first tier suppliers.

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

(3) J.M. Smucker discloses that it is a member of the Seafood Task Force. As a member of the Seafood Task Force, which addresses forced labor and human trafficking in Thailand's seafood supply chain, the company is required to map all Thai supply chains using fishmeal and other seafood products for private label products. It further discloses a partnership between its 1850 coffee brand and Farmer Connect, "a tech company that leverages blockchain to trace a finished product back to the individual who farmed the raw material". It further discloses some countries where the coffee and cocoa farmers that take part in its livelihood programmes are located, but it is not clear how much cocoa and coffee such farmers account for in comparison with the total volume sourced. Our participation in MOCCA is only on the coffee portion, as cocoa is not a priority ingredient for Smucker. The countries of engagement are selected on a need-based, highest opportunity for impact vs. high volume of sourcing. This ensures that we are achieving development objectives including increased access to training and markets, along with livelihood improvements.

For more details about our involvement in the MOCCA program, please go to the link below.

[Other donors – MOCCA](#)

## Sourcing countries of raw materials with known forced labor risks:

**COFFEE:** Brazil

**PALM OIL:** Indonesia, Malaysia

**FISH (Fishmeal):** Thailand

**SUGARCANE (Sugar):** Brazil

**STRAWBERRIES:** United States

Sources:

<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

<https://www.responsible sourcing tool.org/visualizerisk>

### INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

1) J.M. Smucker discloses that its "conduct[s] periodic risk assessments of [its] supply chain" and "identif[ies] high-risk facilities based on several factors, including country location, type of commodity, and publicly known social and environmental risks" and "use[s] the U.S. Department of Labor's Bureau of International Labor Affairs (ILAB) 'List of Goods Produced by Child Labor or Forced Labor' and the U.S. Department of State's Human Rights Reports" as references. It further discloses working with "Enveritas, a recognized leader in supply chain verification and sustainability, on a labor assessment study to provide further clarity on social compliance risk throughout [its] coffee supply chain". It discloses having performed "an Agriculture Risk Assessment that informed [its] supply chains prioritization" which considers "environmental, social, and economic considerations ... for each ingredient and the sourcing regions" including "child labor, forced labor, governance and supplier diversity". It does not disclose consulting relevant stakeholders, in particular in the countries where its suppliers operate.

- In 2023 we introduced the use of country risk indicators to our risk assessment methodology:
  - a) Verite's Risk Assessment Tool
  - b) Public risk indexes:
    - ✓ ITUC's Global Rights Index to give us a good sense of the country's approach to freedom of association, collective bargaining, and worker voice.
    - ✓ Transparency International Corruptions Perception Index (CPI) to measure the perceived level of public sector corruption in the country where we source ingredients.
    - ✓ World Bank's Political Stability and Absence of Violence/Terrorism Index.

We continue to take a risk-based due diligence approach in alignment with the guidance of U.S. Department of Labor (ComplyChain), U.S. Customs and Border Protection and OECD.

- To complement labor assessments on coffee farms, Enveritas conducted meetings with key country stakeholders to get their input on various subjects, such as relevant forced labor and child labor trends in the country of operation, potential challenges and successes of remediation work, and opportunities for increased collaboration.
- In 2022 Smucker partnered with a global provider of CSR auditing and advisory services to conduct a desktop research to identify common social risks in the following supply chains:
  - a) Berries (strawberries, blackberries, raspberries, blueberries, cranberries) in USA
  - b) Cashews in Vietnam
  - c) Palm oil in Malaysia
  - d) Meat and poultry processed in USA and Canada.

The research focused on picking and immediate processing of berries, cashews, and palm oil, and slaughterhouses and processing for meat and poultry. The objective was also to gain an insight of existing worker voice solutions, and auditing and monitoring programs specific to each supply chain. The research was based on publicly available information.

4.2 details on forced labour risks identified in different tiers of its supply chains; and

(2) J.M. Smucker discloses that "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 involves the movement of fish from one ship to another at sea". It does not disclose any information on forced labour risks identified in other supply chain contexts.

### Key Findings from Desk Research of Specific Ingredients:

#### Freedom of Association:

- Berries: A very low percentage of agricultural workers in the U.S. are represented by unions.
- Cashews: In Vietnam smallholder farms are not covered by national labor laws. Labor practices on these farms are not monitored by the government.
- Palm Oil: Most workers on palm oil plantations are casual laborers and therefore prevented from creating meaningful unions and collective bargaining solutions.

#### Living Wages:

- Berries: Many workers in the US are paid minimum wages ~~low wages that do not meet~~ below the living wages defined by researchers and NGOs.
- Cashews: there is some indication of the following forced labor pertaining to overtime hours, low wages, and lack of benefits payments.
- Palm Oil: Pay does not cover living expenses in many plantations.

#### Workers in Vulnerable Populations

- Berries: High presence of migrant workers, foreign and domestic. Increased potential of forced labor among migrant groups.
- Meat/poultry processing: High number of processing facilities in rural areas. Increased number of migrant or immigrant workers.
- Palm Oil: Reports of widespread use of precarious work with significant impacts especially for women.

We are assessing our current supply chain due diligence strategies based on these general findings.



4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

(3) J.M. Smucker discloses that it "actively participate[s] in the [Seafood] Task Force's responsible recruitment initiatives to mitigate risks related to the presence of labor brokers or third-party recruiters in Thailand's seafood supply chain". It states that it "collaborate[s] with [its] suppliers' programs to improve the work conditions of vessel workers". It does not disclose further examples of addressing forced labour risks in consultation with relevant stakeholders.

- In 2021 Smucker partnered with the Committee on Sustainability Assessment (COSA), a non-profit organization that designs and implements systems for measuring and managing performance of sustainability programs. The goal was to craft and validate Smucker Green Coffee Responsible Sourcing Framework and benchmark it against Enveritas' sustainability standards. COSA conducted a series of structured shareholder interviews, including incumbents in the Green Coffee team and other departments at Smucker, to clarify our strategic needs and ensure a coherent and aligned set of priorities to be addressed. The validation reinforced our strategy towards increased supply chain traceability.
- In 2022 Smucker funded the broadcast of the radio soap opera "Mi Casa, Mi Finca, Mi Tesoro" (My Home, My Farm, my Treasure), produced by the Colombian Coffee Growers Federation (FNC). The broadcast is a partnership between the FNC, Colombia's Ministry of Labor and the International Labor Organization (ILO). The goal was to promote topics related to occupational safety and health and prevention of child labor among Colombian coffee growers and workers.

<https://soundcloud.com/international-labour-organization/sets/radionovela-mi-finca-mi-hogar-y-tesoro>

- Smucker is one of twenty founding members of the Consumer Good Forum's Human Rights Coalition. In 2020 we were part of the team that developed a Human Rights Due Diligence Framework to identify, remedy and prevent forced labor risks in our own operations. The Coalition's work is guided by the CGF's Priority Industry Principles. In 2021 we also participated in the CGF's Sustainable Supply Chain Initiative (SSCI) to develop a Social Scheme Management Criteria for Primary Production, a benchmark for third-party auditing, monitoring, and certification schemes.

[The Consumer Goods Forum announces formation of the Human Rights Coalition Working to End Forced Labour - Business & Human Rights Resource Centre \(business-humanrights.org\)](#)

Interview to our VP of Compliance addressing Smucker's role in the Consumer Goods Forum's SSCI and Human Rights Coalition – June 2021

<https://cgf-sustainability-podcast.castos.com/episodes/helping-people-thrive-through-responsible-sourcing-and-due-diligence>



## INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

(1) Not disclosed. J.M. Smucker discloses that as part of its risk assessment program, direct suppliers must provide the number of female/male workers for the respective sourcing facilities. However, it does not disclose the actual relevant data.

43.81%

Note: Data as of 03.03.23. 95% of the data comes from foreign 1<sup>st</sup> tier suppliers. As we continue to make progress with assessments and monitoring activities, we will include more data of U.S. suppliers.

5.2 the percentage or number of supply chain workers who are migrant workers' and

(2) Not disclosed. J.M. Smucker discloses that as part of its risk assessment program, direct suppliers must provide the number of migrant and foreign workers for the respective sourcing facilities. However, it does not disclose the actual relevant data

20.67%

Note: Data as of 03.03.23. 95% of the data comes from foreign 1<sup>st</sup> tier suppliers. As we continue to make progress with assessments and monitoring activities, we will include more data of U.S. suppliers.

5.3 the percentage or number of supply chain workers that are being paid a living wage.

99.33%

Note: Data as of 03.03.23. 95% of the data comes from foreign 1<sup>st</sup> tier suppliers. As we continue to make progress with assessments and monitoring activities, we will include more data of U.S. suppliers.

(3) Not disclosed. J.M. Smucker requires in its Supplier Code of Conduct that "where minimum wage requirements are not sufficient to meet basic needs, employers should strive to pay a living wage to all employees" but does not disclose any plan or strategy to actually implement or enforce this requirement.

We assess our suppliers' compliance with paid living wages through our social audit and monitoring program. As disclosed in section 4, we conducted a desktop research for specific supply chains in 2022. The research identified risks related to living wages impacting workers in berries and cashews supply chains in the United States and Vietnam, respectively. We are reassessing our supply chain strategies based on the findings of the research.

It further discloses programmes to improve the livelihood of coffee and cocoa farmers but **does not state that workers are included in the scope of such programmes**

Our programs are intended to improve the livelihood of both farmers and workers. Many of the smallholder farmers benefited from our programs work the land they own. We clarified the language on our Responsible Sourcing site.

<https://www.jmsmucker.com/our-impact/quality-food/responsible-sourcing/supporting-growers>

#### INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

- Smucker updated the terms and conditions of Purchase Orders for Direct and Indirect Purchases to include the following clause:

*“33. CHILD LABOR & FORCED LABOR. Supplier will not employ, directly or indirectly, children, prison labor, indentured labor, bonded labor or use corporal punishment or other forms of mental and physical coercion as a form of discipline or participate in human trafficking. In the absence of any national or local law, Smucker and Supplier define “child” as any person less than 15 years of age. If local law sets the minimum age below 15 years of age but is in accordance with exceptions under International Labor Organization Convention 138, the lower age will apply.”*

<http://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/about/legal/direct-po-tc.pdf>

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

- Our Trade Compliance team, within our Procurement organization, maintains denied parties screening processes and general due diligence activities to reduce the risks of forced labor in our supply chain. With the use of third-party screening tools, we can detect prospective and established suppliers, if they are found to be in violation of U.S. sanctions, such as entities involved in the exportation of forced labor from North Korea.
- Supplier Diversity Program

<http://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/about/legal/supplier-diversity-statement.pdf>

*(2) Not disclosed. J.M. Smucker discloses programmes to improve the livelihood of coffee and cocoa farmers but **does not state whether such programmes also benefit supply chain workers.***

Our programs are intended to improve the livelihood of all supply chain workers. We have made the clarification on the page below:

<https://www.jmsmucker.com/our-impact/quality-food/responsible-sourcing/supporting-growers>

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

## INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle").

(1) J.M. Smucker's Supplier Code of Conduct states that employees of its suppliers "must not be required to pay any fees or deposits for recruitment or hiring purposes, including travel expenses, administration or other fees". However, it does not state who should bear the costs. Although it discloses that it "supports" the Consumer Goods Forum's Priority Industry Principles, which provides that "fees and costs associated with recruitment and employment should be paid by the employer," it does not appear to be included in the company's supplier code.

Section 2.5 of our Global Supplier Code of Conducts specifically addresses the Employer Pay Principle with the following language:

*"Smucker is committed to the principle that no worker should pay for their job and encourages Suppliers to ensure that workers are not charged fees related to recruitment, placement or maintaining a job. Where such fees are charged, employers should seek to reimburse workers"*

As disclosed in section 7.3 Smucker not only supports the Consumer Goods Forum's Priority Industry Principles. We enforce the Employer Pays Principle with our suppliers.

In addition, in December 2020 Smucker made a public commitment to the Consumer Goods Forum's Priority Industry Principles, one of which is the "Employer Pays Principle".

[The Consumer Goods Forum announces formation of the Human Rights Coalition Working to End Forced Labour - Business & Human Rights Resource Centre \(business-humanrights.org\)](#)

Our Supplier Code is currently under revision. We have noted your observation to make our commitment to the Employer Pays Principle clear.

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

(2) Not disclosed. The company does not disclose a comprehensive process for ensuring that supply chain workers do not pay fees in the first instance (e.g., by demonstrating an understanding of recruitment channels, mapping costs of fees, and providing examples of how it ensures that suppliers pay fees directly to labour agencies upfront).

- We monitor suppliers' compliance with the Employer Pays Principle through our social audit program. The audits give us an insight of our suppliers' recruitment channels. If a supplier facility is found to be non-compliant, we monitor the completion of corrective actions. For future remediation, we will follow the recently published Consumer Goods Forum's Guidelines on Repayment of Recruitment Fees.  
<https://www.theconsumergoodsforum.com/wp-content/uploads/2022/10/2022-HRC-Guidelines-on-Repayment-of-Recruitment-Fees.pdf>

- With respect to our Thai tuna supply chain, our seafood due diligence process addresses recruitment-related fees. As disclosed in other sections of this Disclosure, this process is conducted in accordance with the guidelines of the Seafood Task Force Membership. We ensure compliance with the recruitment-related fees provisions of the [STF Code of Conduct and Vessel Auditable Standards](#), and [STF.G.S.001 STF-Guidance-on-Responsibility-for-Recruitment-Related-Costs FINAL-BOARD-APPROVED 20190424.pdf](#) ([seafoodtaskforce.global](#)). Social audits of processing facilities give us an insight of their recruitment channels. We rely on the processing facilities to monitor compliance with of other tiers. Our participation in the STF's Responsible Recruitment program gives us a better insight of recruitment channels and mapping costs. Details of the STF's Responsible Recruitment Program are provided on pages 30-37 of the STF Plan 2021.

<https://www.seafoodtaskforce.global/wp-content/uploads/2021/02/SFT-10-Point-Plan-2021.pdf>

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

(3) Not disclosed. J.M. Smucker discloses that it has "not found evidence that workers in [its] supply chain have paid recruitment fees".

Through third-party social audits, in 2021 in we found evidence that migrant workers had not been repaid recruitment-related fees (passport renewals) in two foreign facilities. The root cause was the suppliers' lack of awareness about the Employer Pays Principle, and local laws not enforcing the reimbursement of these fees.

We engaged our Procurement team to address the issue with the suppliers at the corporate level. We communicated our expectation that they implement ethical migrant policies and reimburse 100% of recruitment-related fees. The suppliers agreed to immediately reimburse the fees to the impacted employees during audit remediation. Their adoption of an ethical recruitment policy took longer. In 2022 the facilities we asked the facilities to complete a third-party audit to monitor their progress. The audit confirmed that both facilities had implemented ethical migrant policies, and 100 % migrant workers had been reimbursed passport renewal fees.

#### INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

Manpower, Adecco, Pasona, ATC Work Smart, Personalhuset, Chit Charoen Supply Co., Su Aliado Temporal, Su Servicio SAS, Soluciones Inmediatas, Secuitas SAC, ARSEG, ENTREDIENTES, A S Montagens e Locações Eireli, Trigger Staffing, Interguard Group,

Note: Data as of 03.03.23. 95% of the data comes from foreign 1<sup>st</sup> suppliers. As we continue to make progress with assessments and monitoring activities, we will include data of U.S. suppliers.

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

(2) J.M. Smucker discloses that it "as a member of the Seafood Task Force, [it] actively participate[s] in the Task Force's responsible recruitment initiatives to mitigate risks related to the presence of labor brokers or third-party recruiters in Thailand's seafood supply chain" but does not disclose

details on the initiatives. Its Supplier Code of Conduct requires that its suppliers "should understand the recruitment process of both direct and indirect employees who are recruited through labor recruiters and intermediaries", "must systematically and effectively identify and monitor the hiring and management of especially vulnerable employees, in particular: migrant workers, agency, contract, temporary, and casual workers" and that "where Suppliers rely on the use of labor recruiters they must ensure that only registered employees are supplied to them". However, it does not disclose how such requirements in the Code of Conduct are implemented or enforced.

- Details of the Seafood Task Force's Responsible Recruitment Program are disclosed in the STF's Point Action Plan 2021 (pages 30-38).

<https://www.seafoodtaskforce.global/wp-content/uploads/2021/02/SFT-10-Point-Plan-2021.pdf>

- In 2022 Smucker actively participated in the Trade Facilitation Working Group of the United States Council for International Business (USCIB). We provided input to USCIB's comments to the U.S. Department of Homeland Security on the Uyghur Forced Labor Prevention Act (UFLPA). USCIB addressed the comments during a hearing with the U.S. Department of Homeland Security.

[file:///C:/Users/mbash/Downloads/DHS-2022-0001-0137\\_attachment\\_1.pdf](file:///C:/Users/mbash/Downloads/DHS-2022-0001-0137_attachment_1.pdf)

<https://uscib.org/lowry-testifies-at-forced-labor-enforcement-task-force-hearing-on-the-uyghur-forced-labor-prevention-act/>

- During our monitoring process, we verify compliance of 1<sup>st</sup>. tier suppliers with our responsible recruitment standards through third-party social audits of supplier facilities. If we identify non-conformances in this area, we collaborate with suppliers to complete a corrective action plan. The completion of the corrective action plan must be verified by a third-party auditor for our Program to give the facility a "compliant" status.
- Smucker continues to support Thai Union's Fishing Vessel Improvement Program with funding of post-audit activities under a Memorandum of Understanding. In 2020, along with Mars and Nestle, Smucker funded the development and implementation of [Comic Contracts](#) to help fishing vessel workers who are not able to read the Thai language understand their employment contracts. The contracts were developed by Creative Contracts. The implementation is underway. Click the link below to watch Thai Union's video about this initiative.

[Thiraphong Chansiri on LinkedIn: #workersrights #laborlaws #thaiunion #thaiuniongroup](#)

## INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains.

As disclosed in section 4, in 2022 we conducted a desktop research for supply chains of certain priority ingredients. Some of the findings involve freedom of association issues among workers in berries, cashews, and palm oil plantations. These general findings will help us implement specific risk management strategies in our own supply chains.

discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

Percentage of supplier locations with collective bargaining agreements:

36%

Note: Data as of 03.03.23. 95% of the data comes from foreign 1<sup>st</sup> tier suppliers. As we continue to make progress with assessments and monitoring activities, we will include more data of U.S. suppliers.

#### INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

(1) J.M. Smucker's Supplier Code of Conduct requires suppliers to "implement and maintain a grievance system for employees to anonymously report issues or suspicious activity without fear of retaliation". It does not require the grievance mechanism to be available to the legitimate representatives of workers or to workers beyond the first tier.

The company further discloses a telephone number and website for its Smucker Integrity Portal which receives reports of potential violations of "law, [its] Employee Code of Business Conduct and Ethics, Supplier Code, or other Company policies". However, it is not clear whether the Smucker Integrity Portal is open to supply chain workers. While the company claims "anyone may use [its] Smucker Integrity Portal ... to submit a report", it also states that the Portal is "provided to employees, customers, contractors, vendors, and others in a business relationship with the Company

- On our Responsible Sourcing microsite, we have clarified that the integrity portal is available to workers in our supply chain.  
See the revised language under "Encouraging Transparency":  
<https://www.jmsmucker.com/our-impact/quality-food/responsible-sourcing/global-responsible-sourcing>
- In 2023 Smucker signed a Memorandum of Understanding with Thai Union, the Seafood Ethics Action Alliance, Ulula and two peer companies to fund a trial of Ulula's grievance mechanism tool for the first time at the seafood harvester and producer level. Following the terms of the MOU, the parties collectively will disclose details of the project.

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved;

Click the link below for general details of Ulula's grievance tool. Specific data about the operation of the tool in our seafood supply chain is not available yet.

[Ulula Solutions | Grievance Mechanism](#)

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

[Click the link below for general details of Ulula's grievance tool. Specific information about the implementation of the tool in our seafood supply chain is not available yet.](#)

[Ulula Solutions | Grievance Mechanism](#)

#### INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

(1) J.M. Smucker discloses that it requires "that high-risk supplier facilities complete announced third-party social audits at least every three years". Among the social audits accepted by the company are the SEDEX Member Ethical Trade Audit, BSCI audits and SA8000 audits, which include a review of relevant documents such as employment contracts, wage records and personnel files. It further describes the audits as consisting of "interviews with management and employees" and "facility evaluations", but **it does not disclose whether worker interviews are conducted off-site or any specialisation of its monitoring process to detect forced labour risks.**

As disclosed on our Responsible Sourcing microsite, we conduct monitoring of 1<sup>st</sup> tier supplier facilities through a third-party social audit program. As of December of 2022, the program included 100% of foreign supplier facilities and a first group of domestic facilities. We will continue to expand the program to other U.S. facilities with a risk-based approach. Worker interviews are conducted according to the respective audit protocol. For example, during SMETA audits individual and group worker interviews are performed on-site, in a restricted area, and without the presence of management. Our Program requires that all third-party auditors be APSCA registered.

We also monitor the U.S. Customs and Border Protection's Withhold Release Orders, including those related to violations of the Uyghur Forced Labor Protection Act. If a Withhold Release Order involves an ingredient in our supply chain, we take due diligence steps to make sure our supplier takes remediation steps. More details in Section 12.

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

(2) Not disclosed. J.M. Smucker discloses that the "major findings in [its] risk assessment pilots" are "absence of human rights policies" and "safety – (unlabelled containers, blocked exits)" but disclose **not further details e.g., number of such findings, where in the supply chain they are found.**

#### Reported Audit Findings:

Safety – Minor or moderate non-compliance with safety standards	43
Staffing Agencies – Incomplete attendance records/delayed payments/unpaid uniforms	10
Payroll – Incorrect calculations	6
Human Rights Policy – Lack of implementation or training	6
Working Hours – Missing attendance records/ Excess of O/T hours	4
HR Recordkeeping - Incomplete records	2
Recruitment Fees – Partial fees reimbursement	2



Corrective action plans were put in place. Most of the findings were closed after third-party verification.

\* Data as of 03.03.23. 95% of the data comes from third-party audits of foreign 1<sup>st</sup> tier suppliers. As we continue to make progress with assessments and monitoring activities, we will include more data of U.S. suppliers.

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

Since 2021 the Seafood Task Force conducts the monitoring and evaluation of Smucker's processes to map, trace and assess social and environmental risks in our tuna supply chain. On an annual basis we provide the Secretariat supporting documentation to demonstrate that we have mapped our supply chain and reached 100% traceability. Smucker's annual self-declaration includes a detailed description of our steps to assess risks, monitor, and remediate social non-conformances in the operations of Thai processors.

STF's confirmation that Smucker completed the monitoring process:

[https://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/impact/responsible-sourcing/stf\\_letter.pdf](https://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/impact/responsible-sourcing/stf_letter.pdf)

Pages 17-19 of the Seafood Task Force 10 Point Plan provide more details about the monitoring:

[SFT-10-Point-Plan-2021.pdf \(seafoodtaskforce.global\)](#)

#### INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

(1) Not disclosed. J.M. Smucker discloses that "any reported or identified violation of [its] policies are immediately reported to Smucker Director of Ethics and Compliance, who initiates and investigation and engages internal or external stakeholders as needed". However, **it does not disclose details such as timeframes for engagement, approval procedures, who conducts the investigation and who the stakeholders engaged are.** It further discloses a "Detection, Assessment and Remediation protocol" which "address[es] findings of forced labor in [its] supply chain", but it applies to findings during third party audits on behalf of Smucker instead of violations identified by workers, their representatives, or third parties.

(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

(2) Not disclosed. J.M. Smucker has disclosed in 2020 that it was not aware of "allegations or violations involving forced labor in [its] supply chains, reported or disclosed by third parties in the last three years". **It does not disclose remedy outcomes for workers in relation to any other labour rights violations.**

Smucker is not aware of allegations involving forced labor violations in our supply chains, reported, or disclosed by third parties since our 2020 Additional Disclosure. The remedy and response actions disclosed in this section pertain to labor rights violations identified by Smucker or Smucker's suppliers during human rights due diligence.

### Remedy Outcome #1

Also disclosed in section 7.3:

Through third-party social audits, in 2021 we found evidence that migrant workers had not been repaid recruitment-related fees (passport renewals) in two foreign facilities. The root cause was the suppliers' lack of awareness about the Employer Pays Principle, and local laws not enforcing the reimbursement of these fees.

We engaged our Procurement team to address the issue with the suppliers at the corporate level. We communicated our expectation that they implement ethical migrant policies and reimburse 100% of recruitment-related fees. The suppliers agreed to immediately reimburse the fees to the impacted employees during audit remediation. Their adoption of an ethical recruitment policy took longer. In 2022 the facilities we asked the facilities to complete a third-party audit to monitor their progress. The audit confirmed that both facilities had implemented ethical migrant policies, and 100 % migrant workers had been reimbursed passport renewal fees.

### Remedy Outcome #2:

In October 2019, Smucker signed a Memorandum of Understanding (MOU) with Thai Union, Nestle, and Mars Petcare to collaboratively fund projects throughout 2020 to improve the working conditions of fishers on vessels, focusing on the findings from vessel audits in Thailand. Although there were delays due to COVID-19 restrictions, two main projects were launched in 2020.

The first project involved training of the crew of suppliers' vessels on important issues in the Thai Union Vessel Code of Conduct, such as health and safety, contracts, and grievance procedures. The training sessions were delivered in collaboration with ITF Fishers Rights Network (FRN).

The second project is intended to ensure that vessel workers are safe, legally employed and empowered. Many of the people who go to work on fishing vessels from other countries are not able to read Thai and therefore may not be able to understand contracts they are given. Often minimal attention is paid to explaining these and, in some cases, workers may end up signing contracts they cannot understand. To assist in helping workers not be in the position of signing contracts which they cannot fully comprehend, Thai Union worked with Creative Contracts, who helped develop 'comic contracts' which use pictures and simple graphics to explain the contracts, making them much more visual and accessible. These contracts include all the content from the Official Thai Government contract and support suppliers by adding all the other relevant legislation, as well as ILO C188 Work in Fishing Convention

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<https://www.thaiunion.com/files/download/sustainability/sd-report-2020-en.pdf>

In addition, where an allegation is identified in a company's supply chains N/A

B.1.1 that it engages in a dialogue with the stakeholders affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company: N/A

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

## NON-SCORED RESEARCH

### Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

Not Applicable

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

[https://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/impact/responsible-sourcing/california\\_supply\\_transparency\\_act\\_2022.pdf](https://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/impact/responsible-sourcing/california_supply_transparency_act_2022.pdf)

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

Not Applicable

### High Risk Sourcing

*Please indicate whether your company sources any of the below high-risk commodities. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.*

- Beans (green, soy, yellow)
- Brazil Nuts/Chestnuts
- Cattle
- Chile Peppers
- Cocoa
- Coffee - Yes
- Corn
- Fish (Fishmeal) - Yes
- Oil (palm) - Yes
- Peanuts - Yes
- Rice - Yes
- Sesame
- Shrimp
- Sugarcane (Sugar) - Yes
- Tomatoes
- Wheat