J.M. Smucker Company – ESG Analysis

## I – Materiality Assessment

J.M. Smucker, one of the leaders in the pre-packaged food industry, has a key role to play as a thought leader to improve the Environmental, Social, and Governance (ESG) standards in the field. As a bedrock company producing hundreds of the food products relied upon by the American consumer, Smucker’s has a responsibility to inspire via direct leadership improved ESG practices throughout the sector.

The pre-packaged food sector faces quite a few endemic challenges to their operations, chief among them being the packaging itself, delivering affordable nutrition at a reasonable price, and transparency in sourcing. These challenges map neatly into the ESG (respectively) subfields of Ecological Impacts, Product Quality & Safety, and Materials Sourcing & Efficiency.

Since the food & beverage industry has a such a wide variety of products and styles for production, these metrics are both the best to be applying and the most likely to have consistent, trackable data. Diving into these areas of material risk, we can further characterize the endemic level of exposure that the sector has to these issues in changing global market. For the packaging sustainability subsequent ecological impacts, there is relatively **low exposure** as this is not the primary concern for consumers. For food nutrition and quality concerns, there is **increasingly high exposure**, particularly in light of recent listeria, salmonella, and E.coli outbreaks that are magnified in the modern diversified and interconnected supply chain. Last, for transparency in ingredient sourcing there is **medium exposure**, partially due to the aforementioned food safety concerns, which are somewhat mitigated by a diversity of sourcing options (albeit with higher cost) across global markets.

## II – Disclosure Assessment

* Packaging sustainability – on March 9, 2021, J.M. Smucker announced [a plan to transition to 100% of their packaging being either compostable, recyclable, or reusable by 2025](https://www.jmsmucker.com/news-stories/stories/22921). By 2023, they had confirmed via 3rd party audit and shared in their disclosures to shareholders that 85%[[1]](#footnote-1) of their materials had met this standard, indicating a reasonable likelihood to deliver on this ESG goal by the end of 2025. **Operating at a level of Metrics & Targets.**
* Quality, affordable nutrition – while affordable, J.M. Smucker does not place an appropriate emphasis on quality nutrition, which can be seen through their flagship subsidiary, Hostess Brands, and how they have doubled down in recent years on cheap, high-sugar snacks[[2]](#footnote-2). Though J.M. Smucker claims “[to] enhance its recent efforts to help ensure people and pets have consistent access to trusted, quality food”, this can be considered operating at a **no-disclosure level for their nutrition standards.**
* Transparency in sourcing – pre-packaged food products are composed of ingredients sourced from thousands or even millions of farms/vendors, difficult to trace when quality control failures result in food-born illness outbreaks. In 2022, J.M. Smucker was forced to recall all the peanut butter produced in their Kentucky facility[[3]](#footnote-3) since it is often a component in other pre-packaged foods. This case hints towards the sectoral challenge on improving transparency when the ingredients can cause cascading failures in consumer safety, not to mention the difficulty to verify ethical procurement and cultivation practices. While they do have a [supply chain verification portal](https://app.convercent.us/en-US/LandingPage/ed6b975b-c9e4-eb11-a842-000d3afda91a) and a procurement page, the portal is not public and the details are generic, not containing any specific or measurable goals[[4]](#footnote-4), therefore **they are operating at a boilerplate language level.**

## III – Management Assessment

**J. M. Smucker compared to Campbell Soup Co.**

|  |  |  |  |
| --- | --- | --- | --- |
| ESG Criterion Area | Industry-relevant iteration | Leading, Average, or Lagging in the sector | Campbell Soup Co. |
| (E) Ecological Impacts | Packaging sustainability | ***Leading*** | ***Leading*** |
| (S) Product Quality & Safety | Quality, affordable nutrition | ***Average*** | ***Leading*** |
| (G) Materials Sourcing & Efficiency | Transparency in sourcing | ***Lagging*** | ***Leading*** |

Campbell Soup Co. was identified by the [quantitative approach](#_Quantitative_Analysis_Section) as a comparable peer producing pre-packaged food, and they are across the board a more comprehensive leader in the ESG space. Their commitment to specific, measurable goals in the criterion area of improved materials sourcing by committing to 100% sustainable palm oil, a common ingredient with J.M. Smucker products. Additionally, Campbell’s matches and even exceeds J.M. Smucker’s 85% sustainable packaging material usage to date by operating at the 92% level[[5]](#footnote-5), both calculated for the same year of reporting (2024).

## IV – Social/Environmental Impact Assessment

For over 100 years, the J.M. Smucker brand has come to be intimately associated with the American family, their peanut butter and jelly products becoming so ubiquitous that it is hard to imagine society without their gingham-print lidded jars. Their commitment to remain with their headquarters in small town Ohio and donations towards educational charities have further ingrained a positive image in the mind of the American consumer. However, in exploring further through their ‘ESG’ business practices and recent history of recklessly cutting corners, their business model can be seen more so as an effort to offset the negativity than to create true positive impact.

Critically, their efforts towards educational funding and placing a positive impression of the Smucker name in schools strikes a strange tone for a company associated with food products. Where it may feel more reasonable for a food company to donate to food pantries or towards the farmer communities they work with, the primary focus, per their Corporate Impact Report is urban, lower-income schools. This may introduce a predatory element to their efforts, ingratiating the brand with impressionable youth and leaving them susceptible to a lifetime addiction to sugary sweets.

In a somber moment of serendipity, on January 31st, 2025, Smucker announced plans to relocate a large portion of its operations from the Orville, Ohio headquarters to Chicago[[6]](#footnote-6), tearing 400 families apart as these jobs relocate. While the business case for the move is likely quite strong, this company has built their name and image on being a stable bastion of a small town. While loyalty to a location may not be an explicit component in ESG criteria, this move will certainly harm community relations and does seem to run counter to the image J.M. Smucker has been portraying for decades.

## Quantitative Analysis Section

Data Processing:

* I filtered the dataset based on the TRBC sectoral categorization across the three sectors to ensure the companies listed were comparable, then further selected the ‘top ten’ within that resulting list based on percentage of data available across the ESG categories included.

|  |  |
| --- | --- |
| **Company Names** | |
| Altria Group Inc | Mondelez International Inc |
| Campbell Soup Co | Hormel Foods Corp |
| Hershey Co | General Mills Inc |
| Calavo Growers Inc | Archer-Daniels-Midland Co |
| Conagra Brands Inc | Ingredion Inc |

* With that list in hand, my approach to analyze J.M. Smucker Company in the context of their peers was to build and ESG criteria from the wider dataset:

1) Scope 1 Emissions Cross-Comparison (E) – this data analysis component helps chart the magnitude of their direct carbon emissions as compared between peer organizations. The values here are scaled relative to the market cap of each company.

A graph showing the difference between peer companies and a company

Description automatically generated

* Noteworthy: here is that while J.M. Smucker is in line with their peers, the emissions have not reduced over the course of their implementation of their climate goals published in 2020.

2) Proportion of Energy from Responsible Sources (E) – All companies require energy to power operations in different amounts, so this is proportional analysis should better ground the relative level of effort these companies are putting towards a climate-conscious energy mix[[7]](#footnote-7).

A graph of energy sources

Description automatically generated

* Noteworthy: J.M. Smucker has nuclear power available locally at their headquarters in Ohio but has turned it down[[8]](#footnote-8).

3) Company Diversity in Staff and Leadership Index (S) – Rather than compared to general society, this index compares the target company to its peers in terms of relative rankings for the emphasis placed on diversity in key roles, including management and board representation.

|  |  |  |
| --- | --- | --- |
| **Category** | **Overall Industry Ranking** | **Top 10 Ranking** |
| Black or African American - Ethnic Minorities Employees Percentage | Industry: bottom 25% (15.4th percentile) | Top 10 Peers: bottom 25% (0.0th percentile) |
| Hispanic or Latino - Ethnic Minorities Employees Percentage: | Industry: bottom 25% (7.3th percentile) | Top 10 Peers: bottom 25% (10.0th percentile) |
| Other - Ethnic Minorities Employees Percentage: | Industry: bottom 25% (23.4th percentile) | Top 10 Peers: below average (40.0th percentile) |
| Ethnic Minorities Board Percentage: | Industry: below average (26.0th percentile) | Top 10 Peers: bottom 25% (0.0th percentile) |

* Noteworthy: there is no category where J.M. Smucker is above the 50th percentile, they are consistently the poorest performing member in their peer group for diversity, particularly diversity in leadership.

4) Employee Quality Experience Index (G) – This index combines several measures that contribute to the overall quality of the employee experience, a key element in my assessment of the governance of the company, with this tool including the employee satisfaction, workplace safety, and union representation among other variables.

|  |  |  |
| --- | --- | --- |
| **Category** | **Overall Industry Ranking** | **Top 10 Ranking** |
| Trade Union Representation: | Industry: below average (43.6th percentile) | Top 10 Peers: below average (30.0th percentile) |
| No data available for J M Smucker Co in Injuries To Million Hours to calculate its rank. |  |  |
| No data available for J M Smucker Co in Employee Health & Safety Training Hours to calculate its rank. |  |  |
| No data available for J M Smucker Co in Employee Satisfaction to calculate its rank. |  |  |
| No data available for J M Smucker Co in Employee Accidents to calculate its rank. |  |  |

* Noteworthy: J.M. Smucker, unlike all the top 10 peer organizations, failed to report on many areas of the employee experience.

5) Total Debt to Total Equity (G) – This fiscal assessment focuses on plotting the debt-to-equity ratio of the company as compared to peers over the 4 years of data in our sample, crystalizing for our analysis the relative level of quality fiduciary management displayed by the corporate leadership team.

A graph with red and blue lines

Description automatically generated

* Noteworthy: J.M. Smucker, despite shedding divisions and selling food brands has consistently ranked as one of the most stable financially among peer organizations.

## Overall Thesis:

The numbers for J.M. Smucker, particularly those related to environmental responsibility and diversity, paint a very negative picture of J.M. Smucker from an ESG lense. They **are to be considered a laggard in the field of ESG**, only paying lip service to the principles of ESG, though they do carry a reasonable degree of financial health. It may be possible for them to improve in several key areas, and it could be argued that their diversity challenges are a reflection of being headquartered in a homogenous community in Ohio, however their lack of data disclosure, consistent follow through, and overall lack of serious dedication to ESG beyond boilerplate language make it difficult to see a path forward.

1. J.M. Smucker [2024 Corporate Impact Report](https://s3.us-east-2.amazonaws.com/jms-s3-com-jms-p-pmc6/assets/news-stories/corporate-publications/2024-corporate-impact-report.pdf) [↑](#footnote-ref-1)
2. Food Business News, [Smucker’s five-step plan to grow Hostess Brands](https://www.foodbusinessnews.net/articles/25620-smuckers-five-step-plan-to-grow-hostess-brands) [↑](#footnote-ref-2)
3. FDA, 2022 [Recalls of Food Products Associated with Peanut Butter from J.M. Smucker Company due to the Potential Risk of Salmonella](https://www.fda.gov/safety/major-product-recalls/2022-recalls-food-products-associated-peanut-butter-jm-smucker-company-due-potential-risk-salmonella) [↑](#footnote-ref-3)
4. [J.M. Smucker Supply Chain Responsibility Site](https://www.jmsmucker.com/our-impact/quality-food/responsible-sourcing/global-responsible-sourcing) [↑](#footnote-ref-4)
5. Campbell Soup Co, 2024 [Corporate Responsibility Report](https://www.thecampbellscompany.com/wp-content/uploads/2024/04/2024-Corporate-Responsibility-Report.pdf) [↑](#footnote-ref-5)
6. PR Newswire, 2025 [The J.M. Smucker Co. Announces Agreement to Divest Certain Value Brands in Continued Portfolio Optimization of Sweet Baked Snacks Segment](https://www.prnewswire.com/news-releases/the-jm-smucker-co-announces-agreement-to-divest-certain-value-brands-in-continued-portfolio-optimization-of-sweet-baked-snacks-segment-302365575.html) [↑](#footnote-ref-6)
7. This does presume that renewable energy sources are available locally to these company’s operations, which may not be borne out in reality. [↑](#footnote-ref-7)
8. [Compare Electricity](https://compareelectricity.com/energy-sources/OH/Akron/44334?), Akron, OH [↑](#footnote-ref-8)