ESG Written Assignment #1

## Qualitative Analysis Section

1. Materiality Assessment – Key ESG issues where this company is falling short
2. Disclosure Assessment – bullets on how good the ESG data is for the issues mentioned in part I
3. Management Assessment – Assess the existing ESG efforts, if they are relatively leading or lagging
4. Social/Environmental Impact Assessment – 2 topics, foodbank ‘greenwashing’ and general social/moral hazards associated with cheap, low-quality, poor-nutrition snacks peddled aggressively towards kids (especially in lower income and minority communities)

## Quantitative Analysis Section

To ensure we are comparing comparable companies in this analysis, I filtered the dataset based on the TRBC sectoral categorization across the three sectors to ensure the companies listed were true peers, then further selected the ‘top ten’ within that resulting list based on who had the most complete data to offer. Looking through the resulting list, there are several competitors with J.M. Smucker that are present, including partners such as ConAgra, General Mills, Campbells, Hershey, and Hormel Foods, all of whom operate food brands with competing interests to our company of interest.

With that list in hand, my approach to best analyse 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 carbon emissions as compared between peer organizations. The values here are scaled relative to the market cap of each company QQQ.

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[[1]](#footnote-1).

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.

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.

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.

* JM Smucker is headquartered in Akron where Nuclear and other renewables are available, they are likely choosing to not use this source.

1. 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-1)