



The Hershey Company Statement Against Slavery and Human Trafficking

This statement is made in compliance with the California Transparency in Supply Chains Act, the United Kingdom Modern Slavery Act and the Canada Fighting Against Forced Labor and Child Labor in Supply Chains Act for reporting year 2023.

This statement covers all majority-owned or controlled subsidiaries of The Hershey Company. A full list is available in Exhibit 21.1 "Subsidiaries of Registrant" in [Hershey's 2023 Form 10-K](#) and includes Hershey UK Finance Limited and Hershey Canada, Inc.

Related policies and commitments:

- [Code of Conduct](#)
- [Ethics & Compliance: Hershey's Concern Line](#)
- [Human Rights Policy](#)
- [Supplier Code of Conduct](#)
- [Living Wage & Income Position Statement](#)
- [Responsible Recruiting & Employment Policy](#)
- [Deforestation and Conversion-Free Policy](#)
- [Responsible Palm Oil Sourcing Policy](#)
- [Responsible Pulp & Paper Sourcing Policy](#)
- [Sustainable Sugar Sourcing Policy](#)

Company and Operations

The Hershey Company, its wholly-owned subsidiaries and other entities in which it has a controlling interest (“Hershey,” “we,” “us” or “our”), is committed to responsible and sustainable operations throughout the world.

Hershey in Numbers

(data as of Dec. 31, 2023)

\$11,165

million in annual revenue

90+

brands sold across 80 countries where we market, sell and distribute products globally

20,000+

employees

23

manufacturing facilities owned and leased in 6 countries

80

co-manufacturers and co-packers in 10 countries¹

1,400+

Tier 1 direct suppliers across 30+ countries

5,000+

Tier 1 indirect suppliers across 80+ countries

Hershey is a global confectionery leader known for making more moments of goodness through chocolate, sweets, mints and other great-tasting snacks. We have a strategy to become a Leading Snacking Powerhouse.

We are the largest producer of quality chocolate in North America, a leading snack maker in the U.S. and a global leader in chocolate and non-chocolate confectionery. We market, sell and distribute our products under more than 90 brand names in 80 countries worldwide.

Our 2023 annual revenue was over \$11,165 million.

Hershey reports its operations through three segments:

- North America Confectionery
- North America Salty Snacks
- International

Owned Operations & Brands

Hershey employs over 20,000 people worldwide. We operate 23 owned and leased manufacturing plants in six countries — U.S., Canada, Mexico, Malaysia, Brazil and India.² Products made at those sites are primarily for consumers in these regions. We also distribute and sell confectionery products in Asia, Latin America, Middle East, Europe, Africa and other regions.

Our retail operations include Hershey’s Chocolate World stores in Hershey, Pennsylvania; New York, New York; Las Vegas, Nevada; Niagara Falls (Ontario) and Singapore. We also license the use of certain Company trademarks and products to third parties around the world.

Our principal product offerings include:

- Chocolate and non-chocolate confectionery products
- Gum and mint refreshment products
- Protein bars
- Snack items such as spreads, bars, popcorn, pretzels and snack bites and mixes
- Pantry items such as baking ingredients, toppings and beverages

In Canada, top brands include *Hershey’s*, *Reese’s*, and *Twizzlers* for sale at retail. At the end of 2023, we employed over 1,000 people across two manufacturing sites, one office and one distribution center. We also partner with two key distributors and seven key retail partners.

In the UK, key brands include *Reese’s*, *Hershey’s* and *Jolly Rancher* for sale at retail and food service. At the end of 2023, we employed over 35 people at one office. We also partner with one key distributor and four key retail partners.

→ Additional details about Our Company are found on pages 12-20 in our [2023 ESG Report](#) and throughout Hershey’s [2023 Form 10-K](#).

Our Supply Chain

We rely on a global supply chain to source ingredients and to manufacture and deliver our products. Our supply chain can be categorized into the following groups:

- **Tier 1 Suppliers** are suppliers who invoice Hershey for goods and/or services.
 - Direct Suppliers may supply us goods including but not limited to commodities, specialty ingredients and packaging. In 2023, this category comprised more than 1,400 suppliers and sites in over 30 countries.
 - Indirect Suppliers may supply us goods and/or services including but not limited to co-manufacturing and co-packing; transportation, logistics and distribution; marketing; waste and recycling; facilities maintenance and cleaning services; technology and professional services; and third-party contingent labor. In 2023, this category contained more than 5,000 suppliers in over 80 countries.
- **Suppliers beyond Tier 1** are suppliers that provide goods and/or services to our Tier 1 suppliers and form our extended supply chain. This group helps deliver high quality, reliable and sustainable materials and ingredients such as cocoa, sugar, dairy, palm oil, pulp and paper, peanuts and tree nuts, coconut, flour, soy, corn and more. The group encompasses large-scale agricultural sites, family farms and smallholders as well as manufacturers, distributors and processors.
 - Learn more about how we monitor suppliers through our [Responsible Sourcing Supplier Program](#) on our [website](#) and on pages 46-47 of our [2023 ESG Report](#).
 - Learn more about how we are [Sourcing Our Priority Ingredients and Materials](#) on pages 48-52 in our [2023 ESG Report](#).

¹ The number of co-manufacturers and co-packers are based on those actively manufacturing or packaging products and enrolled in Hershey’s Responsible Sourcing Supplier Program.

² The number of owned and leased manufacturing plants listed are those that are actively manufacturing product.

Policies and Governance

We recognize child labor, forced labor, human trafficking and modern slavery are less likely in environments where human rights are respected, governance and economic development policies are strong, and corruption levels are low.

As a result, the key policies described on this page establish foundational standards and expectations that guide our strategies and programming. We continually review and evolve both policies and programming to ensure they:

- Remain relevant and effective as an output of our due diligence process
- Align to the United Nations Guiding Principles (UNGPs) and the Organization for Economic Co-Operation and Development [Guidelines for Multinational Enterprises](#) (OECD Guidelines)

We communicate our policy requirements, including our Code of Conduct, Human Rights Policy, Supplier Code of Conduct, Responsible Recruitment & Employment Policy and our ingredient-specific policy requirements to our suppliers through contract agreements and Purchase Order Terms and Conditions.

→ For a full list of related policies and commitments, see the cover page of this document.

→ Learn more about our [Responsible Sourcing and Human Rights efforts, including relevant data and salient issue definitions, on pages 37-58, and 117 of our 2023 ESG Report.](#)

Code of Conduct

The Hershey [Code of Conduct](#) sets out the standards for conducting our operations, and clear expectations that employees follow the standards in all job-related activities, regardless of business pressure. It further documents our guiding principles to act lawfully, ethically and in the best interests of Hershey.

Our Code of Conduct applies equally to our business partners, including but not limited to consultants, distributors, co-manufacturers, co-packers and suppliers, as well as our subsidiaries and joint venture partners.

Any employee not complying with the Code of Conduct and related company policies may be subject to discipline, up to and including termination. Hershey:

- Employees are encouraged to report anything that may constitute a violation via our [Concern Line](#)
- Corporate employees participate in mandatory Code of Conduct training annually, which includes a rotating Human Rights module every three years

Management-level accountability for our Code of Conduct and Concern Line sits with our Deputy General Counsel, Chief Compliance Officer.

Human Rights Policy

Our [Human Rights Policy](#) outlines our wider commitment to respect human rights throughout our value chain, including efforts to prevent and address modern slavery and forced labor.

The policy, which is core to our business and sustainability strategies, was updated in 2023, following our 2022 human rights [saliency assessment](#). The update was guided by UNGPs, Organization for Economic Co-operation and Development (OECD) [Guidelines for Multinational Enterprises](#) and consultation with diverse internal and external stakeholders, including suppliers, human rights groups, nonprofit organizations working in our raw material value chains, government representatives and labor organizations.

Supplier Code of Conduct

The backbone of Hershey's commitment to a responsible and sustainable supply chain is our [Supplier Code of Conduct](#) ("Supplier Code"), last updated in 2023. The Supplier Code sets out standards and expectations for responsible sourcing, including our commitment to human rights, the environment, health and safety, business ethics and developing a diverse and sustainable supply chain.

Our Supplier Code prohibits child labor, forced labor and human trafficking. This includes, but is not limited to, any form of prison, slavery, bonded or forced indentured labor. When a supplier is out of compliance with our Supplier Code, we require that corrective action plans are implemented and any non-compliances are remediated.

Our Supplier Code also emphasizes responsible recruitment practices, including prohibitions on recruitment fees, withholding identity documents or restricting freedom of movement, as these issues often contribute to forced labor. Hershey's 2023 Supplier Code explicitly states our support for the [Employer Pays Principle](#) and the Consumer Goods Forum's [Guidance On The Priority Industry Principles](#). It requires our suppliers, including their labor agents/agencies, act in accordance with these principles as well.

We communicate our Supplier Code through multiple channels, including through:

- Language in Hershey contracts requiring Supplier Code compliance
- Our [Responsible Sourcing Supplier Program](#), with suppliers' formal acknowledgement of the Supplier Code a condition of enrollment
- Our website, where the Supplier Code is available in 11 languages

Responsible Recruitment & Employment Policy

Hershey does not tolerate forced labor in our operations or our supply chain. We also combat forced labor through committing to responsible recruitment and employment and endorsing the Priority Industry Principles and the Employer Pays Principle.

The [Responsible Recruiting & Employment Policy](#) ("Recruitment Policy") is our global standard for responsibly recruiting workers employed by third parties that support Hershey operations. It is to be used with and provide supplemental guidance to our Supplier Code for third-party labor providers. We communicate the Recruitment Policy through our [Responsible Recruitment Program](#). All our labor and service providers formally acknowledge and are bound by both the Recruitment Policy and Supplier Code.

Living Wage & Income Position Statement

Hershey believes all individuals deserve an opportunity to earn a decent standard of living. We recognize the concepts of living wage and living income as human rights for people working for Hershey directly or within our extended supply chain. We also understand that poverty increases the risk of human rights violations.

Our [Living Wage & Income Position Statement](#) was updated in 2023. It is our global commitment to:

- Pay a living wage to full-time Hershey employees
- Improve farmer income through our Cocoa For Good programs in key cocoa origins such as Côte d'Ivoire and Ghana

→ Learn more about our work [Improving Farmer Income and Livelihoods on pages 26-27 of our 2023 ESG Report.](#)

Oversight of Environmental, Social and Governance (ESG)

Operating sustainably and with integrity are key drivers for how we build trust with our consumers, grow our business and make a positive impact in our society.

Pursuant to our Corporate Governance Guidelines, ultimate responsibility for our ESG and sustainability governance, including human rights, rests with the **Board of Directors** (the “Board”). The Board oversees all ESG matters, including our strategies, priorities, progress, and risks and opportunities. This includes our Chairman of the Board, President and Chief Executive Officer (CEO).

Oversight of specific ESG responsibilities and reporting requirements are assigned to relevant Board committees, as stated in their respective charters. Board committees conduct regular in-depth reviews of significant ESG issues to help carry out these responsibilities.

Accountability for ESG and sustainability resides with our CEO, with shared responsibility across the management team. Program strategy and operations are led by our Chief Sustainability Officer (CSO).

Board of Directors

The full Board oversees our ESG strategies and priorities, including human rights, along with the most important emerging ESG trends, risks and opportunities. ESG-related oversight responsibilities are divided among the Board's committees, with oversight for ESG governance residing with the Governance Committee. Management and ESG leaders provide in-depth updates and reviews on ESG issues for the full Board at least once a year, with relevant committee updates occurring frequently throughout the year.

Executive Team

Our CEO and her direct reports review Our Shared Goodness Promise strategies, data and progress against our commitments and targets. This includes our human rights initiatives, as well as emerging ESG and sustainability challenges and opportunities. As an organization deeply committed to human rights, the executive team ensures our sustainability initiatives are aligned with business strategy and finalizes ESG-related investments.

Disclosure Committee

Our Disclosure Committee, led by our Chief Accounting Officer and comprised of senior management in key functions, including our CSO, ensures that our public disclosures, including those related to ESG such as our human rights disclosures, are consistent, accurate, complete and timely.

Sustainability Steering Committee

Composed of key business leaders and ESG subject matter experts, this cross-functional group meets at least quarterly to evaluate ESG strategy effectiveness and interdependencies, including our enterprise human rights initiatives as well as human rights topics included in responsible sourcing and cocoa. It provides input on investments to support ESG program deliverables and reviews progress toward goals and key performance indicators relevant to our global ESG and sustainability programs.

Global Sustainability Team

Led by our CSO, this team is composed of ESG experts who manage the strategy, implementation and reporting of our global ESG and sustainability initiatives, including our human rights strategies and initiatives.

The Global Sustainability team communicates regularly with internal and external stakeholders who provide valuable perspectives on our strategies, program decisions and focus. This includes partnering closely with our Global Procurement, Supply Chain and Human Resources teams to protect against and detect issues, with external, third-party support. This collaboration ensures an ESG culture is central to how we work with our extended supply chain, where the need to effect change is greatest.

The Director of Global Sustainability & ESG, Director of Responsible Sourcing, and Head of Sustainable Sourcing Cocoa are responsible for the day-to-day management of our human rights agenda. This includes developing and delivering our human rights due diligence programs and frameworks to detect, protect and remediate human rights risks and issues, including forced and child labor issues, in our value chain – including our agricultural and manufacturing supply chains.

Accountability for responsible sourcing and sustainable cocoa sourcing resides with the Vice President of Global Procurement. Both the CSO and Vice President of Global Procurement report to the Chief Supply Chain Officer.

Our Human Rights Due Diligence Approach

Hershey's approach to Human Rights Due Diligence (HRDD) is an ongoing risk management process informed by the UNGPs.

HRDD allows us to identify, prevent and mitigate human rights risks throughout our value chain. In 2023, we partnered with the consultancy *twentyfifty* to map, communicate and confirm the strength of our HRDD risk assessment approach. We identified six key steps in our risk assessment process, as outlined in our risk assessment approach.

Identifying and Assessing Human Rights and Modern Slavery Risks

Our human rights strategy and policies are informed by saliency assessments that cover our entire value chain. Saliency assessments identify and prioritize human rights and environmental risks according to the UNGPs and OECD Guidelines. Assessments focus on the risk to individuals. The last saliency assessment, in 2022, confirmed that we remain focused on the most important issues including forced labor, and child labor.

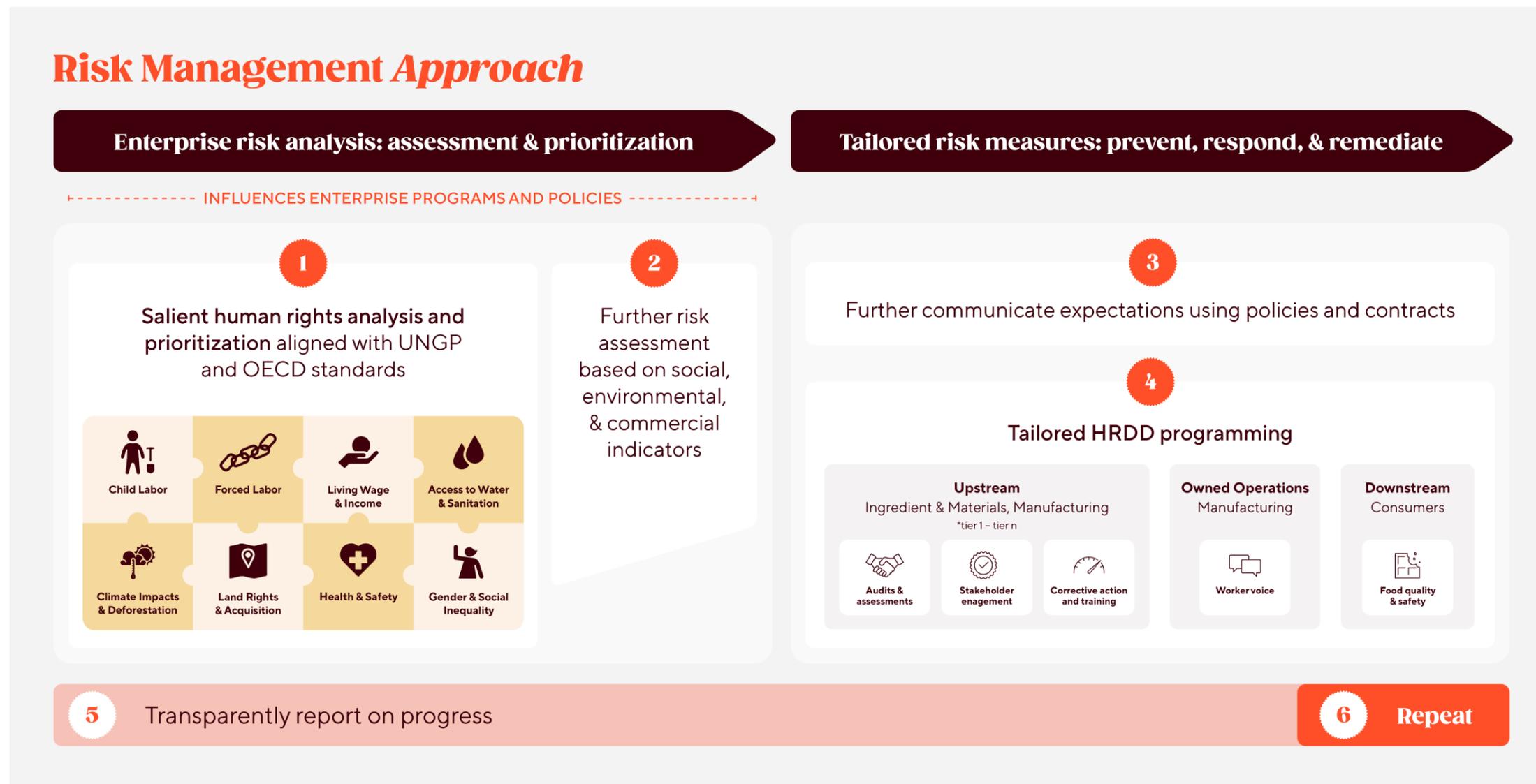
→ More details on our saliency assessment methodology are available in our [Human Rights Policy](#).

→ A full list of salient human rights issues and their definitions are available on page 117 of our [2023 ESG Report](#).

Prioritizing our approach to manage risk

We tailor our due diligence approach to specific features of our value chain and operations, including geographic locations. The approach includes multiple risk assessment processes that are based on our saliency assessment and further assess:

- Human rights issues that may be unique to a country context or priority-ingredient value chain and may not have appeared in an enterprise-level view.
- The impact of cross-cutting environmental issues, such as climate change, water and deforestation, on livelihoods, and their connection to poverty and other root causes of human rights issues.



- Commercial criteria, like spend, volume, sourcing model and business continuity, to identify our largest areas of influence across our value chain while maintaining our focus on the risk to individuals.

These assessments produce a prioritization of human rights and environmental risks by country and across the value chain.

Our Human Rights Due Diligence Approach continued

This risk prioritization heavily influences how we implement programs like our Responsible Sourcing Supplier Program (“Supplier Program”), approaches to responsible priority ingredient and material value chain and sourcing, and new human rights impact framework.

Tier 1 Supplier Risk Assessment

We use the risk assessment process to assess and segment all our Tier 1 raw material and packaging suppliers as well as all co-manufacturers, co-packers, licensees and labor service providers. Our risk assessment covers four categories: human rights risks based on site geography; human rights risks based on value chain; volume of Hershey spend; and supplier continuity risks

We then created a prioritized list for supplier due diligence, with the following results.

High-Risk and High-Priority Suppliers

By the end of 2023, 628 high-risk or high-priority suppliers and sites are in our Supplier Program and undergo our due diligence requirements. We continue to assess Tier 1 suppliers and sites and enroll those identified as high-risk or high-priority into the Supplier Program.

The majority of enrolled high-risk or high-priority supplier sites are located in Brazil, China, India, Malaysia, Mexico and the United States. They supply cocoa, packaging material, palm oil, sugar, or are co-manufacturers/co-packers, licensing partners or The Hershey Experience vendors.

In 2023, we enrolled 132 new suppliers and sites into the Supplier Program based on risk, which are included in the 628 high-risk or high-priority suppliers and sites reported above. The majority of these new suppliers and sites support our confectionery operations in Malaysia or our global licensing business.

Recruitment Risk Assessments

Risk assessments and active engagement in the Responsible Labor Initiative indicate responsible recruitment risks remain higher in South and East Asia. We also acknowledge heightened child labor risks within U.S. manufacturing,

particularly facilitated by labor providers. This underscores the need for increased vigilance.

We monitor risks for vulnerable groups such as migrant workers and women within our global supply chain. This includes tracking the number and geographic locations of migrant workers in our Tier 1 supply chain through announced supplier audits conducted by third-party auditors.

As of December 31, 2023, our Responsible Recruitment Program covered 84 labor providers for our owned operations in Brazil, Canada, India, Malaysia, Mexico and the United States, compared to 65 in 2022. The 2023 total includes labor providers to plants in our North America Salty Snacks segment, acquired in 2022 and now integrated into the program.

Outside of Malaysia, Hershey has few migrant workers in our contract labor population. However, we consider any contracted labor population potentially vulnerable and therefore focus on systems and practices that promote responsible recruitment among all contracted labor.

Pre-Screening Potential Suppliers

We conduct responsible sourcing and human rights risk screenings before entering a commercial relationship with Tier 1 ingredient and packaging suppliers; co-manufacturer/co-packers; and licensing manufacturing sites. Based on the country where they are located, any new potential supplier or site must provide a social compliance audit and/or a responsible sourcing self-assessment questionnaire covering their management systems related to human rights and labor topics. Potential suppliers may be required to submit corrective actions and/or undergo follow-up verification audits prior to an approval or rejection decision.

Once a supplier is approved, they are either enrolled into our Supplier Program, as a high-risk or high-priority supplier, or reviewed annually as part of our risk segmentation assessment, for any other supplier.

In 2023, we assessed 472 new potential sites, a majority connected to our licensing business or North America Salty Snacks segment. As of December 31, 2023, 57% were approved, 33% had a decision pending and 10% were rejected or canceled.

Priority Ingredients and Materials Risk Assessment

In addition to Tier 1 suppliers, Hershey uses the risk assessment process to evaluate risk across our ingredients and materials supply chains. We expanded our priority ingredients and materials risk assessment in 2022 to account for changes in our supply chain, such as the inclusion of our North America Salty Snacks segment.

Focus Areas

Cocoa, sugar and palm oil continue to provide economic opportunities for many people living in rural areas, while at the same time these supply chains present risks of forced and child labor. This is due to the nature of their value chains and a range of social and economic factors in the regions where they are produced. These ingredients remain the focus areas for our human rights and responsible sourcing efforts.

Cocoa

While cocoa is sourced from multiple regions, Côte d'Ivoire and Ghana remain the focus of our responsible cocoa sourcing efforts in at-risk origins, including the implementation of Child Labor Monitoring and Remediation System (“CLMRS”).

Hershey remains committed to achieve 100% sourcing visibility of cocoa volumes from Côte d'Ivoire and Ghana by the end of 2025. Visibly sourced cocoa is key in giving us greater transparency into how the cocoa volumes are grown, including the associated labor practices. We also aim to achieve 100% CLMRS coverage for cocoa visibly sourced by our suppliers in these two countries by the end of 2025.

We are also a member, alongside other stakeholders, of the International Cocoa Initiative's Sub-Group on Forced Labor, which is developing cross-sector approaches for addressing forced labor in cocoa-producing countries.

Additionally, our plans and programs, such as farmer premiums for independently verified cocoa, Village Savings and Loan Associations and our new Income Accelerator are informed by stakeholder outreach and are designed to improve farmers' livelihoods and reduce poverty, one of the root causes of child labor in cocoa.

Sugar

Child and forced labor risks in sugarcane exist across multiple origins, including but not limited to Mexico, Brazil and the Dominican Republic. In 2023, we continued working with our suppliers to trace our sugar to the mill level to understand high-risk sourcing areas for human rights issues.

Palm Oil

Child and forced labor risks in palm oil exist across multiple origins from which Hershey sources, including Indonesia and Malaysia. Hershey's Responsible Palm Oil Sourcing Policy communicates our requirements around an exploitation-free palm supply chain, including promoting and following ethical recruitment, hiring and employment practices in line with the Priority Industry Principles.

Other Ingredients

Other ingredients have varying degrees of human rights and/or business risks and opportunities. We remain committed to continuous improvement and will evaluate whether interventions are required.

Commitments and criteria relating to responsibly sourcing priority ingredients and materials are integrated into our processes for Research and Development, Innovation and Quality and Regulatory Compliance. This helps ensure all existing ingredients meet our commitments and that we consider and mitigate any human rights risks associated with introducing new ingredients or materials.

Due Diligence

Hershey performs due diligence, prevention and remediation on our owned facilities, high-risk and high-priority suppliers, and within priority ingredient and material supply chains.

To monitor and remediate risk, we implement HRDD programs across our value chain utilizing tools and processes that are fit for purpose.

Hershey-owned Operations

Independent third-party auditors conduct announced onsite [SMETA 4-Pillar audits](#) at all Hershey-owned operations. Corrective action plans and follow-up audits are required if they identify any instances of non-compliance. Audit performance dictates the timeline for the next audit, ranging from three months to three years.

The most frequently identified non-compliances in owned operations relate to health and safety. We put the safety of people first – from our employees to contractors and guests at Hershey facilities – and work to protect and promote their well-being. We strive to uphold the highest standards of health and safety, ensuring mental and physical safety of all employees while avoiding an unsafe working environment. No instances of forced or child labor were identified in Hershey-owned facilities.

→ Learn more about our health and safety management in [Safety First](#) on page 88 of our [2023 ESG Report](#).

→ Learn more about our Own Operations audits in [Responsible Sourcing Supplier Program](#) on pages 46-47 of our [2023 ESG Report](#).

Tier 1 Suppliers

Responsible Sourcing Supplier Program

Our Supplier Program verifies our Tier 1 suppliers' compliance with our Supplier Code. The program:

- Aligns with our saliency assessment of our most significant human rights issues, including child labor, forced labor and modern slavery
- Leverages third-party verification tools, including self-assessment questionnaires (SAQ) and independent third-party announced audits
- Has corrective action plan (CAP) and issue remediation requirements

→ [Supplier Program requirements can be found on our website and in Responsible Sourcing Supplier Program on pages 46-47 of our 2023 ESG Report.](#)

In 2023, 316 initial, periodic and follow-up audits were completed by enrolled suppliers. The top three categories of non-compliances identified were health and safety, working hours and wages and benefits.

In all instances of non-compliance we require a CAP to be submitted demonstrating a time-bound plan to close the issue. Once they have closed corrective actions, suppliers must verify the issues are remediated via a desktop or follow-up onsite audit. As of the end of 2023, 88% of the 316 audit reports with instances of non-compliances have CAPs in place. The remaining required CAPs are under development by suppliers.

Auditors found no instance of forced or child labor at Tier 1 supplier sites. The highest prevalence of indicators of forced labor are in our Tier 1 supplier sites in Malaysia.¹ Based on these indicators, we work closely with suppliers in Malaysia to develop CAPs. We also continue to seek capacity-building opportunities for Malaysian suppliers, including co-funding selected suppliers' participation in the Ganapati Initiative led by human rights consultancy, [Embode](#). The initiative aims to strengthen suppliers' responsible recruitment and hiring management systems.

→ More details about the results of our Supplier Program are available in [Responsible Sourcing Supplier Program on pages 46-47 of our 2023 ESG Report](#).

Responsible Recruitment

Our Responsible Recruitment and Employment Program verifies labor providers' ("provider") compliance with our Responsible Recruitment & Employment Policy and the Employer Pays and Priority Industry Principles.

Providers in the program must complete a recruitment-specific SAQ and a CAP if risks or non-compliances are identified. Providers receive access to training through the Responsible Labor Initiative E-Learning Academy. Providers are also assessed via SMETA 4-Pillar audits conducted at Hershey's owned operations.

If we consider it necessary, we may also require a provider undergo an on-site assessment or deploy an anonymous and confidential engagement survey to their workers.

In 2023, we engaged third parties to conduct labor agency assessments on providers at our Malaysia and India plants. These assessments included worker surveys, on-site interviews with third-party workers and on-site verification of each labor provider's management system.

Non-compliances identified primarily related to gaps in social compliance and human rights policies and procedures related to the recruitment and hiring of workers and disciplinary measures. No adverse affects on workers were identified by auditors. CAPs are in different stages for providers at both plants. Training sessions by

credible third parties are planned in 2024 to better support development of policies and procedures.

→ More details on our [Responsible Recruitment Program](#) are available on [our website](#) and in [Responsible Recruitment and Employment on page 43 of our 2023 ESG Report](#).

Pre-Qualification Process

We pre-screen potential Tier 1 suppliers before entering into a commercial relationship with them, as detailed on pages 5-6 above.

Ingredient and Material Sourcing

Our expectations for priority ingredients and materials go beyond the requirements of our Supplier Code. They reflect our commitment to human rights and a transparent, traceable supply chain. This commitment includes, but is not limited to, our positions or policies on responsible [cocoa](#), [palm oil](#) and [sugar](#) sourcing.

Hershey also conducts more comprehensive human rights due diligence for priority ingredients, including cocoa, palm oil and sugar. This due diligence process includes:

- Country of origin risk assessments (see [Priority Ingredients and Materials Risk Assessment](#) on page 6 above)
- Both desktop and on-the-ground supplier sustainability assessments
- Tier 1 manufacturing site SMETA 4-Pillar audit protocol assessments

Suppliers may be required to create CAPs based on results from these assessments, which are verified for closure by third parties. Hershey provides resources and support to suppliers if needed.

¹ Indicators of forced labor refer to the 11 indicators defined by [International Labor Organization](#).

Due Diligence continued

Cocoa

Hershey sources 100% independently verified cocoa¹ and our [Cocoa For Good strategy](#) does not tolerate the use of forced or illegal child labor. Our approach follows best practices for holistically addressing these issues and is consistent with UNGP guidance.

Beyond purchasing independently verified cocoa through Cocoa for Good, Hershey works with governments in origin countries, key suppliers and sustainability partners, as listed in our [2023 ESG Report](#), to address systemic social and environmental issues in our supply chain.

Our 12-year Cocoa For Good strategy includes a commitment to invest \$500 million in cocoa communities, seeking to help disrupt the cycle of poverty by combating child labor, poor nutrition and deforestation, which are all symptoms of poverty. We are investing an additional \$40 million towards addressing living income through the Hershey Income Accelerator Program.

The suite of programs under the strategy aims to improve cocoa farming, diversify household incomes, educate families on the value of savings, empower communities, foster women's leadership, improve nutrition and increase access to education.

We began implementing our industry-aligned best practice [Child Labor Monitoring and Remediation System \(CLMRS\)](#), executed by supply chain and implementation partners, in 2018. CLMRS is the leading method, developed through the [International Cocoa Initiative \(ICI\)](#), used by the industry to detect and remediate child labor among those aged 5-17.

Our commitments include that, by 2025, all cocoa sourced from Côte d'Ivoire and Ghana be visibly sourced by our suppliers and with 100% CLMRS coverage.

→ [More on the results of our CLMRS program can be found on our website.](#)

In addition to CLMRS, Hershey partners with the Jacobs Foundation, the government of Côte d'Ivoire, the UBS Optimus Foundation and 15 other chocolate and cocoa companies in the [Child Learning Education Facility \(CLEF\)](#). CLEF is building classrooms and improving quality of education at several thousand schools in Côte d'Ivoire. Beyond CLEF, we fund the construction of schools in communities where our suppliers source cocoa as well as in priority areas identified by national government plans.

Hershey also recognizes that nutrition is a vital component of thriving cocoa farming communities. Not only does satiety improve a student's ability to concentrate and learn, it can also be the deciding factor between whether or not a child attends school. In collaboration with national and local government authorities, including school principals, and supply chain partners in Côte d'Ivoire and Ghana, Hershey provided a daily vitamin-fortified snack, ViVi, to more than 53,000 children in 174 schools in cocoa-growing communities.

Our ViVi snack initiative reinforced the importance of childhood nutrition in cocoa farming communities. In 2023, we began to explore new approaches to providing school-based nutrition and are currently developing a long-term plan for 2025 and beyond that responds to needs identified by government and reflects latest thinking on achieving lasting impact in childhood nutrition.

→ [More details on Cocoa For Good are available on our website and in Cocoa For Good on page 22 of our 2023 ESG Report.](#)

Palm Oil

In 2023 we progressed toward achieving a traceable and exploitation-free palm oil supply chain. This requires continuing to identify human rights risks and partnering with suppliers to address them.

We remain supporters of the Roundtable for Sustainable Palm Oil (RSPO) and committed to purchasing 100% RSPO Mass Balance or Segregated certified palm oil, as we have been since 2017.

Hershey maintains the public [Grievance Process for the Implementation of The Hershey Company's Responsible Palm Oil Sourcing Policy](#) and [The Hershey Company's Palm Oil Grievance Log](#), developed with our partner, Earthworm Foundation. We investigate allegations of child and forced labor, transparently disclosing how we investigate violations against our Responsible Palm Oil Sourcing Policy, and develop thresholds for suspension and re-entry into our supply chain. As of December 2023, a total of 23 palm companies have been suspended, including two in 2023. Both suspensions in 2023 were for deforestation violations.

Given our role in the value chain, we work to support remediation efforts both with suppliers through sustainability assessments and with Earthworm Foundation-led on-the-ground landscape investments in Indonesia and Malaysia.

→ [Learn more about our supplier-base and mill list in the Supplier Chain Traceability section of our website and Sourcing Our Priority Ingredients and Materials on pages 48-52 of our 2023 ESG Report.](#)

Sugar

When sourcing sugar from outside the U.S., we seek to purchase Bonsucro-certified mass balance sugar. Bonsucro prohibits the use of forced and child labor. When it is not possible to secure Bonsucro-certified mass balance sugar, we buy [Bonsucro credits](#) to match the volumes of the conventional sugar purchased. We also require all refining facilities from which we source sugar to enroll in and complete our Supplier Program requirements.

We are strengthening our approach to supply chain monitoring as well as on-the-ground programming to address human rights risks. Beginning in 2022, we complete an annual assessment of our suppliers' sustainability and responsible sourcing practices and management systems, including human rights and labor topics. We use the results to help identify potential risks and opportunities, and create improvement action plans with suppliers with training and investment.

In 2024, we plan to support suppliers with key improvements including their risk assessment and management processes, expanding grievance and remediation mechanisms, and providing capacity building for mills.

2024 will also see the launch of a Practical Guide for Human Rights Due Diligence in the Sugarcane Sector in Brazil by [Imaflora](#) and [Proforest](#), which we co-funded with Bonsucro and several peer companies. This will provide a valuable resource to sugar suppliers to fulfill their commitments to respect human rights. Following the launch, Proforest and Imaflora will conduct capacity building for mills, producers and service providers in Brazil, and pilot the guidance with two mills and two producers' associations in 2024.

Hershey is also co-funding a project lead by [CNV Internationaal](#) to develop a roadmap to achieve a living wage for the most vulnerable workers in the sugarcane sector, with an initial focus on cane cutters and other outsourced field workers in Central America and Brazil, particularly women and ethnic minorities.

→ [For more details regarding sugar, see Sugar Sourcing on our website and Sugar on page 50 of our 2023 ESG Report.](#)

¹ Independently verified cocoa refers to cocoa that is either certified to the Rainforest Alliance standard, Fair Trade USA standard, or independently verified programs through our suppliers.

Engagement and Partnerships

We acknowledge child labor, forced labor and modern slavery often flow from socio-economic and cultural issues no one entity can solve alone.

Hershey partners with nonprofit organizations, engages with governments and enters into pre-competitive industry collaborations as critical steps in developing and implementing our policies and programs. That includes those related to forced labor and human trafficking.

Some of our key collaborations this past year included:

- Ongoing membership in the Associate Auditor Group of the Sustainable Ethical Data Exchange (“Sedex”) and use of the [Sedex Member Ethical Trade Audit \(SMETA\)](#) standard, or equivalent, to verify compliance with our [Supplier Code of Conduct](#). The SMETA 4-Pillar standard is a prescriptive audit procedure compiling effective ethical audit techniques for Labor Standards (including audit criteria on forced labor, human trafficking and child labor), Health and Safety, Environment and Business Ethics. We share audit results for Hershey facilities with our customers. Under our Supplier Program, we ask suppliers to use Sedex to share their audit results and corrective action plans with us.
- Serving on the [AIM-Progress Leadership Team](#), the Human Rights Steering Committee and as co-chairs of the Responsible Recruitment Working Group and Living Wage Working Group. AIM-Progress facilitates industry alignment on recognition of social compliance audits and tools and best practices for addressing forced and child labor, responsible recruitment, living wage and worker voice engagement models.

- Participating in the global, multi-stakeholder, multi-industry [Responsible Labor Initiative \(RLI\)](#), which focuses on ensuring the rights of workers vulnerable to forced labor are consistently respected and promoted. We leverage the best practices and tools RLI offers, including training resources, risk assessment tools and migration corridor data and research. Membership also allows Hershey to support advocacy and wider initiatives addressing root causes of forced labor and recruitment-related issues. We use the RLI E-Learning Academy to train suppliers on best practices in responsible recruitment and for identifying and preventing forced labor.
- Founding membership of the multi-stakeholder project, WageMap, which seeks to create consistency in the living wage landscape and advocate that the living wage be implemented in various industries through publishing benchmarking data.
- Serving as a key sponsor of WageIndicator’s publication of free and widely accessible living wage benchmarking data.
- Continuing active engagement with the [World Cocoa Foundation \(WCF\)](#), which we helped establish over 20 years ago. Hershey is a member of WCF’s Board of Directors, and participates in numerous sub-committees and advisory panels. We use these opportunities, alongside industry peers, to pursue WCF’s vision of a thriving and sustainable cocoa sector, with prospering farmers, empowered communities and a healthy planet. We also rely on groups, such as the [National Confectioners Association \(NCA\)](#), the [Association of Chocolate, Biscuit and Confectionery Industries of Europe \(CAOBISCO\)](#), the [EU Cocoa Coalition](#) and the [Child Labor Cocoa Coordinating Group](#) to engage as an industry and alongside other stakeholders with governments and policymakers on preventing and addressing risks associated with child and forced labor.
- Serving on the board of the ICI, as a member of its Forced Labour Sub-Group and as donor/founding member for its Expert Working Group on Protecting Children from Pesticides. ICI has driven the industry approach to child and forced labor for over 20 years. It serves as a thought-leader, publishing numerous studies on child labor and its root causes. It implements programs, champions best practices and provides in-country organizational resource allocation toward eliminating child and forced labor from the cocoa supply chain in West Africa. ICI and Côte d’Ivoire’s National Oversight Committee for Actions to Combat Trafficking, Exploitation and Child Labor (CNS), also partner in our initiative to fund the construction of a dozen public primary schools in Côte d’Ivoire by the end of 2025. ICI serves as an important channel for Hershey and the wider cocoa industry to work with West African governments on topics like child and forced labor.
- Ongoing work with the [CLEF](#), a public-private coalition to improve access to quality education for children in the cocoa-producing areas of Côte d’Ivoire. This helps children full enjoy their rights and contributes to the fight against child labor. CLEF supports industry human rights due diligence, as described in the [United Nations Guiding Principles on Business and Human Rights](#), other international standards and legislation in a growing number of countries.

→ Learn more about [our work with the CLEF](#) on page 8 of this report.

- Partnering with [Earthworm Foundation](#) to support our palm oil supply chain, including co-sponsoring and participating in the Aceh Landscape program, Indonesia and Southern Central Forest Spine Landscape program, Malaysia. These programs build palm-producing communities’ capacity around labor exploitation, deforestation and opportunities for supplementary income.
- Participating in the Bonsucro Living Wage Working Group, which advises Bonsucro’s governance bodies on developing, implementing and applying living wages in the sugarcane sector.

→ Learn more about other collaborations and partnerships in [Human Rights Partnerships & Collaboration](#) on our [website](#) as well as in [Stakeholder Engagement and Select Memberships and Partnerships](#) on page 9 of our [2023 ESG Report](#).

Engaging Affected Stakeholders

It is crucial to engage directly with the workers and farmers touched by our supply chain.

We prioritize identifying vulnerable stakeholders and engaging in ways that align with their needs. We do this directly where we can. When our position in the supply chain prevents us from being the most effective partner for direct engagement, we work with several international representative organizations to assist with these efforts on our behalf.

Cocoa farmers, their families, children and cocoa-producing communities remain a priority. We work with suppliers and implementation organizations to deploy Cocoa For Good programs with cocoa farming households.

Team members from these organizations regularly visit farms and communities throughout the year. Visits are an opportunity to gain insights into the effectiveness of our sustainability programs and investments, including CLMRS, and prevention and remediation efforts (such as building schools and helping get birth certificates). They also help continue the important work of awareness-raising among farmers and communities on topics like child labor. Farmers, farmer groups, our suppliers and Hershey facilities also receive independent announced and unannounced audits from third-party certification bodies.

We continue to evaluate opportunities to incorporate mobile and tech-enabled worker and farmer engagement tools, including grievance mechanisms, as part of our human rights due diligence approach in our owned operations and in our supply chain.

→ For more about using mobile and tech-enabled worker and farmer engagement tools see [Improving Farmer Income and Livelihoods on pages 26-27 of our 2023 ESG Report](#).

Employee engagement at our own operations uses various channels, including through Continuous Listening Surveys and our Concern Line.

- Hershey's Continuous Listening Strategy includes ongoing two-way dialogue with employees via quarterly surveys, small group discussions and real-time feedback at key moments during the employee experience. We use the insights to identify what drives engagement and inform enhancements to policies and practices.
- Our Concern Line is available in more than 47 languages. It is primarily aimed at our employees, but is also accessible to suppliers and other stakeholders. The Concern Line accepts all types of complaints, including human rights issues, deforestation and Code of Conduct violations.

→ [More details on our Continuous Listening Strategy can be found in Listening and Taking Action on page 42 of our 2023 ESG Report](#).

Training and Capacity Building

Hershey Employees

We provide regular human rights training for all Hershey professional employees. There is a human rights module in our mandatory Code of Conduct training. The training covers Hershey's salient human rights issues – including forced and child labor – the UNGPs, human rights considerations in purchasing practices and how to be an internal champion for human rights. This human rights module is scheduled for inclusion in our employee Code of Conduct training every three years, and all employees last completed it in 2022.

→ **Learn more about our employee Human Rights Training on page 42 of our 2023 ESG Report.**

Employees can access supplemental human rights training in our Learning Management System online training platform. It is offered in English, Spanish, French, Chinese, Portuguese and Hindi. Since 2020, more than 1,600 employees have chosen to take this training to expand their human rights knowledge.

Supplier Training

We recognize our suppliers have different levels of expertise when it comes to sustainability, human rights and broader responsible business practices. We actively seek opportunities to support suppliers' continuous improvement.

Our [Responsible Sourcing Program Guidebook](#) for suppliers provides specific resources on preventing forced labor and other human rights abuses. We offer suppliers a broad range of e-learning and education on key human rights topics through our RLI and Sedex memberships, including on forced labor and responsible recruitment. Our partnerships with AIM-Progress also support capacity building.

In 2023, we participated in, co-sponsored and co-developed various training events and programs focused on human rights related topics, including responsible recruitment, worker engagement, working hours, wages and social security benefits:

- The 12-month Ganapati Responsible Recruitment Project, led by [Embode](#), for five Hershey suppliers in Malaysia to receive individually-guided capacity building on responsible recruitment and hiring management systems, including grievance mechanisms.
- An in-person capability-building event in Malaysia, led by Embode, attended by 21 suppliers and Hershey procurement employees.

- In Mexico, an eight-month capability-building series, led by [Quizrr](#), with monthly webinars, an in-person event and access to Quizrr's digital training platform. We asked all Mexico-based suppliers enrolled in our Supplier Program and Recruitment Program to participate. 13 suppliers have actively taken part in the training sessions.
- An in-person capability-building event in New Delhi, India, which 25 representatives from 16 suppliers attended.
- Two live webinars and e-training for U.S.-based suppliers on identifying and addressing child and forced labor in U.S. manufacturing. E-training launched at the end of December 2023 and is ongoing in 2024. 74 of our labor providers, co-manufacturers and co-packers are required to take the e-training.
- In partnership with Verité, two live webinars and e-training for Hershey staff and cocoa suppliers on the definition of forced labor and introducing a forced labor indicators approach. The live webinars focused on root cause analysis and interventions to prevent and address forced labor in general.

→ **More details about our Responsible Sourcing Supplier Program are available on our website and in Responsible Sourcing Supplier Program on pages 46-47 of our 2023 ESG Report.**

Assessing Effectiveness

Hershey reports progress against stated human rights goals on our website and in our annual ESG Report.

We continue to develop policies and practices to assess and understand our effectiveness in addressing key human rights topics, including forced labor and modern slavery. Processes that give us insight into our performance and areas for future action, include:

- We regularly assess the effectiveness of our overall program and HRDD systems against international requirements in the UNGPs and OECD Guidelines. We identify key strengths and areas of improvement in our human rights strategy and programs.

The last assessment was conducted with human rights consultant, TwentyFifty, in 2022. The key strengths include a clear governance structure, training programs, responsible sourcing programs and supply chain due diligence. As with many companies there were areas of opportunity in remedy, grievance mechanisms and rightsholder engagement.

To address some of these gaps, we are developing a Human Rights Impact Framework to help us improve how to focus and progress on three priority areas we feel disproportionately impact all our salient issues: Living Wage and Income, Just Transition, and Gender & Social Inequality. We are just beginning this work and will provide progress updates in our ESG reports.

→ **Learn more about our Human Rights Impact Framework in Action on pages 39-42 of our [2023 ESG Report](#).**

- Grievance mechanisms, such as our [24/7 Concern Line](#) that operates in over 60 countries and with toll-free numbers in each of our locations. Suppliers can also access the Concern Line. Our palm grievance log helps us understand the nature of complaints against Hershey and our palm oil supply chain, and how to remediate effectively.

- Direct worker engagement surveys in our Malaysia and India facilities, using the Labor Agency Assessment Tool, enable us to understand the experiences of third-party recruited workers. From 2021-2023, more than 2,700 contract, temporary and farm workers in our supply chain have participated. This has helped pinpoint opportunities for improvement. The surveys have led to meaningful conversations with individuals in various roles and functions across the globe. We continually seek effective ways to integrate worker engagement surveys into our due diligence process.
- Our social compliance auditing and responsible recruitment programming allows us to assess labor and human rights related performance and activity (both positive and negative) within both our owned and our Tier 1 suppliers' manufacturing base. More importantly, they open a dialogue for sharing concerns, best practices and insight on what is needed for continuous improvement. We acknowledge that audits are just one among several tools needed for robust due diligence that effectively identifies instances of child and forced labor. We are using industry engagement via AIM-Progress, Sedex and RLI to evaluate both the role of audits and the most effective way to implement them, as well as other due diligence tools, to identify human rights risks in our Tier 1 supply chain.
- Origin-level investments, like those through our Cocoa For Good strategy, offer insight into the rights and experiences of smallholder farmers and their families. Cocoa For Good, through CLMRS, has also emphasized remediation and investing in tackling the root causes of poverty that increase the risk of child labor.

- Hershey was recognized as a Leader in protecting children's rights among 795 worldwide companies assessed by the [Global Child Forum](#) in its Corporate Sector and Children's Rights Benchmark report, [The State of Children's Rights and Business 2023](#), for the second year in a row. The report, produced with Boston Consulting Group, examined how companies implement children's rights and sustainability governance against 25 indicators, using publicly available data. Hershey performed well, scoring 9.1 out of 10, and significantly better than peers in the sub-sector.

The Global Child Forum's recognition is particularly significant given it is integrated with the [World Benchmarking Alliance](#) and aligned with the Children's Rights Principles. We use this report and other industry standards to capture valuable insights into where Hershey activities might be promoting or damaging children's rights, so we can act to mitigate otherwise-overlooked risks. These industry resources help catalyze systemic change by keeping us and other organizations up-to-date on best practices.

We will continue to explore more specific KPIs to help us track the effectiveness of our efforts to promote human rights and address child and forced labor. One example is our engagement with AIM-Progress's Impact Measurement working group.

→ **For more details on the progress of Hershey's programs related to human rights and responsible sourcing see [Our Progress on pages 53-58 of our 2023 ESG Report](#).**

Looking Ahead

Respecting human rights is a continual effort. We remain committed to reassessing our approach in light of any changes in best practices, the external environment or our business.

We publish our approach to that commitment. We will also continue to publish our Responsible Sourcing efforts online and in our annual ESG Report.

Over the next year, we will focus on:

- **Delivering on our commitments to visibly source 100%** of the cocoa in our products that originates from Côte d'Ivoire and Ghana and expand CLMRS to 100% in our visibly sourced supply chain in Côte d'Ivoire and Ghana, both by 2025.
- **Extending supply chain human rights due diligence** approaches and mechanisms, such as direct worker engagement surveys, further across our value chain. This will help us proactively find and address potential human rights impacts, and remediate any identified inappropriate labor practices through corrective action plans and investments in supplier training and capability building.
- **Promoting a living wage and income within our value chain**, including continuing to pay a living wage to Hershey employees, assessing provision of a living wage among Tier 1 suppliers and implementing programs to improve cocoa farmers' incomes.
- **Strengthening our human rights due diligence approach** in our sugar supply chain through capability building and implementation support for direct suppliers. We will also conduct a human rights impact assessment on our sugarcane supply chain in Mexico to create a framework for on-the-ground programming to address key risks.
- **Refreshing our human rights and responsible sourcing strategies** in line with our Human Rights Impact Framework, detailed on page 12 above.

If any employee, customer, consumer or business partner has concerns about the conduct of The Hershey Company or its partners, we ask them to report concerns confidentially at www.HersheysConcernLine.com.

Hereby Signed,



Michele Buck
President and CEO of The Hershey Company



Kathleen S. Purcell,
Director Hershey UK Finance Limited



Mark Taylor,
Senior Director,
Strategic Sourcing Hershey Trading GmbH

Approved by The Hershey Company Board of Directors,
May 2024

Attestation

In accordance with the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act), and in particular sector 11 thereof, I attest that I have reviewed the information contained in the report for The Hershey Company. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects of the Act, for the reporting year 2023.



Michele Buck
President and CEO of The Hershey Company

May 2024