



CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

The Hershey Company, together with its subsidiaries, is committed to complying with the California Transparency in Supply Chains Act of 2010, which is designed to increase the amount of information manufacturers and retailers make available regarding their efforts to address issues related to slavery and human trafficking in their supply chains. We endeavor to model good business practices by striving to ensure our supply chains are responsibly managed.

Hershey has a history of operating with high ethical standards and integrity. The manner in which our employees and vendors manage social, environmental, and economic impacts is critical to our long-term business success.

We have established a [Supplier Code of Conduct](#) that sets forth Hershey's standards and expectations for suppliers with respect to corporate and social responsibility. We require our suppliers to acknowledge their understanding of and adhere to our Supplier Code of Conduct, which serves as a key governing component of our business relationship with these third parties.

As outlined in the Supplier Code of Conduct, our goal is to work with our suppliers to assure compliance with the following requirements:

Legal and Compliance

- Suppliers must comply with all applicable laws and regulations in their country of operation.

Social and Working Conditions

- *Forced Labor*: Suppliers must not utilize or benefit in any way from forced or compulsory labor nor utilize factories or subcontractors that force unpaid labor.
- *Child Labor*: Hershey is committed to the elimination from its supply chain of the worst forms of child labor, as defined by the International Labor Organization (ILO) Convention 138 and 182. We expect our suppliers to support and participate in industry efforts aimed at the elimination of such practices, wherever they exist in the supply chain.
- *Working Hours and Wages*: Suppliers should provide wages at least equal to the applicable legal minimum wage and any associated statutory benefits, and working hours should reflect applicable legal norms, which includes supplier compliance with applicable laws regarding working and overtime hours.

- *Freedom of Association:* Consistent with local regulations, employees' right to freedom of association should be respected by suppliers, including that employee relationships are voluntary in nature.
- *Non-Discrimination:* Supplier hiring and employment decisions should be made solely on the basis of skill, ability and performance by the workers, and discrimination is not permitted on the basis of race, religion, gender, political opinion, national extraction, or social origin.
- *Health and Safety:* Suppliers must provide employees with safe and health working environments and practices must comply with all relevant local and national laws, codes, and regulations.

Supplier Verification and Audits

- Hershey reserves the right to monitor, review and verify supplier compliance with the principles set forth in the Supplier Code of Conduct, either through third-party certifications or a responsible sourcing audit, which may be performed by a third party. In the event the Company becomes aware of non-compliance, we maintain the right to set forth corrective actions and/or terminate our business relationship with the supplier.
- Hershey requires key suppliers to undergo the Sedex Members Ethical Trade Audit (SMETA), developed by the Associate Auditor Group of the Sustainable Ethical Data Exchange. SMETA is a prescriptive audit procedure that is a compilation of effective ethical audit techniques.
- In 2013, Hershey used third-party auditors to complete social assessments on 25 percent of its external suppliers (based on spend). In 2014, Hershey used third-party auditors to begin assessing an additional 25 percent of its external suppliers (based on spend).

Code of Ethical Business Conduct

- Hershey has committed to operating with the highest of ethical standards. This commitment dates to the founding of our company and has earned Hershey a reputation for fairness and honesty throughout the world.
- The Company's [Code of Ethical Business Conduct](#) (Code of Conduct) sets forth the standards by which we conduct our operations and establishes a clear expectation that the standards be followed in all job-related activities, regardless of business pressure. It further memorializes our commitment to consumers by maintaining the trust consumers

place in our brands, providing the best products in the market and adhering to honest marketing practices.

Employee Training

- Our Code of Conduct is distributed to all Hershey employees and is supplemented by targeted training and communications addressing the values set forth within it. Every year employees must complete training modules or acknowledge the standards, guidelines and practices set for in our Code of Conduct. Non-compliance with the Code of Conduct and related Company policies may subject employees to discipline, up to and including termination.