# Supplier Code of Conduct

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WELCOME

The Hershey Company ("Hershey") is committed to our purpose of Making More Moments of Goodness for our consumers today and for generations to come. For more than 125 years, we have operated with high ethical business standards and integrity in the communities where we work and live.

This commitment began with our founder Milton Hershey, a purpose-driven businessman who believed we could use chocolate to make more moments of goodness in the world for our consumers today and for many generations to come. We continue to build on that legacy today through our global sustainability strategy: Our Shared Goodness Promise.

Our Shared Goodness Promise guides how we empower the remarkable people who make and sell our brands. It shapes how we invest in the farming communities and regions that grow our ingredients; deliver on our commitments to consumers, customers and external stakeholders; protect the environment; and support children, youth and communities.

Hershey recognizes that each step in our supply chain has an impact on people, communities and the planet. As a result, we prioritize implementation of strong social, environmental and ethical business standards throughout our supply chain. Ultimately, building a sustainable future is a shared responsibility.

To preserve the trust placed in us, we expect our suppliers across the globe to commit to and uphold the same high standards to which we hold ourselves – standards of integrity, values and operating principles and to work ethically and sustainably to provide great tasting, high-quality products to our consumers.

Our Supplier Code of Conduct reflects Hershey’s values and principles and describes our requirements of our suppliers with whom we leverage a continuous improvement mindset, a collaborative approach, and a bias for action. By working together in collaboration with industry, civil society, government, and communities, we can have a much larger and longer lasting impact. We welcome your partnership to build more moments of shared goodness and a bright future.

Sincerely,

Jason R. Reiman, Senior Vice President, Chief Supply Chain Officer
INTRODUCTION

This 2023 version of our Supplier Code of Conduct (“Supplier Code”) replaces our 2019 version and outlines Hershey’s requirements and expectations with respect to responsible sourcing including our commitments to human rights, the environment, health and safety, business ethics and the development of a diverse and sustainable supply chain.

The Supplier Code is informed by the International Bill of Human Rights, including the Universal Declaration of Human Rights; The ILO Declaration on Fundamental Principles and Rights at Work; the OECD Guidelines for Multinational Enterprises; the International Covenant on Civil and Political Rights; and the International Covenant on Economic, Social, and Cultural Rights. We operate in accordance with our endorsement of the UN Guiding Principles on Business and Human Rights (UNGPs) and our commitment to the Ten Principles of the UN Global Compact and the Sustainable Development Goals.

We require all Suppliers to comply with this Supplier Code. “Suppliers” refers to any third party that provides goods or services directly to Hershey for compensation including, but not limited to, our ingredient, material and packaging Suppliers; contract manufacturers and contract packers; labor providers; logistic providers; distributors; licensees; construction and real estate firms; maintenance, repair and operations (MRO) providers; information systems providers; and marketing and advertising agencies, including their parent, subsidiary or affiliate entities. Suppliers, including sub-contractors or labor agencies of our Suppliers, are also required to adhere to the Supplier Code.

The Supplier Code applies to all Suppliers’ workers, including permanent, temporary, directly or indirectly hired contract workers through subcontractors or labor providers, foreign, or migrant workers (collectively, “Workers”).

Our Suppliers shall communicate this Supplier Code or equivalent requirements in a language understood by Workers in their own operations and to their Suppliers. Suppliers must adopt adequate and efficient management systems, polices, procedures and training and conduct human rights and environmental due diligence to uphold the standards and requirements set forth in this Supplier Code.

We require our Suppliers to abide by all applicable national, federal, state, provincial and local laws/regulations in the markets where they operate; however, where local laws or standards differ from this Supplier Code, the more stringent standards and principles apply.

Hershey recognizes the size and complexity of our global supply chain spanning from manufacturers, distributors and processors to large-scale agricultural sites, family farms and smallholders. While it is not currently feasible for us to monitor compliance of every Supplier in our global supply chain, we leverage a risk-based approach to assessing compliance against our Supplier Code. We also understand that some key contributors in our extended value chain, such as smallholder farmers, may not be able to meet all of our
outlined requirements today. When instances of non-compliances are identified in our extended value chain, in the spirit of continuous improvement, Hershey is committed to working with and supporting our Suppliers to meet, remediate and whenever possible, exceed, the requirements in this Supplier Code. We also encourage our Suppliers to participate in industry efforts to drive continuous improvement throughout their supply chain.

By Supplier acceptance to provide goods or services directly to Hershey, the Supplier acknowledges its acceptance of the Supplier Code and intention to comply with its requirements.

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REQUIREMENTS AND EXPECTATIONS

HUMAN & LABOR RIGHTS

Hershey is committed to respecting human rights of individuals across our supply chain. We work with our Suppliers to encourage and promote the principles of this policy throughout their networks as well as identify human rights risks and issues, take appropriate actions to respond to potential human rights risks, and support and provide access to remedy.

Child Labor:

Hershey does not tolerate child labor in our supply chain. We are committed to the elimination of the “worst forms of child labor,” as defined by ILO Convention 182. Hershey requires our Suppliers, including their labor agents/agencies, to prevent child labor in their operations and in their supply chain and encourages our Suppliers to participate in industry efforts aimed at the elimination of such practices wherever they exist in the supply chain.

- No individuals are hired under 15 years of age, or 14 years of age where local law allows, consistent with ILO Convention No. 138, or under the legal minimum age for employment in the country, whichever is greatest.

- Any employment or utilization of Workers under the age of 18 must not interfere with schooling or vocational education and/or expose children and young workers (between 15 and 18 years) to work that is mentally, physically, socially or morally dangerous.

- In instances where child labor is identified, remedial measures appropriate for the situation will be implemented, including removing the child or young worker from the work and ensuring their safety.

Forced Labor & Human Trafficking:

Hershey does not tolerate forced labor or human trafficking in our supply chains. Hershey requires that all labor in its supply chain be voluntary, and that Workers are allowed freedom of movement. All forms of forced labor
and human trafficking are prohibited including but not limited to any form of prison, slave, bonded or forced indentured labor.

- The recruitment, transportation, transfer, harboring or receipt of persons, by means of threat or use of force, coercion or other means, for the purpose of exploiting them is prohibited.

- In advance of employment, Suppliers, including their labor agents/agencies, provide Workers with written, accurate and understandable information in a language understood and acknowledged by the Worker regarding the basic terms and conditions of their employment clearly stating their rights and responsibilities as well as information on wages, working hours, overtime, benefits, leave and disciplinary procedures. Workers must receive a copy of their employment terms and conditions. Any changes to their employment terms and conditions are agreed in writing, in a language understood by the Worker, between the Worker and Supplier. Verbal instead of written contracts may be acceptable only if they create legally binding employment relationships under applicable law.

- Suppliers, including their labor agents/agencies, must not retain any personal identification documents, travel documents, including passports, or wages of Workers as conditions of their employment. Workers are free to leave work and terminate their employment upon reasonable or legally required notice without penalty.

In line with our Responsible Recruiting & Employment Policy, Hershey supports the Employer Pays Principle and the Consumer Goods Forum’s Priority Industry Principles, and our Suppliers, including their labor agents/agencies, are required to act in accordance with these Principles as well.

- The **Employer Pays Principle**: No Worker should pay for a job – the costs of recruitment should be borne not by the Worker but rather by the employer.

- **Priority Industry Principles**: Every Worker should have freedom of movement; no Worker should pay for a job; and no Worker should be indebted or coerced to work.

- Suppliers associated with recruitment or hiring for Hershey or for a Supplier of Hershey shall not require Workers to pay recruitment fees or other related fees for their employment. Prohibited fees may include but are not limited to skills tests, medical examinations, passport and visa processing fees, travel and lodging, background checks, language interpretation or translation fees, legal fees and uniforms. If any such fees are found to have been paid by Workers, the fees must be repaid by the Supplier to the Workers concerned.
Freedom of Association & Collective Bargaining

Hershey respects the rights of Workers to freedom of association and collective bargaining across its operations and supply chain.

- Workers have the right to lawfully form, voluntarily join or not form or join trade unions or other organizations of their choosing and collectively bargain without fear of discrimination, retaliation, harassment or intimidation.

- Workers have the right to freely elect their union or worker representative. Workers’ representatives must not be discriminated against, unfairly treated or disciplined based on their representation activities. Representatives must have reasonable access to carry out their functions in the workplace.

- In cases where freedom of association is restricted by local law, alternative means of freedom of association, worker representation, and bargaining will not be obstructed consistent with local law.

Non-Discrimination

Hershey does not tolerate any form of discrimination in the workplace. We are committed to diversity, equity and inclusion in the work environment and throughout our supply chain. Suppliers are required to commit to the same principles and should pay particular attention to respecting the rights of vulnerable or marginalized worker populations most at risk of discrimination.

- Discrimination in the workplace that is based on the grounds of an individual’s race; color; gender; age; national origin; religion; citizenship status; marital status; sexual orientation; preventing Workers from engaging in, or refraining from engaging in, protected union activity; gender identity; transgender status; physical or mental disability; protected veteran status; genetic information; pregnancy (including childbirth and related medical conditions, including medical conditions related to lactation); or other categories protected by national, federal, state, provincial or local law goes against Hershey’s values and is strictly prohibited.

- Suppliers must not subject Workers or potential Workers to the use of medical tests, including pregnancy tests or health exams in a discriminatory way. When health exams are required by local law, the results cannot be used to dismiss Workers or otherwise discriminate against them in a way inconsistent with applicable law.

- Hiring and employment decisions, including those relating to compensation, benefits, promotion, training and development, discipline, and termination are based solely on the Worker’s skill, ability, experience and performance or otherwise consistent with local law.
Hershey Company is committed to promoting Diversity, Equity and Inclusion in our supply chain through our Supplier Diversity Program. Suppliers are encouraged to adopt an inclusive procurement strategy and increase the representation of, and expenditure with, companies owned by people of color (POC), women, U.S. military veterans, people living with disabilities, LGBTQ+ individuals or other individuals that qualify as socioeconomically disadvantaged. Quarterly reporting on diverse spend is encouraged and may be required.

Harassment

Hershey does not tolerate harassment in the workplace or in our supply chain. Hershey strictly prohibits any harassment, intimidation, criminalization or violence towards human rights defenders or anyone who shares a human rights concern, and we require the same of our Suppliers.

• All Workers will be treated with dignity and respect and will not be subject to a hostile work environment consisting of threats or use of any form of unethical treatment, bullying or intimidation, violence or corporal punishment, or other forms of physical, mental, or sexual harassment or abuse.

• Disciplinary policies and procedures in support of these requirements are clearly defined and communicated to all Workers. Disciplinary measures are appropriate and shall not include physical, mental or psychological punishment. All disciplinary measures should be fully documented.

Working Hours, Wages & Benefits

Hershey is committed to upholding applicable laws and collective bargaining agreements regarding working hours, wages, benefits and paid leave for individuals employed throughout the supply chain. Hershey pays employees for all hours worked. We encourage our Suppliers to work toward paying a living wage or living income that is sufficient for Workers to afford a decent standard of living for their family in line with our Living Wage and Income Position statement.

• Wages and benefits are paid to the Worker on time, regularly, and in full and at least equal to the applicable legal minimum wage and any associated statutory benefits.

• Working hours reflect applicable legal norms and overtime hours are paid at the legally mandated premium or in line with the guidance provided by ILO Convention 1 (the rate of pay for overtime shall not be less than one-and-one-quarter times the regular rate) if there is no mandated premium.

• Deductions, deposits or withholding of wages must comply with applicable law, must not reduce wages to below minimum legal wage, and must have express permission from the Worker in a language they understand.
Worker Health & Safety

Hershey requires that all Workers be provided with a safe and healthy working environment.

- Suppliers must conduct health & safety risk assessments to identify, assess, and evaluate potential risks to prevent, mitigate and reduce Worker’s exposure to hazards such as occupational injury and illness, emergency situations and events, physically demanding and repetitive tasks, and hazardous materials.

- Workers have the right to refuse and report unsafe or unhealthy working conditions regardless of role, title or responsibility without fear of retaliation.

- Workers are trained on the appropriate occupational health and safety policies and procedures, including emergency evacuation procedures, prior to employment and then on a regular basis in language(s) understood by the Workers. Workers are provided appropriate personal protective equipment at no cost to Workers and instructed on its appropriate use.

- Free and potable drinking water is provided to all Workers.

- All Workers should have access to safe, adequate and clean sanitation facilities that correspond to their gender identity. Sanitation facilities should include handwashing stations and soap. Workers must be provided reasonable access to toilets or lactation breaks that, at a minimum, comply with applicable law.

- Ventilation, light, temperature, and noise level must comply with local law requirements and must be sufficient for worker comfort.
Food Safety & Quality

Hershey is dedicated to providing safe, high-quality products and we expect our Suppliers to support this commitment.

- Products and services delivered must meet or exceed food safety and quality standards required by applicable law and Hershey’s stringent quality standards as outlined in our Supplier Quality Expectations Manual.
- Any concerns about product safety or quality must be reported to Hershey.

Land Rights

Hershey is committed to following the principles of Free, Prior and Informed Consent of Indigenous Peoples for property or land negotiations. Any supplier involved in the using, leasing, and purchasing of land shall follow these requirements. Hershey strictly prohibits harassment, intimidation, criminalization or violence towards human rights, environmental and land defenders.

- All forms of land grabbing are prohibited.
- Supplier must respect and uphold land tenure rights of individuals, Indigenous Peoples and local communities affected by sourcing practices, supply chains and operations.
- Women’s right to land ownership and tenure and access must be recognized and respected.
- Adherence to the requirements for the fulfillment of respecting rights for Indigenous Peoples and local communities to give Free, Prior and Informed Consent is required in all engagement to seek consent for undertaking any studies, and negotiations, and/or developments on property or land to which they hold legal, communal or customary rights, including the use of and transfers of it.

ENVIRONMENT

Hershey is committed to reducing our environmental impact across our supply chain and to supporting sustainable operational and agricultural production practices. We work with our Suppliers who are critical
partners in our efforts to responsibly and sustainably source our ingredients, packaging materials and other goods and services in a way that will help reduce negative impacts and contribute to positive impacts on air, land, water and biodiversity.

- Suppliers must conduct ongoing environmental due diligence to identify, assess, and evaluate potential risks to prevent, mitigate and reduce negative impacts on air, land, water and biodiversity.

- Operations must fully comply with applicable environmental laws and regulations including those related to air pollution, greenhouse gas emissions, waste disposal, hazardous waste, water use and wastewater, and biodiversity and protected areas.

- All required environmental permits (e.g., discharge and effluent monitoring records) are obtained, maintained and kept current and any operational, registration and reporting requirements shall be followed.

- Operations and work across supply chains shall not contribute to deforestation or loss of biodiversity. Suppliers of forest-risk commodities, including cocoa, palm oil, paper and board, and soy, shall comply with Hershey’s No Deforestation Policy and must implement their own No Deforestation Policy and commitments to protecting High Conservation Value and High Carbon Stock areas. Suppliers will only sell ingredients and materials that are verified deforestation and conversion-free to Hershey, based on applicable cut-off dates indicated in our No Deforestation Policy.

- Air emissions, wastewater and solid waste generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Suppliers are encouraged to set GHG emission reduction goals across Scope 1, Scope 2 and Scope 3 emissions.

- Suppliers are encouraged to actively measure, manage and disclose environmental impacts in other areas such as non-GHG atmospheric emissions (e.g., nitrous oxides and particulates), energy usage, water use, solid and water waste and biodiversity as well as to set targets and implement action plans for reducing environmental impacts. Public reporting on annual environmental performance is encouraged and may be required.

- Suppliers should reduce water consumption, especially those located in areas of high-water stress as defined by the WRI Aqueduct Tool.

- Suppliers should practice good waste management processes, following the waste management hierarchy.

- Suppliers producing or sourcing agricultural commodities should take appropriate steps
to preserve soil and water quality and minimize their impacts on soil and water and are encouraged to reduce use of chemical pesticides and fertilizers across their supply chain.

**ANIMAL WELFARE**

Hershey is committed to improving farm animal welfare throughout our supply chain. Hershey recognizes the internationally accepted “Five Freedoms of Animal Rights” established by the British Farm Animal Welfare Council. We expect our suppliers of animal-derived materials to meet and communicate these expectations throughout their supply chain.

- Suppliers of animal-derived materials must comply with [Hershey’s Farm Animal Welfare Position](#) and should implement their own policy recognizing the “Five Freedoms of Animal Rights”:
  
  - Freedom from hunger and thirst - by providing ready access to fresh water and a diet to maintain full health and vigor.
  - Freedom from discomfort - by providing an appropriate environment including shelter and a comfortable resting area.
  - Freedom from fear and distress – by ensuring conditions and treatment which avoid mental suffering.
  - Freedom from pain, injury, and disease – by ensuring prevention or rapid diagnosis and treatment.
  - Freedom to express normal behavior – by providing sufficient space, proper facilities and company of the animal’s own kind.

**BUSINESS ETHICS AND INTEGRITY**

Integrity is one of our core values and is central to what we stand for. Operating as an ethical company is fundamental to how we build trust with all our stakeholders. Hershey is committed to conducting business ethically and lawfully in countries where we operate across our supply chain. Our Compliance Ambassador program is a formal network of local “Compliance Champions” to drive a speak-up culture and increase open reporting by establishing an additional confidential and neutral channel for employees to raise ethics and compliance concerns, including concerns related to Suppliers. We conduct business with Suppliers who demonstrate a strong commitment to ethical behavior.
• Suppliers conduct their business in accordance with the highest ethical standards and to have controls in place that prohibit and detect the misuse of company assets, corruption, bribery, improper gifts, extortion, embezzlement and even the appearance of conflicts of interest.

• Suppliers’ business dealings should be fair, legal and honest. Suppliers must not engage in illegal cooperation with competitors including bid rigging, price fixing, market allocations, or any other prohibited conduct that limits free and fair competition. Suppliers and business partners will also accurately reflect their business dealings in their books and records.

• Suppliers shall abide by all applicable anti-corruption and bribery laws and regulations of the countries in which they operate, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.

• Suppliers will also accurately reflect their business dealings in their books and records. Supplier shall comply with all applicable economic sanctions, anti-money laundering and anti-tax evasion legislation and rules.

• Suppliers shall refrain from offering gifts and/or excessive hospitality to Hershey employees or its designated representatives which may influence or be perceived to influence decision making. All business courtesies extended to Hershey employees or its designated representatives shall comply and abide by Hershey’s Gifts and Hospitality policy.

• Suppliers and business partners with access to Hershey’s confidential information should not disclose such information to any other person without our advance written consent. Confidential information in the Supplier’s possession regarding Hershey shall not be used to engage in or support insider trading, in violation of other laws or be used in a way that negatively impacts Hershey. This obligation continues after our business relationship ends.

• To the extent that Suppliers transports goods for Hershey into the United States, Suppliers shall comply with the C-TPAT (Customs-Trade Partnership Against Terrorism) security procedures on the U.S. Customs website at https://www.cbp.gov/ (or other active website established for such purpose by the U.S. government).

• Suppliers must comply with all applicable data privacy and protection laws and regulations concerning the collection, use and protection of personal information when conducting business with Hershey. Suppliers must take appropriate steps to safeguard confidentiality and privacy of personal information pursuant to applicable data privacy laws.
Grievance Mechanisms

Hershey requires Suppliers to provide grievance mechanisms, in line with the UN Guiding Principles on Business and Human Rights (UNGP) effectiveness criteria, that are transparent, responsive, anonymous, unbiased and confidential to Workers and other parties across the value chain. Suppliers are encouraged to review their grievance mechanisms against the UNGP effectiveness criteria periodically and adjust, as needed, for effectiveness.

- Workers know of and have access to grievance mechanisms which allow for anonymous reporting. Reported concerns and violations are addressed in a timely manner and follow a clearly outlined process.

- Workers who speak up in good faith are protected from retribution, retaliation and reprisal.

- Suppliers shall not prevent complainants from using other channels or procedures, such as local law enforcement or workplace related agencies, to resolve their issue where relevant.

- Suppliers should aim to have an appropriate gender balance in the composition of their internal grievance committee that processes complaints.

- Suppliers must notify Hershey if any concerns or violations are reported through the grievance mechanism that are in direct violation of this Supplier Code.

REPORTING A BREACH OR CONCERN

Hershey values the help of Workers across our supply chain who identify and speak up in good faith about potential violations and concerns that need to be addressed or explained.

Examples of issues that can be raised to Hershey’s Concern Line include but are not limited to violations:

- Violations and concerns should be reported directly to Hershey’s Concern Line, an independent third-party monitored service available 24/7, in more than 60 countries with toll-free numbers available in each location. The Concern Line is available via phone and internet to employees, suppliers and other parties; reports can be made anonymously.

- Hershey does not retaliate nor permit retaliation against anyone who makes a good faith report about any potential violation.
against applicable law or this Supplier Code of Conduct, human rights violations, discrimination or harassment, environmental violations or deforestation, conflicts of interest, insider trading, food safety issues, and retaliation against anyone speaking up in good faith.

MANAGEMENT SYSTEMS AND DEMONSTRATION OF COMPLIANCE

Hershey intends to work with Suppliers that share our values, and who are actively implementing action plans that adhere to this Supplier Code. We are also committed to collaborating and working with our Suppliers on continuous improvement.

Management Systems

Suppliers must establish adequate and effective management systems, policies, procedures, financial documentation, non-compliance and grievance procedure, and training programs to uphold and ensure ongoing compliance with all applicable laws and standards, including this Supplier Code within their own business operations and supply chain. We reserve the right to request from our Suppliers information about the management of relevant issues outlined in the Supplier Code. For more guidance and information on strong management systems, please refer to our Supplier Program Guidebook and Supplier Quality Expectations Manual.

Assessments and Audits

Hershey monitors compliance with this Supplier Code through our Responsible Sourcing and Human Rights Due Diligence Programs, namely our Responsible Sourcing Supplier Program. We reserve the right to verify compliance with this Supplier Code, at the Supplier’s own expense, through internal and external assessment mechanisms, such as self-assessment questionnaires, announced and unannounced on-site independent third-party audits, and worker well-being surveys. Such audits may inspect Suppliers’ facilities, operations, books and records, and supplier-provided housing, and confidential worker interviews. If non-compliances are observed, the supplier will be required to take corrective actions within the allotted timeframes acceptable to Hershey.

If Suppliers fail to implement the corrective action plans within acceptable timeframes and do not remedy any act of non-compliance, Hershey may, in its sole discretion and without any further obligation to Suppliers, suspend purchases, refuse to take delivery under any purchase order and return any goods or services from the supplier until the corrective actions have been successfully implemented, or may terminate its business relationship with the supplier in addition to any other rights or remedies available to Hershey.

Traceability and Transparency

We also reserve the right to request that Suppliers disclose information that may pertain to geographical
GOVERNANCE

Management of our Supplier Code of Conduct is the responsibility of the Global Responsible Sourcing, Procurement Team and is led by our Director of Global Responsible Sourcing who reports into the Vice President Procurement, who reports to the Senior Vice President Chief Supply Chain Officer. The day-to-day management of our Responsible Sourcing Supplier Program and related due diligence programs is led by the Global Responsible Sourcing team, in partnership with our buyers, category and relationship managers across Procurement and Supply Chain, Licensing and The Hershey Experience. The Global Responsible Sourcing team monitors supplier compliance to this Supplier Code, supports suppliers’ continual improvement through corrective action plans and capacity building, and proactively identifies opportunities for future due diligence. The Global Responsible Sourcing Team works closely with our Global Sustainability & ESG Team, particularly around sustainability efforts that include human rights and environment in our entire value chain, including our agricultural and manufacturing supply chains. Ultimate oversight for Global Responsible Sourcing resides with our Board of Directors and our Executive Committee (inclusive of the CEO and the CEO’s direct reports) who are briefed at least on an annual and bi-annual basis, respectively.