



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 2024.

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 [2024 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](#)
- [Responsible Sourcing Supplier Program](#)
- [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”) aims to operate responsibly and sustainably throughout the world.

Hershey in Numbers (data as of Dec. 31, 2024)

\$11.14
billion 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

71
co-manufacturers and co-packers in 12 countries¹

720+
Tier 1 direct suppliers across 25+ countries

4,500+
Tier 1 indirect suppliers across 75+ 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 2024 annual revenue was over \$11.14 billion.

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 2024, 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 2024, 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 throughout Hershey’s 2024 Form 10-K and are available on our [website](#).

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 2024, this category comprised more than 720 suppliers in over 25 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 2024, this category contained more than 4,500 suppliers in over 75 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 responsible 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](#).

+ Learn more about how we are [Sourcing Our Priority Ingredients and Materials on our website](#).

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 review and evolve 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 on Business and Human Rights (UNGPs) and the Organization for Economic Co-Operation and Development Guidelines for Multinational Enterprises (OECD Guidelines)¹

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. As required, we inform suppliers of material changes to our policies.

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

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 and external stakeholders 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 aim 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 the UNGPs, the OECD Guidelines and through 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 foundation 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.

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 determined to be 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 situations of 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, to act in accordance with these principles as well.

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

- Language in Hershey contracts and Purchase Order Terms & Conditions requiring Supplier Code compliance
- Our Responsible Sourcing Supplier Program and Responsible Recruitment 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 supply chain. We also understand that poverty increases the risk of human rights violations.

Our Living Wage & Income Position Statement states that it is our global commitment to:

- Pay a living wage to full-time Hershey employees globally
- Improve farmer income resilience through our Cocoa For Good programs in key cocoa origins

+ Learn more about our work Improving Farmer Income and Livelihoods through the Hershey Income Accelerator Program on our website.

¹) In addition to the UNGPs and OECD Guidelines, select policies are consistent with and reference the ILO Conventions No. 138 and 182, the ILO-IOE Child Labour Guidance Tool for Business, and our commitment to the UN Global Compact and the Sustainable Development Goals.

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 Head of Global Sustainability & ESG.

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 sustainability strategy, Our Shared Goodness Promise strategies, data and progress against our commitments and targets. This includes our integrating our human rights initiatives into broader business strategies, as well as owning 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 Head of Global Sustainability and ESG, 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/Business Review

Composed of key business leaders and sustainability subject matter experts, this cross-functional group meets at least quarterly to evaluate sustainability strategy effectiveness, compliance 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 Sustainability & 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 Head of Global Sustainability & ESG, this team is composed of sustainability & 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 Head 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 our enterprise human rights strategy resides with the Head of Global Sustainability & ESG who reports to the Senior Vice President, General Counsel and Secretary.

Accountability for responsible sourcing and sustainable cocoa sourcing resides with the Vice President of Global Procurement who reports 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. We follow six key steps outlined in our risk management approach.

1. Identifying and Prioritizing Salient Human Rights

Hershey conducts saliency assessments that cover our value chain in line with the UNGPs and OECD Guidelines. Saliency assessments identify and prioritize human rights and environmental risks and focus on the risk to individuals. Our human rights strategy is responsive to issues identified through our saliency assessment process, including the issues of forced and child labor. Our last assessment was in 2022.

+ 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 our website.

2. Further refining and prioritizing our risk assessment process

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.

3. Update & communicate policies and expectations

Our human rights and responsible sourcing policies and expectations are informed by our salient risk assessment and risk prioritization process. We communicate these to suppliers and stakeholders through various channels, including but not limited to:

- Our contract agreements and Purchase Order Terms & Conditions
- Our website and annual Responsible Business Report
- Direct supplier engagement and HRDD programs

4. Implement tailored HRDD Programming

This risk prioritization heavily influences how and where we implement programs like our Responsible Sourcing Supplier Program and approaches to responsibly sourcing ingredients and materials.

5. Transparently report on progress

We publish updates and progress on our risk assessment, policies, and due diligence programs annually through our website, Form 10-K, Responsible Business Report, and Modern Slavery Statement.

6. Repeat

We routinely evaluate our HRDD process for effectiveness. We refine and update our HRDD approach taking into consideration learnings from HRDD program implementation, identified risks and evolving regulations, among others.

HRDD Process

Enterprise risk analysis: assesment & prioritization

Influences enterprise programs and policies

- 1 Salient human rights analysis and prioritization aligned with UNGP and OECD standards



- 2 Further risk assesment based on social, environmental and commercial indicators

Tailored risk measures: prevent, respond & remediate

- 3 Further communicate expectations using policies contracts

4 Tailored HRDD programming

Upstream: Ingredients & Materials, Manufacturing



Audits & assesments



Stakeholder egagement



Corrective action and training

Owned Operations: Manufacturing



Worker voice

Downstream: Consumers



Food quality & safety

5 Transparently report on progress

6 Repeat

Priority Ingredients & Materials

Human Rights Due Diligence Approach

Priority Ingredients and Materials Risk Assessment

Hershey evaluates risk across our ingredients and materials supply chains. Social and environmental risks by commodity supply chain and source origin informs our priority ingredient and material risk prioritization.

Focus Areas

Cocoa, sugar and palm oil continue to provide economic opportunities for many people living in farming communities and rural areas. At the same time, these supply chains present risks of forced and child labor 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 are focus areas for our human rights and responsible sourcing efforts.

Ingredient and Material Sourcing

Our expectations for priority ingredients and materials go beyond the requirements of our Supplier Code and aim to contribute to a transparent, traceable supply chain. This includes, but is not limited to, our positions or policies on responsible cocoa, sugar and palm oil sourcing and the use of third-party certifications and independently verified supplier programs to monitor performance and drive continuous improvement.

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

- Country of origin risk assessments
- Both desktop and on-the-ground supplier sustainability assessments
- Tier 1 manufacturing site SMETA 4-Pillar audit protocol assessments as part of our Responsible Sourcing Supplier Program (RSSP)

Suppliers are required to create Corrective Action Plans (CAPs) when the results of our due diligence process do not meet our expectations. Third parties are leveraged to validate CAPs have been implemented and closed. Hershey provides resources and support to suppliers if needed.

Cocoa

Cocoa households and communities remain a priority. While cocoa is sourced from multiple regions, our responsible cocoa sourcing efforts and activities span Cameroon, Côte d'Ivoire, Ecuador, Ghana, Indonesia, Mexico and Nigeria.

Through Cocoa For Good, our sustainable cocoa strategy, we work alongside communities, governments, implementation organizations, and peers in the cocoa industry to create a more resilient supply chain and address the systemic challenges posing risks to the sector. Enabled by a 12-year \$500 million investment, we aim to create an environment where farmers, and their children and families, can prosper. Our strategy includes tackling root causes of child labor by improving farming families' income resilience, supporting well-being in cocoa-growing communities, and increasing access to quality education.

Additionally, our Hershey Cocoa Key Requirements specify additional measures that apply to cocoa suppliers. This includes assessing the risk of child labor and implementing child labor monitoring and remediation systems (CLMRS).¹ The Hershey Cocoa Key Requirements specify that CLMRS implemented by Hershey's cocoa suppliers must include at least the following core activities:

- **Awareness raising and training:** Raising awareness at community and household levels, targeting both adults and children, remains important because children are less likely to perform inappropriate farm tasks when farmers and their families understand exactly what constitutes child labor.
- **Monitoring and identification:** Trained individuals conduct active and regular monitoring, through repeated visits to households in the supply chain.
- **Provision of support:** Children identified in child labor, and others at risk, receive support. This includes activities to remediate current child labor cases and prevent future ones, cooperating with relevant public institutions that have a mandate to provide such support when possible.

Cocoa For Good and our Cocoa Key Requirements help us clarify our expectations to suppliers regarding human rights due diligence, environmental stewardship, traceability of cocoa and premiums paid to farmers, data management, continuous improvement and independent verification.

In addition, we are tackling root causes. Many rural cocoa-growing communities lack access to sustainable sources of income and quality educational infrastructure — root causes of child labor. Hershey invests in farming communities to mitigate against these risk factors. These investments are supportive of origin government's national action plans and include:

- Sponsoring construction and renovation of schools and classrooms to improve infrastructure
- Providing school supplies
- Implementing our Income Accelerator Program for cocoa farming households

We regularly assess and adjust the work that underpins these goals to inform future strategies and will continue to provide updates in our Responsible Business Report.

Hershey team members and partner 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. 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.

Highlights of Key Cocoa Partnerships

- 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.

- Participating in ICI, serving on the board of the ICI 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.

1) Hershey began implementing our industry-aligned best practice 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.

2) Sourcing visibility means cocoa from known farmers is segregated and traceable to the first buyer (i.e., to the port or the factory in origin). From here the cocoa may be mixed, and then the independently verified cocoa flows into our supply chain under the mass balance traceability model.

Priority Ingredients & Materials

continued

- 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 the cocoa-producing areas of Côte d'Ivoire. This helps children fully enjoy their rights and contributes to the fight against child labor. CLEF supports industry human rights due diligence, as described in the [UNGPs](#), other international standards and legislation in a growing number of countries.

+ **More on the results of our Cocoa For Good Strategy, Hershey Income Accelerator Program and CLMRS program can be found on our website.**

Sugar

Child and forced labor risks in sugarcane exist across multiple origins, including but not limited to Mexico, Brazil, India, and the Dominican Republic. In 2024, we continued working with our suppliers to trace our sugar to the mill level to understand high-risk sourcing areas for human rights issues.

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 RSSP requirements.

We are strengthening our approach to supply chain monitoring as well as on-the-ground programming to address human rights risks. Since 2022, we have assessed 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 through training and investment.

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

Highlights of Key Sugar Partnerships

- As we acknowledge heightened forced labor risks in India's sugarcane sector,
 - Hershey joined Coalition for Responsible Sugarcane in India (CRSI), an initiative aimed at addressing human rights risk in the sugar sector of India, particularly in the state of Maharashtra.
 - Hershey co-funded a landscape assessment conducted by &Wider to gather insights from farm laborers across high risk areas of the Indian sugar sector. Assessment results are expected in 2025 which will inform follow-up actions.
- Through AIM-Progress, we also have partnered in the design and implementation of an effective grievance infrastructure for smallholder farmers and other vulnerable groups in the Brazilian sugarcane sector.
- In 2024, along with Bonsucro and several peer companies, Hershey co-funded the Practical Guide for Human Rights Due Diligence in the Sugarcane Sector in Brazil by Imaflora and Proforest. This serves as a valuable resource to sugar suppliers to fulfil their commitments to respect human rights. Following the launch of this new resource, Proforest and Imaflora will conduct capacity building for mills, producers and service providers in Brazil, and initiate the pilot with two mills and two producers' associations in 2025.
- Hershey also participates in the Bonsucro Living Wage Working Group, which advises Bonsucro's governance bodies on developing, implementing and applying living wages in the sugarcane sector.

- Hershey is also co-funding a project lead by CNV International 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.**

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.

In 2024, 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 and non-profit partners 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. In instances where physically certified palm and palm kernel oil volumes are not available, Hershey may purchase RSPO credits.

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 that are raised to Hershey and disclose how we investigate violations against our Responsible Palm Oil Sourcing Policy. As of December 2024, a total of 24 palm companies have been suspended, including one in 2024. The suspension in 2024 was for a deforestation violation.

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.

Highlights of Key Palm Partnerships

- Hershey partners 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' knowledge and capabilities around labor exploitation, deforestation and opportunities for supplementary income.

+ **Learn more about our responsible palm oil sourcing strategy on our website.**

Other Ingredients

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

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.

Integration with our commercialization and ingredient management processes support ongoing supplier and raw material human rights assessments and action plans.

Manufacturing Supply Chain

Our HRDD programs for Hershey-owned operations and our Tier 1 manufacturing supply chain provide a comprehensive continuous process for near-term impact and aim to address deep, systemic challenges. This process encompasses due diligence, corrective action planning, remediation and capability building.

Hershey-owned Operations

Hershey requires independent third-party auditors to conduct onsite SMETA 4-Pillar audits at all 23 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.

In 2024, Hershey operated under an announced audit model. Beginning in 2025, all SMETA 4-Pillar audits at Hershey-owned operations will be conducted under a semi-announced three-week window. At facilities with night shift, night shift workers will be included in the audit scope.

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.

In our owned operations, we engage employees through 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.

Highlights of Hershey Employee Trainings

- We also provide a diverse range of 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.

- 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.
- Additionally, we partnered with Verite to give an internal training on human rights to Hershey procurement professionals. We continue to partner with them to develop an e-training on human rights in our supply chain that will be available to employees starting in 2025.
- In 2025, we will roll-out a Hershey Supplier Code of Conduct e-training to Hershey employees who manage suppliers in Procurement, Licensing, The Hershey Experience, and our contract manufacturing and contract packaging teams. This training covers our Supplier Code, who it applies to and its key principles, including upholding human and labor rights, environmental impacts, animal welfare, and business ethics and integrity.

We acknowledge the importance of continuing to expand human rights training frequency and accessibility, ensuring our folks are well-versed in Hershey's human rights policies.

Tier 1 Suppliers

Responsible Sourcing Supplier Program (RSSP)
Hershey's verifies our Tier 1 suppliers' compliance with our Supplier Code through the RSSP which:

- 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 audits¹
- Has corrective action plan (CAP) and issue remediation requirements

We annually assess risk and segment all of our Tier 1 raw material and packaging suppliers as well as all co-manufacturers, co-packers, licensees and labor service providers to determine a prioritized list for supplier due diligence. 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.

As of the end of 2024, 830 high-risk and high-priority suppliers and sites are in the RSSP and undergo our due diligence requirements. 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 2024, we enrolled 252 new suppliers and sites into the RSSP based on risk, which are included in the 830 high-risk or high-priority suppliers and sites reported above. The majority of these new suppliers and sites support our global licensing business.

In 2024, as part of our RSSP requirements, 566 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-compliances, we require a corrective action plan (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 2024, 96% of audit reports resulting in a red or orange performance rating have CAPs in place. The remaining required CAPs are under development by suppliers.

We also monitor risks for vulnerable groups such as migrant workers and women within our Tier 1 supply chain. We track the number and geographic locations of migrant workers in our Tier 1 manufacturing facilities through supplier audits conducted by third-party auditors as part of our RSSP.

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.² Based on these indicators, we work closely with suppliers in Malaysia to develop CAPs and remediate findings. We detail supplier training and capability building later in this report.

Beginning in 2025, Hershey is requiring suppliers to undergo semi-announced audits with a three-week window and include night shift workers in the audit scope for interviews and documentation review.

+ More details about the RSSP results are available in on our [website](#) and on pages [00-00] of our [2024 ESG Report](#).

1) Hershey prefers the Sedex SMETA 4-Pillar audit protocol. We may mutually recognize other audit protocols that meet our standards as identified in our Responsible Sourcing Supplier Guidebook.

2) Indicators of forced labor refer to the 11 indicators defined by The International Labor Organizations

Pre-Screening Potential Suppliers

Before entering commercial relationships, we conduct responsible sourcing and human rights risk screenings on Tier 1 ingredient and packaging suppliers; co-manufacturer/co-packers; and licensing manufacturing sites. Based on the country where the site is located, any new potential supplier 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 RSSP, as a high-risk or high-priority supplier, or reviewed annually as part of our risk segmentation assessment, for any other supplier.

In 2024, we assessed 250 new potential sites, a majority connected to our licensing business or North America Salty Snacks segment. As of December 31, 2024, through the responsible sourcing pre-qualification process, nearly 75% were approved, 15% had a decision pending and 10% were rejected or canceled.

Responsible Recruitment & Employment Program

Risk assessments 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.

Our Responsible Recruitment & Employment Program (RRP) verifies labor and service providers' ("providers")¹ compliance with our Responsible Recruitment & Employment Policy and the Employer Pays and Priority Industry Principles.

As of December 31, 2024, our Responsible Recruitment Program covered 101 providers for our owned operations in Brazil, Canada, India, Malaysia, Mexico and the United States, compared to 84 in 2023.

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

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, including through the Responsible Labor Initiative E-Learning Academy and Verité's Responding to Child Labor and Forced Labor in U.S. Manufacturing training. Providers are also assessed via SMETA 4-Pillar audits conducted at Hershey-owned operations.

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

Through a SMETA 4-Pillar audit at one of our Canada plants, we identified that third-party recruited workers may have paid medical exam fees in their home country prior to employment. Hershey partnered with &Wider to deploy a survey to the 34 recruited workers to validate these findings. As a result, we reimbursed a total of \$10,608 to the 34 workers (or \$312 per worker).

+ **More details on our Responsible Recruitment & Employment Program are available on our website.**

Highlights of Supplier Trainings (RSSP & RRP)

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 capability building on key human rights topics, including on forced labor and responsible recruitment, through our program management team, Sedex memberships and partnership with AIM-Progress.

In 2024, we participated in, co-sponsored and co-developed various training events and programs focused on human rights related topics, including responsible recruitment, worker engagement, health & safety, working hours, wages and social security benefits:

- Phase 1 of Embode-led Ganapati Responsible Recruitment Project concluded for five Malaysia-based suppliers. This project provided suppliers with individually guided capacity building on responsible recruitment and hiring management systems, including grievance mechanisms over 12 months. Continuous improvement varied by supplier, with several showing demonstrable improvements. For example, one supplier completed their corrective action plans which prioritized training their Human Resource team on legal requirements for foreign employment, developing pre- and post-arrival training for workers, and ensuring compliance with Malaysian labor laws regarding working hours and breaks. Through 2025, Hershey is funding Phase 2 for three Malaysia suppliers with additional prioritized corrective action plans as well as Phase 1 for a Malaysian-based supplier and Thailand-based licensee.
- Following the 2023 labor agency assessments of 11 providers in our Hershey India plant, third-party legal partner, King Stubb & Kasiva (KSK), led an on-site capability building series addressing common gaps. Group and one-on-one coaching sessions covered Indian labor law requirements for

manpower agencies and Hershey expectations. KSK reviewed and provided direct feedback to the 11 providers on improvements to their policies, documentation and procedures, such as those related to appointment letters, grievance committee, and business license filings.

- In India, through AIM-Progress, Hershey is co-funding an eight-month capability-building program, led by Quizrr and Centre for Responsible Business. The program aims to enable participating Indian suppliers to understand, adopt, and integrate policies and practices on Business and Human Rights (BHR) and HRDD through webinars and an in-person event. Around 16 Hershey India-based suppliers are actively participating, with others accessing recorded trainings.
- In Mexico, through AIM-Progress, Hershey co-funded an eight-month capability-building series, led by Quizrr, with monthly webinars, an in-person event and access to Quizrr's digital training platform. 26 of Hershey's Mexico-based suppliers participated throughout the program. Suppliers completed a survey upon program conclusion. Of the Hershey suppliers who responded, 73% reported having higher knowledge of Human Rights Due Diligence compared to the baseline survey where 2% of all responding suppliers indicated high knowledge. In 2025, Hershey is co-funding a continuation of the training series for Mexico-based suppliers.
- We deployed e-training for U.S.-based suppliers on identifying and addressing child and forced labor in U.S. manufacturing. Over 75 people across 60 labor providers, co-manufacturers, co-packers and Hershey completed some or all the e-training modules. Through AIM-Progress, Hershey co-funded Verité's development of the e-training, "Responding to Child Labor and Forced Labor in U.S. Manufacturing", which is now open access and free to the public.
- In partnership with Verité, we deployed on-the-ground, in-person training at origin; live webinars; and e-training for Hershey staff and cocoa suppliers. Training reinforced the definition of forced labor, root cause analysis and interventions to prevent occurrence and address forced labor in general.

Highlights of Key Partnerships

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-owned operations with our customers. Under our RSSP, we ask suppliers to use Sedex to share their audit reports and corrective action plans with us.
- Serving on the AIM-Progress Leadership Team 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 development and sharing of tools, best practices, and supplier capability building 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.
- Founding membership of the multi-stakeholder project, WageMap, which seeks to create visibility and 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.

1) Labor and services providers in-scope of our RRP include but are not limited to the categories of contingent labor, janitorial, security, canteen, lawncare and snow removal.

Assessing Effectiveness

Hershey reports progress against stated human rights goals on our website and in our annual Responsible Business 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.
- 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. Suppliers can also access the Concern Line.

Toward the end of 2024, with partner, Embode, we began assessing our current suite of grievance mechanisms against the UNGP effectiveness criteria. The outcomes of this work will inform actions in 2025.

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.

- Direct worker engagement surveys in one of our Canadian facilities, in partnership with &Wider, enable us to understand the experiences of third-party recruited workers. In 2024, 34 contract workers participated in the survey. This helped pinpoint opportunities for improving our recruitment process with our labor agency partner. Generally, we find surveys lead to meaningful conversations with individuals in various roles and functions across the globe. We seek effective ways to integrate worker engagement surveys into our due diligence process.
- Our RSSP & RRP audits allow 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 and Sedex 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 also focuses on remediation through CLRMS and emphasizes investment 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 1,802 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 third 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 9.3 out of 10.

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.

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 Responsible Business Report.

Over the next year, we will focus on:

- Continuing our work to address root causes throughout our global cocoa supply chain.
- Continuing to improve upon our supply chain human rights due diligence approaches, mechanisms and capability building across our value chain.

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 2025