

HUMAN RIGHTS 2020 PROGRESS AND 2021 GOALS

FOCUS AREA

Expand work to address child labor in cocoa:

Magnify our Cocoa for Good efforts to prevent, detect and remediate children found in Child Labor.

2020 PROGRESS

- Scaling-up Child Labor Monitoring and Remediation Systems (CLMRS) to 100% of our Cote d'Ivoire and Ghana-sourced cocoa by 2025
 - 100% of children found in labor are in active remediation
 - 0 instances of forced labor identified within this segment of Hershey's supply chain to date (2020 data will be available in spring 2021)
- Supplier agreements for Direct Sourcing (Ghana and CDI) now includes specific language and requirements on preventing child and forced labor

Formally integrate human rights into supply chain due diligence:

Launch our newly revised Responsible Sourcing Tier 1 Supplier program including communicating our new supplier code of conduct and working towards our goal of enrolling 100% of high-risk suppliers by 2021.

- 75% of high-risk suppliers & supplier sites enrolled to date (~330/450) & on track for 100% enrollment by 2021
- 62 human rights/labor-related non-compliances identified through audits to date, 11% closed, remainder in active remediation (corrective actions & follow up audits)
- 0 instances of forced or child labor identified amongst Tier 1 suppliers to date

Conduct employee training & awareness:

Train 100% of our procurement professionals on human rights and continue the roll out of our all-employee human rights training program.

- 100% of procurement professionals have passed The Hershey Company Human Rights e-learning program
 - Must achieve an 80% or higher score
 - Accounts for over 100 hours of training

Strengthen our efforts to address Forced Labor & Ethical Recruitment:

Following the guidance of the Employer Pays and Priority industry principles, develop and communicate more specific expectations for labor service providers in our value chain, and pilot different approaches to verification.

- Developed and deployed new Hershey Responsible Recruitment policy & program (including enrollment of 30 labor service providers in the U.S., India and Malaysia)
- 25 findings to date on recruitment-related policies and management practices, 25% fully remediated and the rest in progress; supported by training through The Responsible Labor Initiative E-Learning Academy
- 0 instances of forced or child labor identified to date



2021 FOCUS

Accelerate efforts to address child labor in cocoa:

Deliver on our goal of 100% direct-sourced cocoa in high-risk areas (all cocoa from Cote d'Ivoire and Ghana) and expand (Child Labor Monitoring and Remediation Systems (CLMRS) system across these two countries by 2025.

Expand supply chain human rights due diligence:

Deliver goal of enrollment of 100% of high risk-suppliers in our supplier program by 2021 (~450 suppliers), expand responsible recruitment program to 100% of in-scope labor service providers (~90 suppliers), and remediate 100% of any child or forced labor-related findings through corrective actions plans and investments in supplier training & capability building

Strengthen employee training:

Maintain 100% completion rate of the Hershey Human Rights E-learning program for all procurement employees, expand mandatory human rights training to at least two additional departments, and train Hershey procurement and human resources managers of contingent labor providers on preventing forced labor through the Responsible Labor Initiative (RLI) e-Learning platform

Promote a living wage & income within our value chain:

Share our position on living wage & income in our value chain including continuing to pay a living wage to Hershey employees and implementing concrete actions to improve farmer incomes in cocoa

