



GRIEVANCE PROCESS FOR THE IMPLEMENTATION OF THE HERSHEY COMPANY'S RESPONSIBLE PALM OIL SOURCING POLICY

February 2020

1. BACKGROUND

Since our founding, The Hershey Company (Hershey) has recognized that the responsible and sustainable development of our supply chains is integral to the long-term viability and success of our business. In 2014, we issued our [Responsible Palm Oil Sourcing Policy](#) (Palm Policy), which communicates our high standards and expectations for traceable, responsibly produced palm oil products. Hershey believes all stakeholders throughout our palm oil supply chain play critical roles in the implementation of our Palm Policy.

In order to support our Palm Policy, Hershey is committed to providing a grievance process that is transparent, responsive and effective for stakeholders to raise grievances that are in direct violation of our Palm Policy. All grievances logged will be managed in a timely manner. The results of this process will be publicly reported in our grievance log.

We recognize the grievance procedure of the Roundtable on Sustainable Palm Oil (RSPO) and grievances raised through their process. RSPO's actions and decisions on raised grievances are considered in Hershey's internal grievance process. Ultimately, decisions and actions are independently made by Hershey based on our grievance process and any specific considerations about the allegation and stakeholder concerns.

Hershey will continue to seek input from relevant stakeholders to ensure an effective grievance mechanism.

Implementing an effective grievance mechanism is in line with the principle on which we were founded 125 years ago – doing well by doing good – and is aligned with Hershey's [Code of Conduct](#), [Supplier Code of Conduct](#), [Human Rights Policy](#) and [Environmental Policy](#). The Hershey Company's [Concern Line](#)¹ is a third-party monitored, independent service available 24/7 in 10 languages via phone and internet for all individuals across our value chain.

2. OBJECTIVES

Hershey's palm grievance process outlines how we handle, review, document and monitor any grievances within our palm oil supply chain brought to us by an external stakeholder. It serves as a guide to address grievances in a transparent, timely and effective manner. Hershey recognizes that input from stakeholders is valuable because it helps to enhance transparency and promote continuous improvement in our palm oil supply chain.

¹ Concerns can be shared confidentially via phone or web at www.HersheysConcern.com. Local phone numbers are available by clicking on the "our locations" tab.

Hershey’s Palm Policy and this grievance process contribute to a more responsible and sustainable palm oil supply chain. To address non-compliances, we support upstream engagement with supply chain actors and participate in industry efforts aimed at addressing social and environmental issues in the palm sector. If no resolution or progress is seen to remedy any grievance by supply chain actors in good faith, Hershey reserves the right to take the appropriate measures, including suspension of a supplier or request for removal of a producer or mill from our supply chain.

3. SCOPE

Hershey’s Palm Policy and this grievance process applies to Hershey’s own operations, our direct suppliers, any processing and trading operations, mills and producers within our supply chain.

This process is open to all grievances pertaining to the implementation of our Palm Policy reported by any internal or external stakeholder. The process includes the recording of grievances, taking action to verify claims, rectifying confirmed issues, reporting the verification results, responding to stakeholders, managing and monitoring any follow-up action.

For allegation raised implicating a direct supplier, Hershey will engage with the grievance raiser and the direct supplier to discuss the complaint in accordance with our grievance process, with the goal of appropriately closing the issue.

For allegations raised implicating an indirect supplier, where Hershey is connected through our direct suppliers, Hershey will engage with our direct supplier to understand how they are addressing the complaint through their own grievance process. In cases where Hershey is unsatisfied with the direct supplier’s engagement with the implicated indirect supplier, we may consider taking other actions guided by our own grievance process.

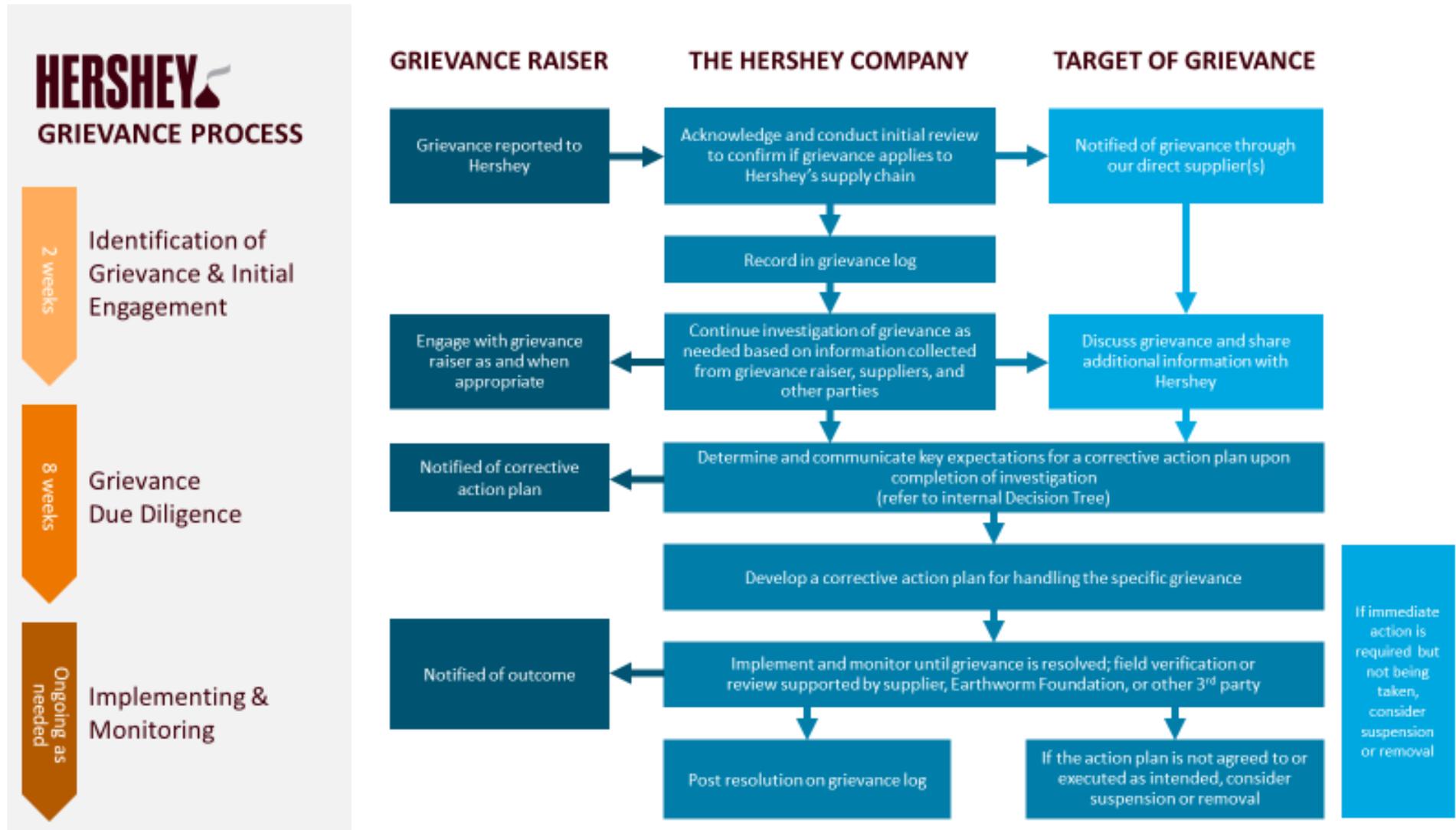
Hershey will not tolerate retribution, retaliation and reprisal against any stakeholder who speaks up in good faith.

4. ROLES AND RESPONSIBILITIES

| Tasks | Responsible Team |
|--|---|
| Receiving, acknowledging and documenting grievance | Global Responsible Sourcing Team |
| Handling and monitoring grievances | Global Responsible Sourcing Team & Procurement Team |
| Closing of grievance | Global Responsible Sourcing Team |
| Overall grievance process coordination | Global Responsible Sourcing Team |

On an as-needed basis, Hershey will request support from other groups, including our Global Sustainability/CSR Team and Legal Department.

5. GRIEVANCE PROCESS FLOW



6. PROCEDURE

6.1 Workflows

a) Grievances can be expressed via any of the following channels:

Via internet anonymously to www.HersheysConcern.com

By telephone anonymously to [specific phone number for your country](#)

Via email to responsiblesourcing@hersheys.com

b) Grievances can be filed anonymously.

If a stakeholder would like to report a grievance on the record, they should include the following information:

- Full Name
- Name of Organization (if any)
- Address
- Phone No./ Email Address (at least one contact point)
- Description of the grievance in detail
- Evidences to support the grievance

Contact details are highly encouraged so that Hershey may seek further clarification on the grievance and/or provide updates on the grievance process. The party reporting the grievance (Grievance Raiser) may request that their identity remain confidential. Any party may appoint a third-party to submit their grievances provided that the third-party follows the procedure.

In addition to grievances submitted through the official channels above, issues raised through unofficial channels, such as the media and the internet, may be recorded as grievances on request by either external stakeholders or Hershey.

c) All potential Policy breaches which come to the attention of Hershey will be assessed by considering the following criteria:

- Does the grievance connect to Hershey's supply chain?
- Does the grievance contain specific allegations?
- Does the grievance involve a violation of Hershey's Palm Policy or any other Hershey policy?

d) If the answers to the criteria in step c) above are yes, Hershey's Global Responsible Sourcing team records the grievance in the grievance log.

e) Hershey's Global Responsible Sourcing team will acknowledge the grievance raised and offer to engage in dialogue with the Grievance Raiser as needed. Hershey's Global Responsible Sourcing team will initiate the investigation and recommend any necessary actions, including supplier engagement which would be led by the Procurement teams' supplier relationship managers. Hershey's Global Responsible Sourcing team will maintain all the files and documents, including all the correspondences sent by the Procurement teams' supplier relationship managers to external parties.² If it is determined that the grievance is unmerited or no field action is required, Hershey's Global Responsible Sourcing team will make the Grievance Raiser aware.

² The Global Responsible Sourcing team will comply with all data privacy laws and follow Hershey's data retention policies as well as regulatory requirements.

- f) Hershey's Global Responsible Sourcing team will work with the Procurement team to engage with any direct supplier(s) connected to the relevant supply chain actor who has committed the violation. These teams may undertake interviews and dialogues with relevant stakeholders, and where necessary collect additional data to substantiate the validity of the grievance. Where possible, Hershey will encourage the direct supplier to engage directly with the grievance raiser and monitor the dialogue between those parties.
- g) If it is confirmed that the supply chain actor has breached the Palm Policy, Hershey's Global Responsible Sourcing and Procurement team will engage with the relevant direct supplier to request them to take steps to resolve the issues raised and support the development of a corrective action plan as needed. If the corrective action plan is not agreed to or executed as intended, or if immediate action is required and not taken, Hershey will consider suspension or removal of the relevant supply chain actor from our palm supply chain.
- h) Following completion of the verification report, Hershey's Responsible Sourcing team will notify Grievance Raiser of the outcome and log the resolution in the grievance log.

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