

**Company Name** The Hershey Company  
**Industry** Agricultural Products (Supply Chain only)  
**UNGP Core Score (\*)** 16.5 out of 26

Score	Out of	For indicators
<b>Governance and Policy Commitments</b>		
2	2	A.1.1 Commitment to respect human rights
2	2	A.1.2 Commitment to respect the human rights of workers
2	2	A.1.4 Commitment to engage with stakeholders
1	2	A.1.5 Commitment to remedy
<b>Embedding respect and Human Rights Due Diligence</b>		
Embedding respect		
1	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
1.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
2	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
1	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
<b>Remedies and Grievance Mechanisms</b>		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
2	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
<b>16.5</b>	<b>26</b>	

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: General HRs commitment: The Company states that 'we are committed to respecting all internationally recognized human rights'. Also 'our commitment to respect human rights also extends to all individuals throughout our value chain, and we use our relationships with our co-manufacturers, independent suppliers, and other business partners to encourage and promote the principles of this policy throughout their networks'. [Human Rights Policy 2019, 2/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: UNGPs: The Company states: 'We also recognize the interdependence of human rights and the environment – particularly as it relates to land and natural resources and the importance of the people whose livelihoods depend on the ingredients we source. We do this in accordance with our endorsement of UN Guiding Principles on Business and Human Rights (UNGPs) and our commitment to the UN Global Compact and the Sustainable Development Goals.' [Human Rights Policy 2019, 2/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: UNGC principles 3-6: The Company 'supports the Ten Principles of the United Nations Global Compact with respect to human rights, labor, environment and anti-corruption'. [UNGC commitment letter, 08/01/2019: <a href="http://s3-us-west-2.amazonaws.com">s3-us-west-2.amazonaws.com</a>]</li> <li>Met: Explicitly list All four ILO for AG suppliers: The Company requires that its suppliers comply with the Supplier Code of Conduct, which includes the prohibition of child labor, forced labor, and discrimination. Additionally, the Company 'respects the rights of employees to freedom of association and collective bargaining across its operations and supply chain. Workers have the right to form, join or not join trade unions or other organizations of their choosing and collectively bargain without fear of discrimination, retaliation, harassment or intimidation. In cases where freedom of association is restricted by local law, alternative means of freedom of association will not be obstructed'. [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Explicit commitment to All four ILO Core: The Company's Code of Conduct prohibits conducting business with any individual or company that participates in the exploitation of children (including child labour), physical punishment, forced or prison labour or human trafficking. Regarding discrimination, it also indicates that 'we value each other's contributions and believe that everyone should have an equal chance to succeed – this is essential to advancing our goals and initiatives. Do your part to keep the Hershey workplace a diverse, inclusive and respectful workplace by driving a positive environment, and recognize the many strengths and talents our diverse colleagues bring to the workplace'. The Human rights policy also states that the Company believes 'in the principles of equality and non-discrimination, are committed to treating all individuals with respect and dignity'. Finally, regarding Freedom of association and collective bargaining, although the Company's policy and code don't cover these issues, the supplier code states that 'Hershey respects the rights of employees to freedom of association and collective bargaining across its operations and supply chain. Workers have the right to form, join or not join trade unions or other organizations of their choosing and collectively bargain without fear of discrimination, retaliation, harassment or intimidation. In cases where freedom of association is restricted by local law, alternative means of freedom of association will not be obstructed'. [Code of</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Conduct (In good company), 09/2018 &amp; Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a></p> <ul style="list-style-type: none"> <li>• Met: Respect H&amp;S of workers: The Company outlines a commitment in its sustainability report to provide a "safe and healthy workplace for all of our employees and business partners". [Shared Goodness Sustainability Report 2018, 06/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a> &amp; Code of Conduct (In good company), 09/2018]</li> <li>• Met: H&amp;S applies to AG suppliers: In the Supplier Code of Conduct, the Company 'requires that all workers be provided with a safe and healthy working environment.' [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
A.1.4	Commitment to engage with stakeholders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Company uses its stakeholder engagement process to regularly monitor and communicate about the issues concerning consumers, customers, investors, the media and other external stakeholders, as well as employees, suppliers and business partners. Furthermore, the Company has introduced programs to improve agricultural practise, health &amp; safety, farming infrastructure and entrepreneurship education to the communities in which the Company sources cocoa. [Shared Goodness Sustainability Report 2018, 06/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Regular stakeholder design engagement: As part of its Human Rights Saliency Assessment, the Company conducted 'A stakeholder consultation process with the same group of internal and external stakeholders to review and refine our policy before it was formalized and launched'. These stakeholders included 'a diverse cross-section of Hershey leaders as well as representatives from labor and non-profit organizations, our suppliers, investors, and governmental bodies'. It also indicates that the human rights policy was developed 'in consultation with diverse internal and external stakeholders, including suppliers, human rights groups, non-profit organizations working in our raw material value chains, government representatives, and labor organizations, amongst others'. [Hershey's Commitment to Human Rights website, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
A.1.5	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to remedy: The Company states that 'when adverse human rights impacts are uncovered due to our business activities or from linkages to our operations, Hershey is committed to taking timely and transparent action to remediate in a fair and equitable manner in line with the UNGPs'. [Human Rights Policy 2019, 2/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with AG suppliers to remedy impacts</li> </ul>

## Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is signatory to the UN Global Compact.</li> <li>• Met: Senior responsibility for HR: The Company states the following: 'Our Global Sustainability Team manages human rights at Hershey. This includes senior leaders (Board and senior management) from across the business and is led by the Senior Director of Global Sustainability. The day to day management of human rights is overseen by our global head of Human Rights and the implementation of human rights in our value chain is overseen by our global Director for Responsible Sourcing. All sustainability efforts, including human rights, are directly overseen by the Sustainability Steering Committee, which is comprised of Vice Presidents from across all major business functions. Ultimate oversight for human rights falls within our Board of Directors and our Executive Committee (which includes our CEO and the CEO's direct reports) who are briefed on an annual and bi-annual basis, respectively.' [Hershey's Commitment to Human Rights website, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility: As stated above, 'The day to day management of human rights is overseen by our global head of Human Rights and the implementation of human rights in our value chain is overseen by our global Director for Responsible Sourcing. All sustainability efforts, including human rights, are directly overseen by the Sustainability Steering Committee, which is comprised of Vice Presidents from across all major business functions. Ultimate oversight for human rights falls within our Board of Directors and our Executive Committee (which includes our CEO and the CEO's direct reports) who are briefed on an annual and bi-annual basis, respectively'. However, no details found about how it is articulated beyond senior management. [Hershey's Commitment to Human Rights website, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Not met: Day-to-day responsibility for AG in supply chain: The Company states that 'the implementation of human rights in our value chain is overseen by our global Director for Responsible Sourcing.' However, no further details found regarding day-to-day responsibility for human rights in the supply chain. [Hershey's Commitment to Human Rights website, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifying risks in own operations: The Human Rights Saliency Assessments are conducted 'in line with the UN Guiding Principles Reporting Framework and with the assistance of an independent third party, Flag, which works with us on our ESG reporting. This process included: Desk-based research including a review of relevant internal policies and procedures, peer review benchmarking, and a media scan; Internal and external stakeholder interviews including a diverse cross-section of Hershey leaders as well as representatives from labor and non-profit organizations, our suppliers, investors, and governmental bodies; A workshop with internal and external stakeholders to review research findings and prioritize our list of salient issues'. [Hershey's Commitment to Human Rights website, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: Identifying risks in AG suppliers: The Company, after completing its internal saliency assessment and human rights policy, 'reached out to Verité to help develop a methodology for mapping potential risk issues by geography and supply chain. [...] In partnership, we developed: A methodology for assessing labor rights risk based on migrant worker home country (labor sending country) and migration recruitment corridor (if applicable) in addition to country of employment. An approach to standardize quantitative scores so they could be compared across countries, industries, and supply chains. Information that goes beyond documented incidents of abuse to include contextual issues linked to worker vulnerability. Contextual issues identified include rule of law, poverty, gender equality, and environmental degradation. [...] Since completion, Hershey has used the database to build a tool for segmenting suppliers to prioritize due diligence activities, including audits and other forms of human rights assessments, and Hershey will continue to use the tool to inform ingredient strategy and prioritization'. [Joining forces to protect human rights, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: In regards to future identification, the Company states the following: 'We will conduct further research and analysis of our salient issues in priority value chains and geographies to deepen our understanding of risks and opportunities for impact.' The Company conducted this first process in 2018. The Company continued to identify risks in 2019, further expanding the analysis within the supply chain. [Hershey's Commitment to Human Rights 2019: <a href="https://thehersheycompany.com">thehersheycompany.com</a> &amp; Hershey's Commitment to Human Rights website, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: In consultation with stakeholders: As indicated above, the process includes internal and external stakeholder interviews, including representatives from labor and non-profit organisations, suppliers, etc. [Hershey's Commitment to Human Rights website, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: In consultation with HR experts: As stated above, this process was conducted with the assistance of an independent third party, Verité, 'an independent, non-profit, civil society organization focused on human rights and eliminating labor abuses. ' [Joining forces to protect human rights, N/A: <a href="https://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Triggered by new circumstances: The Company discloses the assistance with Verité, it indicates: 'Verité took the opportunity to build on methodologies previously developed, with support from the U.S. Department of State for supply chain risk assessment, that analyze risk at the country level, by sector, and, critically, deriving from how the industry operates in a particular country context. [...] The resulting database offers opportunities for the analysis of significance of risk, type of issue, emerging trends, geography, and industry, allowing Hershey to design human rights programming and strategy that addresses the most urgent issues and their root causes. Verité trained Hershey staff on the structure and functionality of the database so it can be sustainably integrated into their operations. Since completion, Hershey has used the database to build a tool for segmenting suppliers to prioritize due diligence activities, including audits and other forms of human rights assessments, and Hershey will continue to use the tool to inform ingredient strategy and prioritization'. However, it is not clear whether the system is also valid to the Company's own operations. [Joining forces to protect human rights, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Not met: Explains use of HRIAs or ESIA (inc HR)</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Salient risk assessment (and context): The Company describes how it worked with Verité to 'develop a methodology for mapping potential risk issues by geography and supply chain. [...] Hershey provided data that allowed Verité to match the available datasets to Hershey's identified salient issues and supply chain profile. Where possible, multiple indicators and information sources were used, including Verité's own regional experts and experience speaking directly with workers in target regions. The resulting database offers opportunities for the analysis of significance of risk, type of issue, emerging trends, geography, and industry, allowing Hershey to design human rights programming and strategy that addresses the most urgent issues and their root causes'. [Joining forces to protect human rights, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: Public disclosure of salient risks: The Company has identified priority human rights issues. These include access to grievance mechanisms, forced labor and human trafficking, land rights/acquisition, living wage and income, among others. [Hershey's Commitment to Human Rights website, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including in AG supply chain: The Company describes the following: 'Using our risk tool, we assessed all of our Tier 1 raw material and packing suppliers as well as co-manufacturers, co-packers, licensees, and labor service providers and developed a prioritized list for supplier due diligence. We updated our Supplier Code of Conduct to better take into consideration our new human rights and environmental policies and to address our salient human rights issues.' However, it is not clear what were the action plan implemented to preventing, mitigating or remediating human rights issues. [Hershey's Commitment to Human Rights website, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: Example of Actions decided: The Company states in its Sustainability Report that 'In 2018, we further strengthened our efforts to combat child labor by introducing the Child Labor Monitoring and Remediation System (CLMRS) through our suppliers on Cocoa For Good farms and their local communities. CLMRS is a leading method of detection and remediation of child labor and was developed through the International Cocoa Initiative (ICI). The program leverages the supply chain structure and community-based groups to identify child labor and to monitor and remediate found cases.' Additional details are available on its website: 'The system enables community, cooperative members and supplier staff to be facilitators who raise awareness on the need to eliminate child labor, identify cases and request remediation. Facilitators receive training and build skills to detect and report child labor. [...] The CLMRS program has four key elements: Prevention, Detection, Remediation and Reporting.' [Shared Goodness Sustainability Report 2018, 06/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a> &amp; Child Labor Monitoring and Remediation System, N/A: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective: The Company require key suppliers to undergo the Sedex Members Ethical Trade Audit (SMETA) of the Sustainable Ethical Data Exchange (Sedex) to ensure suppliers are complainant with the supplier code of conduct. The SMETA audit process provides the Company with valuable data while minimizing the administrative burden on suppliers. However, there is no evidence to suggest that this system tracks actions or responses to human rights risks. [Shared Goodness Corporate Social Responsibility Report, 2016: <a href="http://thehersheycompany.com">thehersheycompany.com</a> &amp; Shared Goodness Sustainability Report 2018, 06/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Comms plan re identifying risks: See indicator B.2.1. The Company carries out a global risk identification and assessment process that includes both its own operations and business partners, and describes at least some features of the process.</li> <li>• Met: Comms plan re assessing risks: See indicator B.2.2</li> <li>• Not met: Comms plan re action plans for risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.3</li> <li>• Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4</li> <li>• Not met: Including AG suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

## Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company's Code of Ethical Conduct outlines a number of channels in which workers can raise complaints or concerns related to the Company. These include contacting the Law Department, contacting the Concern Line, writing to the Ethical Business Practise Committee or emailing the Chair of the Audit Committee of the Board of Directors. The Supplier Code of Conduct also states that suppliers should 'provide grievance mechanisms that are transparent, responsive, anonymous, unbiased and confidential to workers and other parties across the value chain.' The Concern Line is accessible worldwide and is staffed by an independent third party 24 hours a day. Reports can be made anonymously by phone or on the web. [Code of Ethical Business Conduct, n/a: <a href="http://phx.corporate-ir.net">phx.corporate-ir.net</a> &amp; Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The company provided information on their Palm Oil grievance system, however, this information is not material to this indicator as it looks for information on the company's grievance system as a whole. [Palm Oil Grievance Log, 2/2020: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: Channel is available in all appropriate languages: The Concern Line is available in ten languages, including, among others, English, Spanish, French, and Korean. [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a> &amp; Concern Line, N/A: <a href="http://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> <li>• Met: Expect AG supplier to have equivalent grievance systems: The Company expects suppliers to provide confidential channels for employees to raise grievances and records should be maintained. [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: 'Violations and concerns may also be reported directly to The Hershey Company's Concern Line, a third-party monitored, independent service available 24/7 in 10 languages via phone and internet to</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
	concerns from external individuals and communities		employees, business partners and other parties.' [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a> ] Score 2 <ul style="list-style-type: none"> <li>• Met: Describes accessibility and local languages: See above [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: Expects AG supplier to have community grievance systems: The supplier code indicates that 'Hershey expects Suppliers to provide grievance mechanisms that are transparent, responsive, anonymous, unbiased and confidential to workers and other parties across the value chain'. It also states that 'we expect our suppliers and business partners to communicate these expectations throughout their supply chain by adopting efficient management systems, policies, procedures and training to uphold the standards and expectations set forth in this Supplier Code within their own business operations'. [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided</li> <li>• Not met: Says how it would remedy key sector risks: The Company has partnered with the International Cocoa Initiative to support the Child Labour Monitoring and Remediation Systems. The Company and developed program does not specifically outline how it will remedy child labour. [Shared Goodness Sustainability Report 2018, 06/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

### Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• Headline: A palm oil giant has been sanctioned over forced labor and trafficking workers</li> <li>• Area: Forced Labour</li> <li>• Story: 28 November 2018, The Roundtable on Sustainable Palm Oil (RSPO) announced that it would suspend the membership of agricultural company Felda Global Ventures (FGV) Holdings Berhad, following unsatisfactory findings by the RSPO's Complaints panel, which included breaches related to conditions of forced labour including deductions of workers salaries, charging of excessive recruitment fees, and restriction of movement from the plantations. An article by Quartz notes that the company supplied a number of brands with Palm Oil, including Hershey's, Unilever, PepsiCo &amp; Nestle. In response to the decision, FGV announced that, as a result of the sanctions, it had frozen all new recruitment of workers from external contractors across its operations, with immediate effect, and planned to revise workers' benefits. It also intends to absorb the costs of "basic necessities," including workers' food, rather than deducting them from pay. A spokesperson for Hershey's said it "immediately" began an investigation after learning of the RSPO sanction and that "Failing any progress or acceptable remediation solutions, we will not hesitate to take the adequate measures such as suspension or removal of a mill or producer from our supply chain,". A spokesperson for PepsiCo called RSPO's findings "deeply concerning" and said in a statement emailed to Supply Chain Dive that, "We have activated our grievance process and are in contact with our direct suppliers in relation to the RSPO decision." In a subsequent review on 13 January 2020 (following the lifting of FGV's suspension in 2019), RSPO found the results of verification reports by FGV Holdings unsatisfactory, noting a number of non-compliances remained. The suspension of FGV Holdings was re-imposed subsequently by RSPO.</li> <li>• Sources: [Quartz - 29/11/2018: <a href="http://qz.com">qz.com</a>][BHRRC - 24/06/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>][Supply Chain Dive - 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a>][Grant &amp; Eisenhofer - 24/06/2019: <a href="http://gelaw.com">gelaw.com</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Public response available: A company spokesperson for Hershey's said it "immediately" began an investigation after learning of the RSPO sanction, and that "failing any progress or acceptable remediation solutions, we will not hesitate to take the adequate measures such as suspension or removal of a mill or producer from our supply chain." [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail: The company's response doesn't provide sufficient detail. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a>]</li> </ul>
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The Hershey Supplier Code of Conduct has provisions relating to forced labour which states "Hershey's does not tolerate any form of abusive or illegal labor in our supply chain such as forced labor or human trafficking. 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." Additionally the Hershey 'In Good Company' Code of Conduct says " We support the principles established under the United Nations Universal Declaration of Human Rights and do not knowingly conduct business with any individual or company that participates in the exploitation of children (including child labor), physical punishment, forced or prison labor or human trafficking". [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a> &amp; In Good Company Code of Conduct, 2017: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> <li>• Met: Policies apply to the type of business relationships involved: Hershey's Supplier Code of Conduct states 'We require all Suppliers and business partners to comply with this Supplier Code. "Suppliers" refers to any third party that provides goods or services to Hershey for compensation including, but not limited to, our direct and indirect Suppliers, co-manufacturers and co-packers, labor providers, logistic providers, distributors and licensees including their parent, subsidiary or affiliate entities. Sub-contractors of Suppliers are also expected to adhere to the Supplier Code...We require our Suppliers to abide by all applicable national, state and local laws/regulations in the markets where they operate; however, where local laws or standards differ from this Supplier Code, we expect our Suppliers to comply with the more stringent standards and principles.' [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: Hershey's Supplier Code of Conduct prohibits the imposition of financial burdens and restriction of movement of workers, stating "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.... Workers are free to leave work and terminate their employment upon reasonable notice without penalty and employers must not retain any personal identification, travel documents or wages as conditions of employment. Job seekers and current employees are not charged or required to pay fees or deposits in order to gain or maintain their employment." [Supplier Code of Conduct 2019, 11/2019: <a href="http://thehersheycompany.com">thehersheycompany.com</a>]</li> </ul>
E(1).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders: The Hershey Company said in its statement that it had immediately began an investigation after learning of the RSPO sanction, and that "Failing any progress or acceptable remediation solutions, we will not hesitate to take the adequate measures such as suspension or removal of a mill or producer from our supply chain." However there is no evidence that it has engaged with the affected stakeholders. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a> &amp; RSPO Letter to FGV Holdings, 13/01/2020: <a href="http://rspo.my.salesforce.com">rspo.my.salesforce.com</a>]</li> <li>• Not met: Encourages linked business to engage affected stakeholders: The Hershey Company said in its statement that it had immediately began an investigation after learning of the RSPO sanction, and that "Failing any progress or acceptable remediation solutions, we will not hesitate to take the adequate measures such as suspension or removal of a mill or producer from our supply chain." In response to the RSPO decision, FGV announced that, as a result of the sanctions, it had frozen all new recruitment of workers from external contractors across its operations, with immediate effect, and planned to revise workers' benefits. It also intends to absorb the costs of "basic necessities," including workers' food, rather than deducting them from pay. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a> &amp; RSPO Letter to FGV Holdings, 13/01/2020: <a href="http://rspo.my.salesforce.com">rspo.my.salesforce.com</a>]</li> <li>• Not met: Provides remedies to affected stakeholders: There is no evidence that remedy has been provided to the affected stakeholders by either FGV Holdings or</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>the Hershey Company. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a> &amp; RSPO Letter to FGV Holdings, 13/01/2020: <a href="http://rspo.my.salesforce.com">rspo.my.salesforce.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Has reviewed management systems to prevent recurrence: The Hershey Company said in its statement that it had immediately began an investigation after learning of the RSPO sanction. In a later decision, the company decided to remove FGV from its suppliers list. The Hershey company is working with Earthworm Foundation to address issues in their palm supply chain. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a> &amp; RSPO Letter to FGV Holdings, 13/01/2020: <a href="http://rspo.my.salesforce.com">rspo.my.salesforce.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims: There is no evidence that remedy has been provided to the affected stakeholders by either FGV Holdings or the Hershey Company, nor that the remedy provide is satisfactory to the affected stakeholders. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a> &amp; RSPO Letter to FGV Holdings, 13/01/2020: <a href="http://rspo.my.salesforce.com">rspo.my.salesforce.com</a>]</li> <li>• Not met: Has improved systems and engaged affected stakeholders: The Hershey Company said in its statement that it had immediately began an investigation after learning of the RSPO sanction. In response to the RSPO decision, FGV announced that, as a result of the sanctions, it had frozen all new recruitment of workers from external contractors across its operations, with immediate effect, and planned to revise workers' benefits. It also intends to absorb the costs of "basic necessities," including workers' food, rather than deducting them from pay. However in a subsequent review on 13 January 2020 (following the lifting of FGV's suspension in 2019), RSPO found the results of verification reports by FGV Holdings unsatisfactory, noting a number of non-compliances remained. The suspension of FGV Holdings was re-imposed subsequently by RSPO as a result of its failure to improve its systems. [Hershey's response to RSPO suspension of FGV, 04/12/2018: <a href="http://supplychaindive.com">supplychaindive.com</a> &amp; RSPO Letter to FGV Holdings, 13/01/2020: <a href="http://rspo.my.salesforce.com">rspo.my.salesforce.com</a>]</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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