

Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name The Hershey Company
Industry Agricultural Products (Supply Chain only)
Overall Score (*) 19.3 out of 100

Theme Score	Out of	For Theme
1.6	10	A. Governance and Policies
3.6	25	B. Embedding Respect and Human Rights Due Diligence
2.5	15	C. Remedies and Grievance Mechanisms
4.5	20	D. Performance: Company Human Rights Practices
3.9	20	E. Performance: Responses to Serious Allegations
3.3	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also 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 2018 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

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: The Company has a public commitment to uphold human rights. [In Good Company Code of Conduct, 2017: thehersheycompany.com] Score 2 • Not met: UNGPs: The Company supports the principles established under the United Nations Universal Declaration of Human Rights. However, there is no commitment to the UN Guiding Principles specifically. [In Good Company Code of Conduct, 2017: thehersheycompany.com]
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: 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. The Company's supplier code of conduct states that "discrimination is not permitted on the basis of race, religion, gender, political opinion, national extraction or social origin." The Company's supplier code of conduct also states that suppliers should "respect employees' right to freedom of association including the right to collectively bargain, consistent with local laws and ensure that all employee relationships are

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>of a voluntary nature." [In Good Company Code of Conduct, 2017: thehersheycompany.com & Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com]</p> <ul style="list-style-type: none"> • Not met: UNGC principles 3-6 • Met: All four ILO for AG suppliers: The Company's code of conduct and supplier code of conduct and policies within, apply to employees, consumers and business partners. Business partners include consultants, distributors, co-manufacturers and suppliers. [In Good Company Code of Conduct, 2017: thehersheycompany.com & Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: 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. <p>The Company's supplier code of conduct states that "discrimination is not permitted on the basis of race, religion, gender, political opinion, national extraction or social origin".</p> <p>The Company's supplier code of conduct also states that suppliers should "respect employees' right to freedom of association including the right to collectively bargain, consistent with local laws and ensure that all employee relationships are of a voluntary nature."</p> <p>These policies cover all 4 ILO core labour standards. [In Good Company Code of Conduct, 2017: thehersheycompany.com & Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com]</p> <ul style="list-style-type: none"> • Met: Respect H&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 Corporate Social Responsibility Report, 2016: thehersheycompany.com] • Met: H&S applies to AG suppliers: Suppliers must provide employees with a safe and healthy working environment for all employees that includes appropriate controls, safety procedures, preventative maintenance, and protective equipment. Practices must comply with all relevant local and national laws, codes and regulations. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com]
A.1.3.a.AG	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	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"> • Not met: Respect land ownership and resources: The Company has a public policy for pulp and paper which includes respecting land and natural resources. The Pulp and Paper Policy specifically relates to reducing deforestation and protecting natural resources needed for pulp and paper. The Pulp and Paper Sourcing Policy also states that the Company respects and uphold land tenure rights and indigenous rights. However, this policy is not company wide and therefore is not sufficient to be awarded this indicator. [Pulp and Paper Sourcing Policy, n/a: thehersheycompany.com & Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Voluntary Guidelines on Tenure: The Palm sourcing policy states that the Hershey Company's commitments, which suppliers must adhere to include 'Respect and uphold land tenure rights.' The Company then specifies in a footnote that this includes the FAO Voluntary Guidelines on Tenure and Food Security. However, it is not clear whether this commitment is just for the Palm Oil supply chain - or the broader Company operations and supply chain. [Palm Sourcing Policy, 31/07/2018: thehersheycompany.com] • Not met: IFC Performance Standards • Not met: FPIC for all: The Palm sourcing policy states that the Hershey Company's commitments, which suppliers must adhere to include 'Respect and uphold land tenure rights, the rights of Indigenous Peoples and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>local communities to give or withhold their Free, Prior and Informed Consent to any development on their lands to which they hold legal, communal or customary rights.' However, it is not clear whether this commitment is just for the Palm Oil supply chain - or the broader Company operations and suppliers. [Palm Sourcing Policy, 31/07/2018: thehersheycompany.com]</p> <ul style="list-style-type: none"> • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights: The Palm sourcing policy states that the Hershey Company's commitments, which suppliers must adhere to include 'Respect and uphold land tenure rights, the rights of Indigenous Peoples and <p>local communities to give or withhold their Free, Prior and Informed Consent to any development on their lands to which they hold legal, communal or customary rights.' However, it is not clear whether this commitment is just for the Palm Oil supply chain - or the broader Company operations and suppliers. [Palm Sourcing Policy, 31/07/2018: thehersheycompany.com]</p>
A.1.3.b.AG	Commitment to respect human rights particularly relevant to the industry - people's rights (AG)	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"> • Not met: Women's rights: Hershey is a founding member of Cocoa Action, the industry-wide collaboration that trains and delivers improved planting material and fertilizer to cocoa farmers. It aims to strengthen communities through education, monitoring of illegal child labour and women's empowerment. However, the Company does not have a publicly available statement of policy respecting women's rights. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <p>]</p> <ul style="list-style-type: none"> • Not met: Children's rights: The Company has a zero tolerance for the worst forms of child labour as defined by ILO and expects suppliers to support and participate in industry efforts aimed at eliminating these kinds of practices wherever they exist. However, there is no reference to respecting child rights. [In Good Company Code of Conduct, 2017: thehersheycompany.com] • Not met: Migrant worker's rights: The Palm Sourcing Policy states that the Hershey Company's commitments, which suppliers must 'Operate in compliance with national and local laws and regulations and international labor and human rights laws and norms . Respect, recognize and uphold the rights of all workers including contract, temporary and migrant workers through compliance with the International Labor Organization (ILO) core conventions and applicable international instruments..' However, it is not clear whether this commitment is just for the Palm Oil supply chain - or the broader Company operations and suppliers. [Palm Sourcing Policy, 31/07/2018: thehersheycompany.com] • Not met: Expects suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business Principles • Not met: Convention on migrant workers • Not met: Expecting suppliers to respect these rights
A.1.4	Commitment to engage with stakeholders	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"> • 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 & safety, farming infrastructure and entrepreneurship education to the communities in which the Company sources cocoa. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <p>]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	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"> • Not met: Commits to remedy: The Company has partnered with suppliers and the International Cocoa Initiative (ICI) to support the Child Labour Monitoring and Remediation Systems. However, this is not sufficient to be awarded this indicator. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
] <ul style="list-style-type: none"> Score 2 • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AG suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: <ul style="list-style-type: none"> Score 1 • Not met: Zero tolerance attacks on HRs Defenders (HRDs): The Company has zero-tolerance policy when it comes to acts of threats of violence. Furthermore, the Company has a zero-tolerance for retaliation against anyone raising concerns over misconduct or legal violations. However, there is no explicit reference to human rights defenders which is needed to award this indicator. [In Good Company Code of Conduct, 2017: thehersheycompany.com] Score 2 • Not met: Expects AG suppliers to reflect company HRD commitments: The Code of Conduct and policies outlined within it apply to employees, consumers and business partners. Business partners include consultants, distributors, co-manufacturers and suppliers. Therefore, this indicator is met as the zero tolerance on threats of violence extends to suppliers. However, there is no explicit reference to human rights defenders which is needed to award this indicator. [In Good Company Code of Conduct, 2017: thehersheycompany.com]

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	The individual elements of the assessment are met or not as follows: <ul style="list-style-type: none"> Score 1 • Not met: CEO or Board approves policy • Not met: Board level responsibility for HRs Score 2 • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: <ul style="list-style-type: none"> Score 1 • Not met: Board/Committee review of salient HRs • Not met: Examples or trends re HR discussion Score 2 • Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: <ul style="list-style-type: none"> Score 1 • Not met: Incentives for at least one board member • Not met: At least one key AG HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	The individual elements of the assessment are met or not as follows: <ul style="list-style-type: none"> Score 1 • Not met: Senior responsibility fo HR (inc ILO): The Company indicates that the Global Supply Chain Group is responsible for human rights issues. However, this responsibility is not assigned to a relevant senior manager and does not include the ILO core labour standards. [Business & Human Rights Resource Centre Action Platform Hershey, n/a: business-humanrights.org] Score 2 • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility in supply chain
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: <ul style="list-style-type: none"> Score 1 • Not met: Senior manager incentives for human rights • Not met: At least one key AG HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR part of enterprise risk system Score 2 • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Communicates its policy to all workers in own operations Score 2 • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Steps to communicate policy commitments to BRs: The Company states that "by its acceptance of any purchase order, the Supplier acknowledges its acceptance of the [Supplier] Code and intention to comply with its requirements. The Supplier Code covers child labour, forced/prison labour, working hours and wages, freedom of association and collective bargaining, non-discrimination and health and safety. However, there is not explicit mention of Human Rights. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] • Not met: Including to AG suppliers Score 2 • Not met: How HR commitments made binding/contractual • Not met: Including on AG suppliers
B.1.5	Training on Human Rights	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Trains all workers on HR policy commitments: The Company's code of ethical business conduct states that employees receive Code Training. Although the code of ethical business conduct contains extracts about the companies human rights policies from the supplier code of conduct, there is no explicit reference that the Company trains all workers on this code. [Code of Ethical Business Conduct, n/a: phx.corporate-ir.net] • Not met: Trains relevant managers including procurement Score 2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Monitoring implementation of HR policy commitments: All suppliers are expected to comply with the company's Supplier Code of Conduct, which sets forth compliance with human rights criteria. Beyond the Company's Supplier Code of Conduct, management of the complex global supply chain is done with the help of partners and multi-stakeholder organizations. These include the Sweetener Users Association, the Foundation for Strategic Sourcing, the World Cocoa Foundation, the American Peanut Council and the Dairy Board of Excellence. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] • Met: Monitoring AG suppliers: In order to monitor its suppliers the Company requires suppliers to undergo the Sedex Members Ethical Trade Audit (SMETA) of the Sustainable Ethical Data Exchange (Sedex). [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] Score 2 • Not met: Describes corrective action process • Not met: Example of corrective action • Not met: Discloses % of supply chain monitored
B.1.7	Engaging business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR affects selection of suppliers: The Company expects suppliers to respect basic human rights wherever in operation as outlined in its Supplier Code of Conduct. The Company chooses to work with suppliers that support Hershey's commitment to sustainable cocoa growing and to economic, social and environmental development that helps cocoa farmers, their families and their communities. However, there is no additional information to suggest how human rights performance is factored into the supplier selection process. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>]</p> <ul style="list-style-type: none"> • Not met: HR affects on-going supplier relationships <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with suppliers to improve performance
B.1.8	Approach to engagement with potentially affected stakeholders	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"> • Not met: Stakeholder process or systems • Not met: Frequency and triggers for engagement • Not met: Workers in SC engaged • Not met: Communities in the SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	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"> • Met: Identifying risks in own operations: The Company has received a downgrade as it is not clear whether the Company specifically identifies risks in the agricultural suppliers. The Company has identified priority human rights issues. These include Freedom of association and trade union rights, Conflict minerals, Transparency in payments to governments / responsible tax practices, Women, Racial and ethnic minorities, Children (including child labour) and Migrant workers. [Business & Human Rights Resource Centre Action Platform Hershey, n/a: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Identifying risks in AG suppliers • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	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"> • Not met: Salient risk assessment (and context) • Met: Public disclosure of salient risks: The Company has identified priority human rights issues. These include Freedom of association and trade union rights, Conflict minerals, Transparency in payments to governments / responsible tax practices, Women, Racial and ethnic minorities, Children (including child labour) and Migrant workers. [Business & Human Rights Resource Centre Action Platform Hershey, n/a: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	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"> • Not met: Action Plans to mitigate risks • Not met: Example of Actions decided [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Including in AG supply chain • Not met: Both requirements under score 1 met
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"> • 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: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Lessons learnt from checking effectiveness

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including AG suppliers Score 2 • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

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	The individual elements of the assessment are met or not as follows: Score 1 • 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 confidential channels for employees to raise grievances, and "records should be maintained". 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: phx.corporate-ir.net] Score 2 • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages • 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 Responsible Sourcing, n/a: thehersheycompany.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Grievance mechanism for community Score 2 • Not met: Describes accessibility and local languages • Not met: Expects AG supplier to have community grievance systems • Not met: AG supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Engages users to create or assess system • Not met: Description of how they do this Score 2 • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AG suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Response timescales • Not met: How complainants will be informed Score 2 • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Public statement prohibiting retaliation: The Company does not tolerate acts of retaliation against anyone who makes a good faith report of known or suspected ethical or legal misconduct. [Code of Ethical Business Conduct, n/a: phx.corporate-ir.net]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Practical measures to prevent retaliation: The Concern Line is accessible worldwide and is staffed by an independent third party 24 hours a day. The Concern Line can also be accessed anonymously. Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AG suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Won't impede state based mechanisms: The Company states it will comply and cooperate with government inspections, investigations or requests for information. [In Good Company Code of Conduct, 2017: thehersheycompany.com] • Not met: Complainants not asked to waive rights Score 2 <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
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"> • Not met: Describes how remedy has been provided • 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 Corporate Social Responsibility Report, 2016: thehersheycompany.com] Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: The Company's Supplier Code of Conduct states "Suppliers should provide wages at least equal to the applicable legal minimum wage and any associated statutory benefits. If there is no legal minimum wage, suppliers must ensure that wages are at least comparable to those at similar companies in the local area or to prevailing industry norms". The Company fails to describe or provide a definition of the living wage. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] • Not met: Improving living wage practices of suppliers Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made
D.1.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs (purchasing practices) • Not met: Positive incentives to respect human rights (purchasing practices) Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.1.3	Mapping and disclosing the supply chain	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Identifies suppliers back to manufacturing sites (factories or fields): The Company uses a third party called SourceMap to map suppliers of two products (Hershey's Milk Chocolate with Alodns and Reese's Peanut Butter Cups). The map is online and interactive. The Company also explains how it is mapping more than 15,000 farms in Africa. It also indicates it is mapping palm oil supply chain. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] Score 2 <ul style="list-style-type: none"> • Not met: Discloses significant parts of SP and why: The Company has provided an interactive map showing where it sources ingredients for the two products mentioned above. However, it is not clear whether these represent the most significant part of its supply chains, and whether the address of the different farms is publicly available. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.4.b	Child labour: Age verification and corrective actions (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Child Labour rules in codes or contracts • Met: How working with suppliers on child labour: The Company is taking a number of steps in preventing illegal and forced child labour. The Company use independent authorities to verify cocoa and monitor prohibited forced child labour. Company is also a founding member of CocoaAction which also helps monitor illegal child labour. Finally, the Company's Learn to Grow program provides education to address both direct and indirect causes of illegal and forced child labour. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.b	Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Debt and fees rules in codes or contracts: The supplier code of conduct states : 'Suppliers must not utilize or benefit in any way from forced or compulsory labor, nor utilize factories or subcontractors that force unpaid labor. The use of official prison rehabilitation programs is not a breach of the Code. 'Suppliers must not utilize or benefit in any way from forced or compulsory labor, including any forms of slavery.'• The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force, coercion or other means, for the purpose of exploiting them is prohibited.' However, the company does not specify it's opposition to indentured labour or including refraining from imposing any financial burdens on workers by withholding wages or expenses including recruitment fees and related recruitment costs, in its contractual arrangements with its suppliers or supplier code of conduct. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on debt & fees • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.d	Forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Free movement rules in codes or contracts: The supplier code of conduct states : 'The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force, coercion or other means, for the purpose of exploiting them is prohibited.' However, the Company policies or codes does not include guidelines on workers' freedom of movement, including refraining from restricting workers' movement through the retention of passports or other personal identification or travel documents or ATM cards or similar arrangements for accessing wages or other measures to physically restrict movement, in its contractual arrangements with its suppliers. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on free movement • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: FoA & CB rules in codes or contracts: The Company's supplier code of conduct states that "suppliers should respect employees' right to freedom of association including the right to collectively bargain, consistent with local laws". The Company states "by acceptance of any purchase orders, suppliers acknowledges its acceptance of the Code and intention to comply with its requirements". Collective bargaining guidelines, however, this does not include prohibition of intimidation and violence against union members. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: How working with suppliers on FoA and CB: The Company provides two guidance measures in relation to freedom of association and collective bargaining. These being suppliers should "Respect employees' right to freedom of association (including the right to collectively bargain) and that "suppliers should provide confidential channels for employees to raise grievances, and records should be maintained". However it is not clear if the Company works with suppliers to help implement these guidance's. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	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"> • Met: Sets out clear Health and Safety requirements: The Company's supplier code of conduct sets out a number of specific health and safety guidance's that "should" and in some cases "must" be maintained. The code states "the Supplier acknowledges its acceptance of the Code and intention to comply with its requirements" via its acceptance of any purchase order. The Company states 'The Supplier must provide employees with a safe and healthy working environment for all employees that includes appropriate controls, safety procedures, preventative maintenance, and protective equipment. Practices must comply with all relevant local and national laws, codes and regulations. Guidance: • Suppliers provide a safe and healthy workplace. Safety and Health procedures must comply with all relevant local and national laws, codes and regulations. • Records of health and safety trainings, accidents and injuries at the workplace, should be maintained. • Suppliers must train employees on emergency evacuation procedures. • If applicable, suppliers must ensure dormitories are clean, well maintained, and in compliance with safety regulations.' [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com] • Met: Injury Rate disclosures: The Company CSR report discloses metrics for the total recordable incident rate. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] • Met: Lost days or near miss disclosures: The Company CSR report discloses metrics for the days away, restricted or transferred as well as metrics for the lost workday incident rate. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Fatalities disclosure • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made
D.1.8.b	Land rights: Land acquisition (in the supply chain)	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"> • Not met: Rules on land & owners in codes or contracts: The Company has criteria for the responsible sourcing of pulp and paper. This criteria outlines respect for land tenure rights, the rights of Indigenous Peoples and local communities to give or withhold their free, prior and informed consent to any development on their lands to which they hold legal, communal or customary rights. There is however, the formal process to attached to this criteria. [Pulp and Paper Sourcing Policy, n/a: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on land issues • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in the progress made
D.1.9.b	Water and sanitation (in the supply chain)	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"> • Not met: Rules on water stewardship in codes or contracts: The Supplier Code of Conduct states 'Wastewater and solid waste are to be monitored, controlled and treated as required prior to discharge or disposal and records of effluent monitoring shall be maintained.' However, the Company does not detail information regarding access to water guidelines, including refraining from negatively affecting access to safe water. [Supplier Code of Conduct Responsible Sourcing, n/a: thehersheycompany.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Met: How working with suppliers on water stewardship issues: The Company places an emphasis on the availability of high quality water sources for the farmers who grow the cocoa and sugar used in the products the Company sells. Consequently the Company closely follows regional water scarcity trends, communicates this information with suppliers and works with commodity and agricultural trade organisations to develop response strategies across the value chain. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends in progress made
D.1.10.b	Women's rights (in the supply chain)	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"> Not met: Women's rights in codes or contracts <ul style="list-style-type: none"> Met: How working with suppliers on women's rights: The Company is an active member of the Global Shea Alliance which seeks to improve shea farming. It has helped fund the construction of a warehouse in Northern Ghana specifically for women to store shea nuts throughout the season. Women involved in the warehouse receive leadership and management training on accessing finance, warehouse receipts, stocking, weighing procedures, price searching, sales and profit sharing. Women from the program say they have been able to increase their income through increased access to buyers. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity thresholds were found, and so the score of 15.47 out of 80 points scored in themes A-D & F has been applied to produce a score of 3.87 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.33 out of 4	Out of a total of 42 indicators assessed under sections A-D of the benchmark, The Hershey Company made data public that met one or more elements of the methodology in 14 cases, leading to a disclosure score of 1.33 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> Met: Company reports on GRI: The Company has prepared its Corporate Social Responsibility report in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. [Shared Goodness Corporate Social Responsibility Report, 2016: thehersheycompany.com] <ul style="list-style-type: none"> Not met: Company reports on SASB Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0 out of 4	<p>The Hershey Company met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> Not met: Score 2 for A.2.2 : Board discussions Not met: Score 2 for B.1.6 : Monitoring and corrective actions Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) <p>Discussing challenges openly</p> <ul style="list-style-type: none"> Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> Not met: Score 2 for A.2.3 : Incentives and performance management Not met: Score 2 for B.1.2 : Incentives and performance management

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 2018 Key Findings report for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

No representation or warranty is given that the material in the Benchmark is accurate, complete or up-to-date. The material in the Benchmark is based on information that we consider correct and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our current opinions as of the date of the publication of the Benchmark only and may change without notice. Any views expressed in the Benchmark only represent the views of CHRB Ltd, unless otherwise expressly noted.

While the material contained in the Benchmark has been prepared in good faith, neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this Benchmark or any other information made available in connection with the Benchmark. Neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the Benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in CHRB Ltd's appeals procedure). To the maximum extent permitted by law any responsibility or liability for the Benchmark or any related material is expressly disclaimed provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings this in connection with or arising in relation to this Benchmark will be governed by and construed in accordance with English law and submitted to the exclusive jurisdiction of the courts of England and Wales.

As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.