



## The Hershey Company Supplier Code of Conduct

---

**The Hershey Company has operated with high ethical business standards and integrity in the communities where we work and live for more than 125 years. To preserve the trust placed in us, we count on our network of Suppliers and business partners across the globe to commit to and uphold our high standards of integrity, values and operating principles.**

Our Supplier Code, updated in November 2019, and as may be amended from time to time (the “Supplier Code”), outlines Hershey’s expectations and guidelines with respect to responsible sourcing including our commitments to human rights, the environment, health and safety, business ethics and the development of a diverse and sustainable supply chain. The Supplier Code is aligned with the International Bill of Human Rights, The ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs) and the Ten Principles of the UN Global Compact.

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 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.

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.

In the spirit of continuous improvement, Hershey is committed to working with and supporting our Suppliers to meet, and when possible, exceed, the requirements in this Supplier Code.

By its acceptance of any purchase order from The Hershey Company, the Supplier acknowledges its acceptance of the Supplier Code and intention to comply with its requirements.



---

## CHILD LABOR

Hershey does not tolerate any form of child labor in our supply chain. We are committed to the elimination of the “worst forms of child labor,” as defined by ILO Convention 138 & 182. Hershey expects our Suppliers to prevent child labor in their operations and encourages our Suppliers to participate in industry efforts aimed at the elimination of such practices wherever they exist in the supply chain.

- No individuals are hired under 15 years of age, or 14 years of age where local law allows, and such exception is consistent with ILO Convention No. 138 & 182, or under the legal minimum age for employment in the country, whichever is greatest.
- Any employment of workers under the age of 18 does not interfere with schooling or vocational education or expose children to risks that can harm physical, mental or emotional development.

---

## FORCED LABOR AND HUMAN TRAFFICKING

Hershey 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.

- The recruitment, transportation, transfer, harboring or receipt of persons, by means of threat or use of force, coercion or other means, for the purpose of exploiting them is prohibited.
- In advance of employment, workers are provided accurate and understandable information about the basic terms of their employment clearly stating their rights and responsibilities as well as information on wages, hours and holidays.
- 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.

---

## FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

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.

---

## NON-DISCRIMINATION

Hershey does not tolerate any form of discrimination in the workplace. We are committed to diversity and inclusion in the work environment.

- Discrimination in the workplace that is based on the grounds of an individual’s race; color; gender; age; national origin; religion; citizenship status; political opinion; marital status; sexual orientation; engaging in, or refraining from



engaging in, protected union activity; gender identity; transgender status; physical or mental disability; protected veteran status; genetic information; pregnancy (including childbirth and related medical conditions, including medical conditions related to lactation); or other categories protected by applicable federal, state or local law goes against Hershey's values and is strictly prohibited.

- Hiring and employment decisions, including those relating to compensation, benefits, promotion, training and development, discipline, and termination are based solely on the worker's skill, ability, experience and performance.

---

## HARASSMENT

Hershey does not tolerate any form of disparate treatment in the workplace.

- All workers will be treated with dignity and respect and will not be subject to any form of unethical treatment, threats of violence, or other forms of physical, mental, or sexual harassment.
- Disciplinary policies and procedures in support of these requirements are clearly defined and communicated to all workers.

---

## WORKING HOURS, WAGES AND BENEFITS

Hershey is committed to upholding applicable laws and collective bargaining agreements regarding working hours, wages and benefits for individuals employed throughout the supply chain. We encourage our Suppliers to work toward paying a wage that is sufficient for workers to meet their basic needs and provide some discretionary income.

- Wages and benefits are paid on time and at least equal to the applicable legal minimum wage and any associated statutory benefits.
- Working hours reflect applicable legal norms and overtime hours are paid at the legally mandated premium or in line with the guidance provided by ILO Convention 1 (the rate of pay for overtime shall not be less than one-and-one-quarter times the regular rate) if there is no mandated premium.
- Suppliers shall ensure that work schedules and rest periods are consistent with applicable local legal requirements. Work hours and schedules should not be excessive and negatively impact employees' health or safety.
- Temporary labor arrangements, including the excessive use of fixed-term contracts, labor-only contracting, sub-contracting, home-working or apprenticeship schemes, are not be used to avoid obligations to workers under labor or social security laws and regulations.

---

## WORKER HEALTH & SAFETY

Hershey requires that all workers be provided with a safe and healthy working environment.

- Workers have the right to refuse and report unsafe or unhealthy working conditions regardless of role, title or responsibility.
- Workers are trained on the appropriate occupational health and safety policies and procedures, including emergency evacuation procedures, prior to employment and then on a regular basis in the primary language(s) of its workers. Workers are provided appropriate protective equipment and instructed on appropriate use.
- Potable drinking water is provided to all workers as well as adequate and clean sanitation facilities for male and female workers. Unreasonable limitations to workers' access to toilets, rest or lactation breaks are prohibited.
- If applicable, dormitories are clean, well maintained, provide reasonable entry and exit privileges for workers and in compliance with safety regulations.



---

## FOOD SAFETY & QUALITY

Hershey is dedicated to providing safe, high-quality products and we expect our Suppliers to help us meet this commitment.

- Products and services delivered must meet or exceed food safety and quality standards required by applicable law and The Hershey Company's stringent quality standards.
- Any concerns about product safety or quality must be reported to The Hershey Company.

---

## LAND RIGHTS

Hershey is committed to following the principles of Free, Prior and Informed Consent (FPIC) of Indigenous Peoples for property or land negotiations.

- All forms of land grabbing are prohibited. Adherence to the principles of Free, Prior and Informed Consent of Indigenous Peoples is required in all negotiations for property or land, including the use of and transfers of it.
- Land rights of individuals, indigenous people and local communities affected by sourcing practices, supply chains and operations are respected.

---

## ENVIRONMENT

Hershey is committed to reducing our environmental impact across our supply chain and to supporting sustainable operational and agricultural production practices. We work with our Suppliers who are critical partners in our efforts to responsibly and sustainably source our ingredients, packaging materials and other goods and services in a way that will help reduce our impact on air, land and water.

- Operations fully comply with all federal and local environmental laws and regulations including those related to waste disposal, hazardous waste, greenhouse gas emissions, wastewater and toxic substances.
- Air emissions, wastewater and solid waste generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.
- Operations and work across supply chains do not contribute to deforestation or loss of biodiversity. Suppliers are encouraged to implement their own No Deforestation Policy and commitments to protecting High Conservation Value and High Carbon Stock areas.
- All required environmental permits (e.g. discharge and effluent monitoring records) are obtained, maintained and kept current and any operational, registration and reporting requirements shall be followed.
- Suppliers are encouraged to actively measure, manage and disclose environmental impacts in areas such as Greenhouse Gas (GHG) emissions, water and waste as well as to set targets and implement action plans for reducing environmental impacts. Public reporting on annual environmental performance is encouraged.

---

## BUSINESS ETHICS

Hershey is committed to conducting business ethically and lawfully in countries where we operate across our supply chain. We prefer to do business with Suppliers and business partners who demonstrate a strong commitment to ethical behavior.

- Suppliers conduct their business in accordance with the highest ethical standards and to have controls in place that prohibit and detect the misuse of company assets, corruption, bribery, improper gifts, extortion, embezzlement and even the appearance of conflicts of interest.



- Suppliers' business dealings should be fair, legal and honest.
- Suppliers shall abide by all applicable anti-corruption laws and regulations of the countries in which they operate, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.
- If Suppliers and business partners extend any business courtesies to our employees, they will do so infrequently and the courtesies must be of no more than moderate value. Suppliers and business partners will also accurately reflect their business dealings in their books and records.
- Suppliers and business partners with access to Hershey's confidential information should not disclose such information to any other person without our advance written consent.
- To the extent that Suppliers and business partners transports goods for Hershey into the United States, Suppliers shall comply with the C-TPAT (Customs-Trade Partnership Against Terrorism) security procedures on the U.S. Customs website at [www.cbp.gov](http://www.cbp.gov) (or other website established for such purpose by the U.S. government).

---

## GRIEVANCE MECHANISMS

Hershey expects Suppliers to provide grievance mechanisms that are transparent, responsive, anonymous, unbiased and confidential to workers and other parties across the value chain.

- Workers know of and have access to grievance mechanisms which allow for anonymous reporting. Reported concerns and violations are addressed in a timely manner and follow a clearly outlined process.
- Workers who speak up in good faith are protected from retribution, retaliation and reprisal.
- The Hershey Company is notified if any concerns or violations are reported through the grievance mechanism that are in direct violation of this Supplier Code.

Violations and concerns may also be reported directly to The Hershey Company's [Concern Line](#)<sup>1</sup>, a third-party monitored, independent service available 24/7 in 10 languages via phone and internet to employees, business partners and other parties.

---

## MANAGEMENT SYSTEMS, COMPLIANCE AND AUDITING

Suppliers ensure that adequate and effective management systems, policies, procedures, financial documentation and training are in place to ensure ongoing compliance with the Supplier Code. We reserve the right to request from our Suppliers information about the management of relevant issues outlined in the Supplier Code. For more guidance and information on strong management systems, please refer to our Supplier Quality Expectations Manual.

The Hershey Company reserves the right to verify compliance with this Supplier Code through internal and external assessment mechanisms, such as self-assessment questionnaires, announced and unannounced on-site independent third-party audits, and worker well-being surveys. Such audits may inspect Suppliers' facilities, operations, books and records, and supplier-provided housing, and may include confidential worker interviews. If non-compliances are observed, the supplier will be required to take corrective actions.

If Suppliers fail to implement the recommended corrective action plans and do not remedy any act of non-compliance in a timely manner, Hershey may, in its sole discretion and without any further obligation to Suppliers, suspend purchases, refuse to take delivery under any purchase order and return any goods or services from the supplier until the corrective actions have

---

<sup>1</sup> Concerns can be shared confidentially via phone or web at [www.HersheysConcern.com](http://www.HersheysConcern.com). Local phone numbers are available by clicking on the "our locations" tab.



been implemented, or may terminate its business relationship with the supplier in addition to any other rights or remedies available to Hershey.

We also reserve the right to request that Suppliers disclose information that may pertain to geographical location of facilities that produce any item supplied to The Hershey Company, origin of raw materials produced within their facilities and environmental performance indicators such as Greenhouse Gas emissions.

Management of our Supplier Code of Conduct is the responsibility of the Global Responsible Sourcing, Procurement Team and is led by our Director of Global Responsible Sourcing who reports into the Senior Vice President Chief Supply Chain Officer. The Global Responsible Sourcing Team works closely with our Global Sustainability Team, particularly around sustainability efforts that include human rights and environment, along with guidance as needed from the Sustainability Steering Committee, which is comprised of Vice Presidents from across all major business functions. Ultimate oversight for Global Responsible Sourcing resides with our Board of Directors and our Executive Committee (inclusive of the CEO and the CEO's direct reports) who are briefed on an annual and bi-annual basis, respectively.

