

# The Hershey Company

**TICKER**  
NYS:HSY

**MARKET CAPITALIZATION**  
US\$23 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**  
UK Modern Slavery Act: Yes  
California Transparency in Supply Chains Act: Yes

**TARGETS**  
Yes

## OVERALL RANKING

**14 out of 43**

([2018 Rank](#): 24 out of 38)

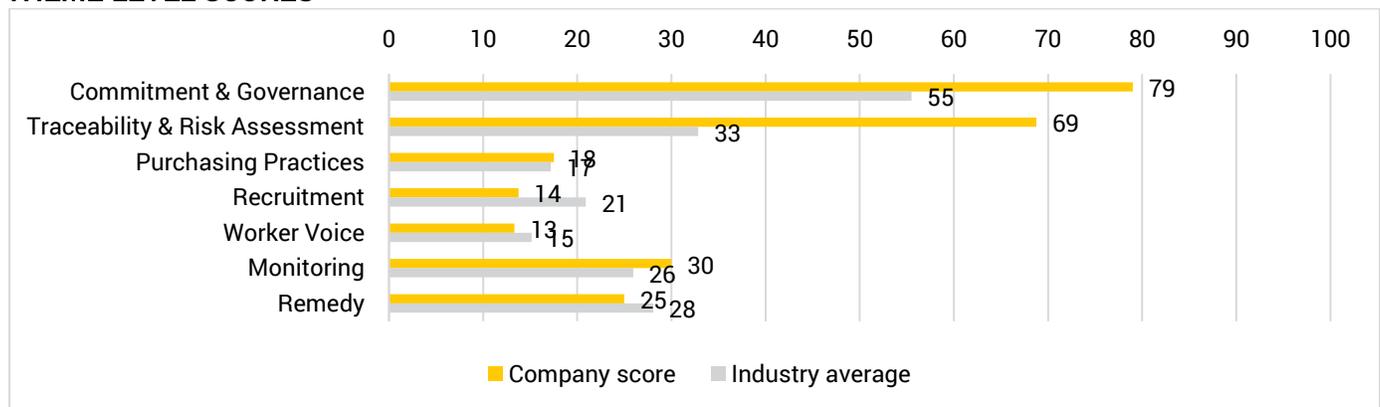
## OVERALL SCORE

**35 out of 100**

## SUMMARY

The Hershey Company (Hershey), the largest chocolate company in the US,<sup>1</sup> ranks 14<sup>th</sup> out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Recruitment, Worker Voice, and Remedy. Since 2018, the company has improved its score by 13 points. This is because the company updated its supplier code to prohibit worker-paid recruitment fees and passport retention and began disclosing board oversight of its sourcing program, information such as the names of its cocoa suppliers, and a human rights risk assessment. KnowTheChain identified one allegation of forced labor in the company's supply chains. Hershey reports that it asked its direct suppliers to remove the supplier in question from its supply chains. It does not disclose engagement with affected stakeholders nor remedy outcomes for workers. The company has an opportunity to improve on the themes of Purchasing Practices, Recruitment, and Worker Voice.

## THEME-LEVEL SCORES



Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

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**KEY DATA POINTS****SUPPLIER LIST**

Yes (cocoa and palm oil only)

**NO-FEE POLICY**

Yes

**SUPPORTS FREEDOM OF ASSOCIATION**

No

**REMEDY FOR SUPPLY CHAIN WORKERS**

No

**HIGH-RISK COMMODITIES**Cocoa, palm oil, sugarcane, and others<sup>2</sup>

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**LEADING PRACTICES**

None.

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**NOTABLE FINDINGS**

**Stakeholder Engagement:** Hershey reports that it is a member of AIM-Progress and takes part in the Human Rights Working Group. It states that it is working to develop an ethical recruitment standard as part of the group. The company also discloses that it is on the board of the International Cocoa Initiative, which seeks to drive an industry approach to addressing forced labor.

**Risk Assessment:** The company discloses that it conducts a human rights saliency assessment, which includes an assessment of key human rights risks across its supply chains. It states that the assessment includes forced labor risks and uses external data sources such as UN migrant data, ITUC's Global Rights Index, US Department of State and Labor reports, and the UN's Gender Inequality Index. It has also commissioned human rights risk reports on specific commodities and countries, including soy, sugar, Malaysia, Mexico, and Brazil.

**Monitoring:** The company reports that it uses SMETA audits to evaluate labor conditions at its suppliers, which include a review of relevant documents such as employment contracts and payroll records, interviews with workers, and visits to production facilities.

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**OPPORTUNITIES FOR IMPROVEMENT**

**Purchasing Practices:** The company is encouraged to assess risks of forced labor at potential suppliers before entering into contracts with them. It is further encouraged to adopt and disclose responsible purchasing practices (such as prompt payment).

**Recruitment:** The company may consider developing and disclosing a policy that requires direct employment in its supply chains and that recruitment agencies and employment agencies (if relevant) in its supply chains uphold workers' fundamental rights and freedoms. The company is further encouraged to disclose information on the recruitment agencies used by its suppliers. In addition, while the company has adopted a no-fee policy in its supplier code, it is encouraged to require that such fees be paid by the employer ([Employer Pays Principle](#)) and, where such fees have been paid by its suppliers' workers, to ensure that the fees are reimbursed to the workers.

**Worker Voice:** To support collective worker empowerment, the company is encouraged to work with its suppliers to improve their practices regarding freedom of association and collective bargaining and with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

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**ENGAGED WITH KNOWTHECHAIN**

Yes ([Sent Links](#)).

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<sup>1</sup> Investopedia (8 November 2019), "[The 4 Countries That Produce the Most Chocolate.](#)"

<sup>2</sup> The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor.](#)"