

The Hershey Company

TICKER:
NYSE: HSY

MARKET CAPITALIZATION:
US\$ 19 billion

HEADQUARTERS:
United States

13 OUT OF 20

Company’s Overall Ranking

27 OUT OF 100

Company’s Overall Score

The Hershey Company (Hershey) ranks thirteenth on the benchmark, providing average disclosure on its approach to managing forced labor and human trafficking risks in its supply chain. The company identifies forced labor as a priority issue and as a key challenge for responsible sourcing. Hershey has taken steps to trace its supply chain and to ensure that its purchasing practices mitigate forced labor risks in its supply chain. To improve its disclosure and performance, Hershey is encouraged to disclose evidence of its supplier audits. The company also has an opportunity to improve in the areas of recruitment and worker voice.

THEME LEVEL SCORE

Commitment and Governance	42 out of 100
Traceability and Risk Assessment	50 out of 100
Purchasing Practices	38 out of 100
Recruitment	0 out of 100
Worker Voice	15 out of 100
Monitoring	23 out of 100
Remedy	25 out of 100

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance
Hershey identifies forced labor as a priority issue and a key challenge for responsible sourcing. The company has a sustainable palm oil policy that requires suppliers to adhere to international labor and human rights laws and regulations, including forced labor. The implementation of Hershey’s Supplier Code of Conduct, which prohibits the use of forced labor in its supply chain, is overseen by its Chief Supply Officer.

Traceability
Hershey discloses in its Responsible Palm Oil Sourcing Policy that it aims to source “responsibly grown palm oil that does not contribute to the destruction of forests or the exploitation of workers and local communities.” Further, the company is collaborating with local NGOs and suppliers to achieve its target of 100% traceability of its palm oil purchases to the plantation by the end of 2016. The



company reports that it is sourcing cocoa from farmers in West Africa, including Côte D'Ivoire, Ghana, and Nigeria, and is committed to sourcing 100% sustainable cocoa by 2020.

Purchasing Practices

Hershey's supply chain standards, which include forced labor and human trafficking, are integrated into supplier contracts, as the company states: "[B]y its acceptance of any purchase order from the Hershey Company, the supplier acknowledges its acceptance of the Code and intention to comply with its requirements." The company evaluates all suppliers' capacity constraints as part of its supplier selection process and discloses that it does not "knowingly engage" in purchasing practices that increase the risks of suppliers violating the Supplier Code of Conduct.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment

Hershey is encouraged to develop and disclose a policy that requires recruitment agencies in its supply chain to uphold workers' rights and requires suppliers to disclose the recruiters that they use. The company may also consider requiring that no fees be charged to workers during any recruitment process in its supply chain and ensuring that these fees are reimbursed in the event that they are discovered. Further, Hershey may consider auditing recruiters to assess the risks of human trafficking and forced labor.

Worker Voice

Although Hershey discloses its Supplier Code of Conduct in multiple languages, it is encouraged to take steps to ensure supply chain workers are aware of its forced labor related policies. Hershey is also encouraged to support its suppliers in ensuring workplace environments in which workers are able to pursue alternative forms of organization where there exist regulatory constraints on freedom of association and to engage with workers outside of the context in which they work. Finally, the company may consider developing and disclosing a grievance mechanism for supply chain workers and ensuring that supply chain workers are made aware of its existence.

Monitoring

Although Hershey monitors its suppliers, the company is encouraged to disclose further information on this process, including whether it conducts non-scheduled audits and interviews with workers. To enhance its transparency, Hershey is also encouraged to disclose information on the outcomes, such as the number and percentage of suppliers audited annually, information on who carried out the audits, as well as a summary of the audit findings, including any regarding any violations revealed.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)

