



Sustainable Sugar Sourcing Policy

The Hershey Company is committed to high standards in responsible and sustainable sugar sourcing. Hershey currently buys sugar for its operations around the world. The sugarcane industry is nuanced by geography, with sustainability, social, and labor practices varying by region.

The Hershey Company will procure 100 percent of our sugar purchases by 2020 from responsible and sustainable sources, keeping in line with the expectations in our supplier code of conduct.

For U.S. sourced sugar:

- All suppliers will be required to complete independent social audits of their refineries and other facilities to the Sedex Members Ethical Trade Audit (SMETA) standard by 2020. Suppliers will be required to address any and all non-compliances with this standard in a prompt manner and submit corrective actions for our review.
- We will conduct annual reviews of our sugar suppliers' sustainability programs to assess the environmental impact of sugarcrop farming. The results of this ongoing exercise will factor into our sourcing decisions as we seek to drive sustainability throughout our supply chain.

For international sugar:

- We will work with our suppliers to incorporate third party evaluations within their supply chains against Hershey's Supplier Code of Conduct and industry best practices on sustainability initiatives.
- In addition, Hershey will implement Hershey's Learn to Grow program within our sugar supply chain to train sugar farmers on productivity and community development enhancements.

The Hershey Company intends to work with suppliers that not only share our values but are committed to action plans to adhere to this policy. We will communicate progress against this policy through company publications including our annual Corporate Social Responsibility Report and corporate website.