



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

March 28, 2022

J. Steven Patterson  
Hunton Andrews Kurth LLP

Re: The Hershey Company (the "Company")  
Incoming letter dated January 17, 2022

Dear Mr. Patterson:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the American Baptist Home Mission Society et al. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board issue a public report describing if, and how, the Company's living wage position statement and planned implementation steps will put the Company on course to eradicate child labor in all forms from the Company's West African cocoa supply chain by 2025.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Gina Falada  
Investor Advocates for Social Justice

**BY EMAIL** (shareholderproposals@sec.gov)

January 17, 2022

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

RE: The Hershey Company – 2022 Annual Meeting  
Exclusion of Stockholder Proposal of  
American Baptist Home Mission Society and co-filers<sup>1</sup>

Ladies and Gentlemen:

We are writing on behalf of our client The Hershey Company, a Delaware corporation (“*Hershey*”), pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), to notify the Staff of the Division of Corporation Finance (the “*Staff*”) of the Securities and Exchange Commission (the “*Commission*”) of Hershey’s intention to exclude the stockholder proposal and supporting statement (the “*Proposal*”) submitted by American Baptist Home Mission Society and the co-filers from the proxy materials to be distributed by Hershey in connection with its 2022 annual meeting of stockholders (the “*2022 proxy materials*”). American Baptist Home Mission Society and the co-filers are sometimes referred to collectively as the “*Proponents*.”

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“*SLB 14D*”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponents as notice of Hershey’s intent to exclude the Proposal from the 2022 proxy materials. Hershey expects to file its definitive proxy statement with the Commission on or about April 7, 2022, and this letter is being filed with the Commission no later than 80 calendar days before that date in accordance with Rule 14a-8(j).

Rule 14a-8(k) and Section E of SLB 14D provide that stockholder proponents are required to send companies a copy of any correspondence that the stockholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if they submit correspondence to the Commission or the Staff with

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<sup>1</sup> The following stockholders have co-filed the Proposal: Friends Fiduciary Corporation; Missionary Oblates of Mary Immaculate-US Province; Sisters of the Holy Cross, Inc.; Sisters of the Humility of Mary; Sisters of Providence, Mother Joseph Province; and The Sisters of St. Francis of Philadelphia.

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respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned.

### **The Proposal**

The text of the resolution contained in the Proposal is set forth below:

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

### **Basis for Exclusion**

In accordance with Rule 14a-8(i)(10), we hereby respectfully request that the Staff confirm that no enforcement action will be recommended against Hershey if the Proposal is excluded from the 2022 proxy materials because Hershey has already substantially implemented the Proposal.

### **Background**

On December 3, 2021, Hershey received the Proposal, accompanied by a cover letter from American Baptist Home Mission Society dated December 3, 2021, and a letter from BNY Mellon dated December 3, 2021, verifying American Baptist Home Mission Society's stock ownership as of such date. Copies of the Proposal, cover letter and related correspondence are attached hereto as Exhibit A. In addition, the co-filers' submissions are attached hereto as Exhibit B.

### **The Proposal May be Excluded Pursuant to Rule 14a-8(i)(10) Because Hershey Has Substantially Implemented the Proposal.**

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the "substantially implemented" standard in 1983 after determining that the "previous formalistic application" of the rule defeated its purpose, which is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." See Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "**1983**

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*Release*”) and Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be “fully effected” provided that they have been “substantially implemented” by the company. *See* 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company’s policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. *See, e.g., Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Dominion Resources, Inc.* (Feb. 9, 2016); *Ryder Sys., Inc.* (Feb. 11, 2015); *Wal-Mart Stores, Inc.* (Mar. 27, 2014); *Peabody Energy Corp.* (Feb. 25, 2014); *The Goldman Sachs Group, Inc.* (Feb. 12, 2014); *Hewlett-Packard Co.* (Dec. 18, 2013); *Deere & Co.* (Nov. 13, 2012); *Duke Energy Corp.* (Feb. 21, 2012); *Exelon Corp.* (Feb. 26, 2010); *ConAgra Foods, Inc.* (July 3, 2006); *The Gap, Inc.* (Mar. 16, 2001); *Nordstrom, Inc.* (Feb. 8, 1995); *Texaco, Inc.* (Mar. 6, 1991, recon. granted Mar. 28, 1991).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. For example, in *PG&E Corp.* (Mar. 10, 2010), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company provide a report disclosing, among other things, the company’s standards for choosing the organizations to which the company makes charitable contributions and the “business rationale and purpose for each of the charitable contributions.” In arguing that the proposal had been substantially implemented, the company referred to a website where the company had described its policies and guidelines for determining the types of grants that it makes and the types of requests that the company typically does not fund. Although the proposal appeared to contemplate disclosure of every charitable contribution, the Staff concluded that the company had substantially implemented the proposal. *See also, e.g., MGM Resorts Int’l* (Feb. 28, 2012) (permitting exclusion on substantial implementation grounds of a proposal requesting a report on the company’s sustainability policies and performance, including multiple, objective statistical indicators, where the company published an annual sustainability report); *Exelon Corp.* (Feb. 26, 2010) (permitting exclusion on substantial implementation grounds of a proposal requesting a report disclosing policies and procedures for political contributions and monetary and non-monetary political contributions where the company had adopted corporate political contributions guidelines); *The Gap Inc.* (Mar. 16, 2001) (permitting exclusion on substantial implementation grounds of a proposal requesting a report on child labor practices of the company’s suppliers where the company had established a code of vendor conduct,

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monitored compliance with the code, published information on its website about the code and monitoring programs and discussed child labor issues with shareholders).

Hershey has substantially implemented the Proposal, the main objective of which is to obtain an assessment of the steps Hershey is taking to eliminate child labor from its Côte d'Ivoire and Ghana, or West African, cocoa supply chain and the results of those steps. In particular, the Proposal requests a "report . . . describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025." The Proponents' supporting statement refers broadly to Hershey's historical commitment, policies and programs to eliminate child labor in West African cocoa production. The supporting statement notes that systematic poverty is a root cause of child labor. Further, the supporting statement acknowledges that Hershey adopted a Living Wage & Income Position Statement in 2021, but states "investors lack sufficient information to assess how Hershey's living wage statement will help eradicate child labor in its cocoa supply chain." The Proponents' supporting statement claims that "failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks."

Hershey's annual sustainability report regarding the company's environmental, social and governance ("*ESG*") priorities, which include, among other things, eliminating child labor from occurring within cocoa communities<sup>2</sup>, satisfies the Proposal's main objective. Hershey's 2020 Sustainability Report transparently describes the company's ESG priorities, the company's policies and programs to address its ESG priorities and the company's progress in addressing ESG priorities. Relevant excerpts from Hershey's 2020 Sustainability Report are attached hereto as Exhibit C.

In cocoa-growing communities, child labor is a complex issue resulting from a mix of poverty, cultural norms, and a general lack of educational opportunities, all of which can further entrench intergenerational poverty and exacerbate the existence of child labor. As noted in Hershey's 2020 Sustainability Report, Hershey has developed a multifaceted approach to addressing child labor that includes, among other things, multiple efforts to help cocoa farmers to transition out of poverty, improve community and farmer awareness of child labor, invest in preventative, supplier-led approaches that monitor farmers to help ensure child labor is not occurring and provide tools, resources and oversight to help remediate instances of child labor if they are found. In addition, as part of Hershey's holistic effort to eliminate

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<sup>2</sup> See pages 36-44 of Hershey's 2020 Sustainability Report available at [https://www.thehersheycompany.com/en\\_us/home/sustainability/policies-and-reports.html](https://www.thehersheycompany.com/en_us/home/sustainability/policies-and-reports.html)

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child labor, Hershey seeks to prevent child labor from occurring by removing barriers to children's being able to attend school.

A critical step in addressing child labor is understanding where and how cocoa is produced. To that end, Hershey is working closely with its suppliers as they strive to achieve traceability to the first point of purchase, which they are quickly doing in collaboration with the producing country governments, who remain key partners in enabling traceability for all the cocoa grown in Côte d'Ivoire and Ghana. As provided in Hershey's 2020 Sustainability Report, more than 70% of the cocoa sourced from Côte d'Ivoire and Ghana that is used in Hershey's products is now direct sourced by its suppliers, representing significant progress toward Hershey's objective to achieve 100% direct sourcing of its cocoa from those countries by 2025.

As noted in Hershey's 2020 Sustainability Report, Hershey uses child labor monitoring and remediation systems ("**CLMRS**") to directly detect and remediate child labor. CLMRS is the leading method of child labor detection and remediation among children aged five to 17 years old and was developed through the International Cocoa Initiative<sup>3</sup> ("**ICI**"). Under CLMRS, members of local farmer groups and Hershey's suppliers' staff are trained to become facilitators and build skills in communities to detect and report instances of child labor. Hershey also supports the establishment of community-level child protection committees to do the same. Hershey's 2020 Sustainability Report notes that in 2020: (i) there were 63,241 children monitored under CLMRS; (ii) there were 6,829 children (37% girls) identified doing inappropriate work and in process of remediation; and (iii) there were 1,514 monitoring and remediation agents and community liaisons. Hershey's 2020 Sustainability Report stated that 97% of farmers in Côte d'Ivoire and Ghana that direct-sourced to Hershey were covered through CLMRS in 2020, and Hershey plans to achieve 100% CLMRS coverage across all farmer groups in its supply chain in those countries as the company scales up to achieve 100% direct sourcing.

As provided in Hershey's 2020 Sustainability Report, Hershey seeks to prevent child labor from occurring by, in part, removing barriers to children's being able to attend school. Hershey makes it easier for children to access and continue their education by improving education infrastructure, training school-parent management committees, providing school kits filled with important school supplies, and helping children and youth obtain birth certificates for school enrollment. In addition, as also noted in Hershey's 2020 Sustainability

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<sup>3</sup> Additional information about CLMRS is available at <https://www.cocoainitiative.org/our-work/operational-support/child-labour-monitoring-and-remediation-systems>

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Report, Hershey has been distributing ViVi—a peanut-based fortified snack—to school children in Ghana daily. ViVi provides children with 30 percent of their daily nutritional requirements. Hershey’s research has shown that providing ViVi increases school enrollment and regular attendance while also enabling improved academic performance. Hershey’s 2020 Sustainability Report states that in 2020 Hershey programs helped: (i) obtain 3,367 birth certificates; (ii) renovate 83 classrooms; and (iii) provide 6,562 school kits. Also, in 2020 Hershey distributed approximately 1.4 million sachets of ViVi, which were received by 27,142 children daily.

As stated in Hershey’s 2020 Sustainability Report, Hershey aims to support cocoa farmers’ transition out of poverty, because it understands that the cycle of poverty continues to exacerbate the existence of child labor. This approach to eliminating child labor is a focus of the Proposal. Hershey has found that farmer groups are essential platforms for farmers to unify their voice and negotiating power to increase their earning potential and economic resilience. As mentioned in Hershey’s 2020 Sustainability Report, in 2020, Hershey expanded its support to 91 certified farmer groups, reaching 83,783 farmers through its suppliers across seven origins. Hershey’s support has assisted these groups in receiving certification of their cocoa in compliance with credible sustainability standards, which ensures the farmer groups and their farmers are paid a higher premium for their harvests. Farmers receive direct cash payouts from the certification premium. In 2020, Hershey paid \$5.9 million in direct cash premiums to farmers across all origins. In Côte d’Ivoire and Ghana, the premiums were equivalent to five percent on top of farm gate prices. In addition to certification, Hershey supports farmers in achieving economic gains by actively exploring how to improve their cocoa yields and enhance the productivity of their lands by creating tailored farm-development plans. Furthermore, to help diversify economic opportunities, Hershey supports cocoa community members in developing alternative means of generating income. In 2020, 5,673 community members were trained in alternative income-generating opportunities such as soap making and cassava processing. As another Hershey program to support income and resiliency in West Africa, as noted in Hershey’s 2020 Sustainability Report, Hershey directly supports 184 Village Savings and Loan Associations (“VSLAs”) with 5,946 members, 82 percent of whom are women. VSLAs are a simple, accessible way to help individuals and communities learn about saving, borrowing and investing responsibly. The VSLAs have proven to be an invaluable source of resilience and security during the COVID-19 pandemic.

Hershey issued a Living Wage & Income Statement, mentioned in the Proposal, in April 2021, a copy of which is attached hereto as Exhibit D. Although the Living Wage & Income Statement was not in place during the time period covered by Hershey’s 2020 Sustainability Report, which was released on June 2, 2021, and generally covers the period



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from January 1 to December 31, 2020, the Living Wage & Income Statement is briefly discussed in that report.<sup>4</sup> As stated in its 2020 Sustainability Report, Hershey believes that all individuals deserve the opportunity to earn a decent standard of living, and in 2020, Hershey followed the guidance of the United Nations Guiding Principles (“*UNGPs*”) to determine where individuals are most likely to experience wage and income-related vulnerabilities, particularly in areas where Hershey has significant leverage and influence. These efforts culminated in the publication of Hershey’s Living Wage & Income Statement. While Hershey’s 2020 Sustainability Report generally discloses Hershey’s programs aimed to increase West African farmer income as described in the Living Wage & Income Statement, since the Living Wage & Income Statement was published after the 2020 Sustainability Report, there are a few programs mentioned in that statement that were not in place during the time period covered by the 2020 Sustainability Report. Hershey will report on these additional programs and endeavors in future sustainability reports, consistent with the commitment found in Hershey’s Living Wage & Income Statement to continue publishing and reporting on its programs and partnerships to measure and identify opportunities to help increase West African farmer income.

The Proposal suggests a goal to eliminate child labor in all forms from Hershey’s West African cocoa supply chain by 2025, presumably because the United Nations Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025. The Sustainable Development Goals, also known as the Global Goals, were adopted by the United Nations in 2015. Hershey shares the Proponents’ urgency in ending child labor. However, ending child labor will necessarily require more than successful Hershey programs and policies. It takes effort by companies, such as Hershey, governments, suppliers, communities and others. As stated in its 2020 Sustainability Report, Hershey does not tolerate child labor within its value chain and has formed strategic partnerships with communities, NGOs and governments in seeking to eliminate it from cocoa communities with which it has relationships.

In summary, the information included in Hershey’s 2020 Sustainability Report provides, and future Hershey sustainability reports will continue to provide, a thorough assessment of the steps Hershey is taking to eliminate child labor from its West African cocoa supply chain and the results of those steps. As such, Hershey believes it has satisfied the Proposal’s essential objective and that its public disclosures compare favorably with the Proposal. Accordingly, as in the precedent described above, the objectives of the Proposal

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<sup>4</sup> See pages 26 and 42 of Hershey’s 2020 Sustainability Report available at [https://www.thehersheycompany.com/en\\_us/home/sustainability/policies-and-reports.html](https://www.thehersheycompany.com/en_us/home/sustainability/policies-and-reports.html)



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have been substantially implemented, and the Proposal should be excluded under Rule 14a-8(i)(10).

## **Conclusion**

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Hershey excludes the Proposal from its 2022 proxy materials.

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Hershey's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Correspondence regarding this letter should be sent to spatterson@hunton.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 419-2101 or James Turoff, the Company's General Counsel, at (717) 712-9318.

Very truly yours,



J. Steven Patterson

## Enclosures

cc: David L. Moore, Jr.  
Director of Investments  
American Baptist Home Mission Society

Gina Falada  
Investor Advocates for Social Justice

Jeffrey W. Perkins  
Executive Director  
Friends Fiduciary Corporation

Rev. Séamus Finn OMI  
Director - Justice, Peace and Integrity of Creation Office,  
U.S Missionary Oblates of Mary Immaculate

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Sister Florence Deacon  
Sisters of the Holy Cross

Jo Marie Chrosniak, HM  
Sisters of the Humility of Mary  
Shareholder Advocacy Committee

David Neisius  
Sisters of Providence, Mother Joseph Province

Nora M. Nash, OSF  
Director Corporate Social Responsibility  
The Sisters of St. Francis of Philadelphia

EXHIBIT A

Proposal, Cover Letter and Related Correspondence

See attached.



PII

[www.abhms.org](http://www.abhms.org)  
[www.judsonpress.com](http://www.judsonpress.com)

PII

December 3, 2021

**Via overnight mail and email to** PII **Cc:** PII

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Turoff,

The American Baptist Home Mission Society (ABHMS) is submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of The Hershey Company (the "Company") for its 2022 annual meeting of shareholders. ABHMS is the lead filer for the Proposal and will be joined by other shareholders as co-filers.

ABHMS has continuously beneficially owned, for at least three years as of the date hereof, at least \$2,000 worth of the Company's common stock. Verification of this ownership is attached. ABHMS intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

ABHMS and fellow ICCR members already have a dialogue scheduled with Hershey executives for December 9, 2021, at 10:00 a.m. Eastern. If requested, ABHMS is also available to meet with the Company via teleconference for a follow-up conversation on December 21 or 22, 2021. Any co-filers will either (a) be available on those dates and times or (b) in their submission letters, authorize us to engage with the Company on their behalf, within the meaning of Rule 14a-8(b)(iii)(B).

Please send future communications regarding this proposal to my representative, Gina Falada of Investor Advocates for Social Justice and SRI Consultant to ABHMS, who can be contacted at PII PII. Please copy PII on email communications. Written responses should be mailed to Investor Advocates for Social Justice, PII PII.

We have appreciated ongoing engagement with Hershey over the years and offer this proposal to focus our efforts to address child labor and a living wage in the cocoa supply chain. We look forward to discussing these topics with your team.

Sincerely,

David L. Moore Jr. CFA  
Director of investments

## End Child Labor in Cocoa Production 2022 - The Hershey Company

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

**Whereas:** Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization's definition of the "worst forms of child labor."<sup>1</sup> ILO Convention 182 calls for urgent action to eliminate these forms and Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025, yet international agreements have repeatedly failed to eradicate hazardous child labor from the cocoa supply chain.<sup>2</sup>

Twenty years ago, Hershey's CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.<sup>3</sup> After repeatedly amending the Protocol's timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60% of cocoa is produced.<sup>4</sup>

While Hershey has a Human Rights Policy and Cocoa for Good strategy, these initiatives have failed to meaningfully address systemic poverty as a root cause of child labor. Adopting a Living Wage and Income Position Statement in 2021 was a positive step; however, an Oxfam report criticizes Hershey for stating support for a living wage without a "concrete, timebound commitment and accompanying action plan to realize it."<sup>5</sup> Investors lack sufficient information to assess how Hershey's living wage statement will help eradicate child labor in its cocoa supply chain.

Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges

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<sup>1</sup> <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%C3%B4te-d%E2%80%99ivoire-and-ghana.aspx> ; <https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> ; <https://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang--en/index.htm>

<sup>2</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182) ; <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

<sup>3</sup> [https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin\\_Engel\\_Protocol.pdf](https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>5</sup> [https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY\\_Living\\_Wage\\_Income\\_Position\\_Statement.pdf](https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf) ; [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..)

Hershey knowingly profited from the illegal and systematic use of child labor.<sup>6</sup> In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.<sup>7</sup> In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as “sustainably” or “responsibly produced.”<sup>8</sup>

While Hershey indicates it met its goal to source 100% “certified and sustainable” cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.<sup>9</sup> Hershey also makes misleading and dangerous claims about “appropriate” child work on “family farms,” contradicting international frameworks to end child labor in all forms.<sup>10</sup>

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<sup>6</sup> <https://www.internationalrightsadvocates.org/cases/tevracoubaly>

<sup>7</sup>

<http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>

<sup>8</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ;

<https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%C3%B4te-d%E2%80%99ivoire-and-ghana.aspx>

<sup>9</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html)

<sup>10</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html)



December 3<sup>rd</sup>, 2021

Mr. David Moore  
American Baptist Home Mission Society  
1075 First Avenue  
King Of Prussia, Pa. 19406

Re: American Baptist Home Mission Society

PII

Dear Mr. David Moore,

As of and including December 3<sup>rd</sup>, 2021, the American Baptist Home Mission Society held continuously 100 shares (\$2,000 market value) entitled to vote on the Proposal for at least three years preceding and including the Submission Date of December 3<sup>rd</sup>, 2021. We have been directed by the shareowners to place a hold on this stock at least until the next annual meeting.

This security is currently held by Mellon Trust, Master Custodian a DTC member, for the American Baptist Home Mission Society in our nominee name at Depository Trust Company.

Please contact me directly at PII with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Abbenante".

Michael Abbenante  
Relationship Manager  
BNY Mellon



**From:** Gina Falada [PII]  
**Sent:** Thursday, January 13, 2022 9:45 AM  
**To:** Mayer, Whitney [PII]  
**Cc:** Horner, Leigh E [PII]; Poole, Melissa [PII]  
**Subject:** Re: [External] Re: Hershey Follow-up

Dear Whitney,

Investors have taken the time to review Hershey's publicly available disclosures on cocoa and continue to find that existing reports fail to address the core request of the proposal, which seeks information about how Hershey is working towards business model changes to advance a living income for cocoa farmers to address poverty as a root cause of child labor. Existing initiatives do not demonstrate to investors that Hershey will be able to meet global targets to eradicate child labor in all its forms from the West African cocoa supply chain.

While we have appreciated the opportunity to engage in dialogue with Hershey and have acknowledged positive steps the company has taken to improve its broader human rights disclosures along the way, investors remain deeply concerned about Hershey's severe human rights impacts in the cocoa sector, and believe more urgent action is required to end child labor. We intend to move forward with the shareholder proposal.

Best regards,  
Gina

On Wed, Jan 12, 2022 at 8:23 AM Mayer, Whitney <[REDACTED]> wrote:

Dear Gina,

Thank you again for the continued dialogue on this topic and for sharing our response with the investor group for review and consideration. We look forward to any feedback you can provide and of course are happy to clarify any questions that might surface as your colleagues review the information provided.

We would also appreciate an update regarding whether you plan to move forward with your shareholder proposal. As we have expressed, we value our continued engagement with ICCR and the investor network, which we believe, based on our history, is the most productive method for defining the strategies and approaches that meet our shared objectives of improving farmer livelihoods and addressing child labor. If your plans with the shareholder proposal remain unchanged, we did want to share and be transparent that Hershey will then be filing a no-action letter request to the SEC asking to exclude the proposal from our 2022 Proxy Statement. We anticipate submitting the request to the SEC before the deadline of Monday, January 17.

Again, given the many years of productive dialogue between our two organizations we believe direct dialogue and engagement is the most impactful way to effect change, as well as the most efficient use of our collective financial and human capital resources.

Thanks again and we look forward to hearing from you soon.

Best,

Whitney

**Whitney S. Mayer** 

(she/her/hers)

Director, Global Sustainability & ESG

o: [REDACTED] PII  
m: [REDACTED] PII  
[REDACTED] PII

**From:** Gina Falada <[REDACTED] PII >  
**Sent:** Thursday, January 6, 2022 9:31 AM  
**To:** Horner, Leigh E <[REDACTED] PII >  
**Cc:** Mayer, Whitney <[REDACTED] PII >  
**Subject:** [External] Re: Hershey Follow-up

Hi Leigh,

Thank you for sharing these follow-up items. I will share this information with the investor group for review and consideration and we will get back to you with feedback as soon as possible.

Best regards,

Gina

**From:** Horner, Leigh E <[REDACTED] PII >  
**Sent:** Thursday, January 6, 2022 8:13 AM  
**To:** Gina Falada <[REDACTED] PII >  
**Cc:** Mayer, Whitney <[REDACTED] PII >  
**Subject:** Hershey Follow-up  
**Importance:** High

Gina –

Happy New Year and thanks again for our time together in December. We valued the discussion. Below is the follow-up letter as we committed to with additional information. If you would be so kind as to pass this along to the rest of the individuals that participated. We look forward to our continued dialogue and progress.

Leigh

-----To Share-----

Dear ICCR Team,

We appreciate your time in December with ABHMS and others to discuss our collective concerns and efforts around cocoa sustainability and child labor. As we discussed, we are providing additional information and data on Hershey's substantial progress in supporting the cocoa communities in West Africa.

### **Hershey Programs**

We would first direct you to our [Cocoa For Good](#) website, which provides an overview of Hershey's half-billion-dollar strategy and suite of programs focused on making a difference in West African cocoa communities by, among other things, supporting stronger incomes and livelihoods, combating child labor and protecting forests.

- Our comprehensive sustainable cocoa strategy also includes transparent information on our [Child Labor Monitoring and Remediation System \(CLMRS\)](#), including information disaggregated by gender. Through prevention, detection, remediation and reporting, we have thus far monitored 63,241 children through this program since it started in 2018 and the [link](#) includes other statistics on interventions, such as providing children with birth certificates so they may go to school instead of work during the day. We are pleased that this program has not identified instances of forced labor.
- As we mentioned during the call, CLMRS is the best known prevention and intervention system available today. These industry interventions are making a real difference as shown by a study carried out in 2018-19 by the National Opinion Research Center (NORC) that can be found [here](#). The key finding of the NORC study is summarized in this statement:

*The results of the study demonstrated that the Industry Intervention Package has led to a lower likelihood and lower prevalence of child labor and hazardous child labor. Specifically, communities that received significant exposure to the Industry Intervention Package had a lower prevalence rate of hazardous child labor*

*compared to similar communities that did not receive such interventions. In addition, the results also demonstrated that the likelihood of having at least one child engaged in hazardous work within agricultural households in communities that received the Industry Intervention Package in both Côte d'Ivoire and Ghana was lower compared to the households that did not receive the package.*

A critical factor in ensuring the success of this work is knowing where cocoa is coming from and working with the farmers and communities who grow it, and working with our suppliers to provide visibility down to the farm level, into where the cocoa used in our products is grown and how it is grown. We have been transparent in sharing our [Cocoa Supply Chain Information](#) with our stakeholders, including sharing a list of our suppliers, an interactive map online of where the cocoa is grown and a [list of farmer groups](#).

### **Prevention**

As we mentioned during the call, a critical step in understanding where and how our cocoa is produced is our suppliers' transition to traceability to the first point of purchase, which our suppliers are quickly doing in collaboration with the producing country governments, who are critical to enable traceability for all the cocoa grown in Cote d'Ivoire and Ghana. This will support Hershey as we work with our suppliers to scale up CLMRS to 100% of our Ghana and Côte d'Ivoire cocoa sourcing. Today, more than 70% of our cocoa from Ghana and Côte d'Ivoire is now direct sourced by our suppliers on our way to 100% by 2025. Within our current direct-sourced supply chain, we have achieved 97% CLMRS coverage and plan to achieve 100% CLMRS coverage across all our farmer groups as we scale up to achieve 100% direct sourcing. You can read about our [enterprise goals and progress](#) on our website.

In this reference, the Industry Intervention Package consists of a range of interventions and approaches aiming to improve child protection in cocoa-growing communities. This includes Community Development approaches, as well as CLMRS embedded in the supply chain that were supported by individual companies that are members of the World Cocoa Foundation, which for more than 20 years has been at the forefront of advocating for a sustainable cocoa sector. The Industry Intervention Package included activities to identify, monitor and support households with vulnerable children, as well as the wider community, including: child protection and awareness-raising programs; education infrastructure/material assistance; gender awareness-raising programs; women's livelihood support programs; formation and strengthening of community child protection committees; and school management committees.

This comprehensive industry prevention work fully describes the preventative and protective measures that Hershey has deployed in our direct-sourced farmer groups, which will soon reach 100% of our cocoa sourcing in Ghana and Côte d'Ivoire.

Hershey also financially supports the work of the International Cocoa Initiative (ICI) and we are members and sit on the board of this organization. You can find its 2020 Annual Report [here](#).

The key takeaway from the ICI report is: *"ICI has been working in cocoa-growing communities in Côte d'Ivoire and Ghana for over 13 years and within that time has helped advance quantified progress in the fight against child labor in cocoa. Its direct actions alone have improved child protection for more than 422,000 children between 2015 and 2020, and its approaches have led to a 20% reduction in child labor in ICI-assisted communities, as well as a 50% reduction in hazardous child labor amongst at risk children*

*identified by ICI's monitoring systems. ICI's innovation and learning projects, sharing of good practice, coordination efforts and technical advocacy work also contribute to wider impact on the cocoa sector as a whole, in addition to its direct action, supporting the scale up of impact."*

We would also like to direct you to a [blog](#) from Tawiah Agyarko-Kwarteng, one of our representatives on the ground in West Africa who is supporting our cocoa sustainability programs. She describes how our various programs and actions are focused on prevention and being very proactive, rather than reactive, when it comes to child labor and supporting the well-being of children and working to prevent child labor in our supply chain.

### **Reporting on Progress**

We maintain our commitment to transparently and formally reporting on our progress and have attached several pages from our [2020 Sustainability Report](#) at the end of this letter that include more details and statistics about the progress we mentioned during the call and to show the impact of our Cocoa For Good programs. I would encourage you to review these pages to understand how the pillars of this strategy work holistically together to have a positive impact on communities, families and children.

It's helpful to note that we [reported against the UN Guiding Principles Reporting Framework](#) for the first time in 2020, which is a peer-leading practice. Our UNGPRF Index can be accessed through the link and provides additional links to all of our human rights efforts including more details about our work to protect human rights in the cocoa sector.

Finally, Hershey also continues to update and enhance our public statements against [Slavery and Human Trafficking](#). Within this comprehensive statement, we would like to point out the following comments:

- We further strengthened our efforts to combat child labor by introducing CLMRS through our suppliers on Cocoa For Good farms and their local communities in Côte d'Ivoire and Ghana. Hershey has committed that all cocoa sourced from Côte d'Ivoire and Ghana will be directly sourced by 2025 and with 100% CLMRS coverage of our directly sourced cocoa in these two countries by 2025. We expect this expansion of CLMRS to cover 125,000 children by 2025, which would be a 350% increase in the number of children (2018 baseline) being supported by our CLMRS system. CLMRS is the leading method of detection and remediation of child labor amongst children aged 5-17 and was developed through ICI. We are encouraged by the early, but positive, impact of CLMRS and the scalability this system can have. To date we have identified 0 instances of forced labor. It's important to note that instances of forced or trafficked child labor occur rarely in cocoa production in West Africa. The NORC number of two million children involved in child labor often gets conflated with forced labor by media and some activist groups. A study done by Tulane University and the Walk Free Foundation in 2018 found that forced labor affects less than 1 percent of children living in cocoa-growing areas of Côte d'Ivoire and Ghana. ICI also references this figure on its [website](#) where forced labor is discussed. Hershey is an active member of ICI's Forced Labor Sub-Group, working with our peers and technical experts to advance knowledge, skills and action on preventing, monitoring, identifying, and addressing forced labor. More information on the results of our CLMRS program can be found [here](#).
- In 2020, Hershey also developed a more comprehensive approach to human rights due diligence in cocoa. This process includes country of origin risk assessments, a supplier sustainability

assessment, which evaluates suppliers' policy commitments, and management systems for addressing topics like child labor, forced labor, grievance mechanisms and living income. It also includes manufacturing site risk assessments using the SMETA audit protocol, farm level risk assessments through our certification partnerships like Rainforest Alliance, and our existing CLMRS. We are in the process of creating action plans with suppliers based on results from these supplier sustainability assessments.

### **Shareholder Proposal**

We appreciate that your shareholder proposal conveys a sense of urgency, and we share your sense of priority on these matters. Hershey has been actively fulfilling its responsibility to respect human rights, including those of children, in the communities where we source cocoa. Ensuring better futures for children in cocoa-growing communities takes persistence, diligence and the collective efforts of all industry actors and governments in an environment where systemic and historical practices are ingrained in the culture. We know we can effect change, and, as illustrated in the examples above, there have been positive impacts already. Our commitment to create an improved infrastructure and support system for cocoa farmers continues.

Our continued collaboration and actions on the ground are the most efficient and effective way to collectively make progress on these critical topics. We have placed emphasis on this matter as illustrated above by the various links and reports. A shareholder proposal will not change our dedication and commitment to effecting change on these matters. It will, however, require our dedication and time to respond to your proposal in our Proxy Statement, and we believe that time could be better spent on more meaningful and impactful measures to effectuate change.

We welcome your feedback on the above materials and your specific recommendations on what you view as critical actions needed in the near future. We remain open to discussing a path forward that results in a withdrawal of your shareholder proposal, but we are also prepared to defend our position should you decide to proceed with your current plans.

Thank you again for the ongoing engagement with ICCR and the opportunity to share our substantial work and progress.

Sincerely,

Leigh Horner  
Vice President, Global Sustainability & Corporate Communications  
The Hershey Company



## How CLMRS Is Helping Kids Be Kids



- 1 Community facilitators visit every farm assigned to their farmer group
- 2 Any child involved in hazardous activity is identified and information about his/her situation is recorded in a centralized database
- 3 The report is verified
- 4 The data is used to design actions in support of children identified
- 5 Children and their families receive remediation support from supply chain facilitators and NGO partners or are referred to public services

### What's next

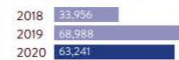
We will continue to invest to improve the quality of CLMRS and to expand it with the aim of ensuring that no child goes unseen and everyone gets the right support. In addition, we are increasingly focusing on the topic of forced labor to understand how to uncover it and mitigate it in partnership with ICI and our suppliers.

**97%** of farmers in Côte d'Ivoire and Ghana that direct sourced to Hershey were covered through CLMRS in 2020

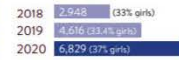
### 2020 PROGRESS<sup>15</sup>

#### Detection and Reporting

##### Children monitored



##### Children identified doing inappropriate work and in process of remediation

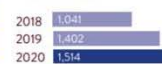


##### Children identified in forced labor



#### Capacity Building

##### Monitoring and Remediation Agents and Community Liaisons (paid and volunteers)



<sup>15</sup> CLMRS coverage of our supply chain continues to grow year over year. Increases in children monitored, children identified doing inappropriate work and Monitoring and Remediation Agents all represent the expansion of this program. Cumulative numbers 2018 to 2020 have been adjusted to account for children flowing out of CLMRS, such as those who are older than 17, have moved away, whose parents are no longer in a farmer group, etc., and the digitization of paper-based systems.

## Uplifting Rural Livelihoods

A confluence of factors contribute to the prevalence of poverty in cocoa-growing communities, including low access to credit, impeded negotiating power for farmers to set crop prices, a singular reliance on cocoa for income, falling cocoa yields as cocoa trees age, a lack of proper business and financial training, and gender imbalances. Meanwhile, we know that the cycle of poverty continues to exacerbate the existence of child labor and high deforestation rates in these communities.

Our aim is to support cocoa farmers' transition out of poverty, and we invest in developing multiple opportunities to increase income and build resilience.

### Supporting the Development of Farmer Groups

Farmer groups are essential platforms for farmers to unify their voice and negotiating power to increase their earning potential and economic resilience. Through Cocoa For Good, in 2020, Hershey expanded its support to 91 certified farmer groups, reaching 83,783 farmers through our suppliers across seven origins.

Our support has assisted these groups in receiving certification of their cocoa in compliance with credible sustainability standards. This not only helped us reach our goal of sourcing 100 percent certified and sustainable cocoa but also ensures the farmer groups and their farmers are paid a higher premium for their harvests.

Farmers receive direct cash payouts from the certification premium that enables them to reinvest in their farms and their families, including buying food,

paying school fees and covering medical expenses. In 2020, through Cocoa For Good, we paid \$5.9 million direct cash premium to farmers across all origins. In Côte d'Ivoire and Ghana, the premiums were equivalent to 5 percent on top of farm gate prices. At the group level, the certification premium is used to further strengthen the resiliency of the group as a whole, such as through investment in shared equipment and capacity building like training on climate-smart cocoa techniques and income-diversification opportunities.

In 2020, two farmer groups supplying Hershey were decertified, based on third-party audits that found a lack of transparency related to bean traceability, issues on group documentation and inconsistencies between the groups' forecasts and sales. Consequently, the farmer groups were excluded from our direct sourcing and none of their beans have entered our supply chain since. Based on improvement plans, we expect the farmer groups to mitigate gaps found and recertify in early 2021, making them able to rejoin Cocoa For Good at that time.

### Our Impact

**\$5.9m** direct premium paid to farmers

**91** farmer groups supported in 2020  
2018: 57, 2019: 64

### FARMER GROUPS ARE LOCAL GAME CHANGERS



In 2014, the Ivorian CA CPSL cocoa cooperative partnered with Hershey via our supplier and became UTZ certified. By achieving certification, the farmer group can now sell its cocoa for even more than the price set by Côte d'Ivoire's Conseil du Café Cacao. For the farmers, the cooperative has increased their incomes and greatly contributed to their wellbeing, and has also had positive ripple effects on surrounding communities.

Since certification, the farmer group has increased in size by 36 percent to 1,789 members and developed structurally, making it possible to secure around 50 full-time jobs and

about 100 part-time jobs. They have also invested in new offices and storage facilities and purchased cars and trucks. Their goal is to grow to 2,000 members by 2023.

At the community level, the group premium—an incentive for being certified that is paid by Hershey—enabled the cooperative to invest in the construction of two primary schools, six village water pumps and the renovation of roads and two bridges. The direct premium has also led to extra income-generating activities and the renewal of cocoa tree orchards through a program that developed nurseries for cocoa trees and shade plants.



# Prevention Is the Priority

## Preventing Child Labor through Access to Education

As part of our holistic effort to eliminate child labor, we seek to prevent child labor from occurring by removing barriers to children being able to attend school. We focus significant resources and effort on making it easier for children to access and continue their education, such as by improving education infrastructure, training school-parent management committees, providing school kits filled with important school supplies, and helping children and youth obtain birth certificates for school enrollment.

Since the launch of Cocoa For Good, Hershey has invested together with local authorities to build four schools. In 2020, Hershey launched its latest fully equipped primary school in the village of Naabadougou, Côte d'Ivoire with the partnership of the local cocoa cooperative and the community. Construction was completed in September 2020, just before the new school year started. The school includes six classrooms, two bathroom blocks, one canteen, two handwashing taps, six teacher residences, a hydraulic pump and water tower villagers can access, and a solar energy system to power the whole school.

We have also committed to invest \$3 million in the coming years to support the Jacobs Foundation on two new public-private initiatives from 2020 to 2025: the Child Learning and Education Facility

(CLEF), which will contribute to improved foundational literacy and numeracy skills for 5 million children at the primary level and invest in 2,500 new classrooms; and the Early Learning and Nutrition Facility (ELAN), which is designed to reach 1.3 million children below the age of five and their caregivers, providing quality services and training in early childhood development and nutrition.

### Our Impact

In 2020:

-  **3,367** birth certificates obtained to enable access to school
-  **83** classrooms renovated
-  **6,562** school kits provided
-  **47,481** children enrolled in primary schools that benefited from quality education interventions

## ADDRESSING CHILD LABOR THROUGH SCHOOL-BASED NUTRITION



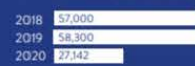
Image courtesy of Fair Trade USA

Not only does a full stomach improve a student's ability to concentrate and learn, it can also be the deciding factor between whether or not a child attends school. Since 2015, we have been distributing ViVi—a peanut-based fortified snack—to school children in Ghana daily. ViVi was developed by Hershey and our partner Project Peanut Butter, and provides children with 30 percent of their daily nutritional intake requirements.

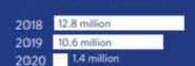
Knowing that children will be fed at school becomes another reason to ensure they go to class rather than to work, making it an important preventative tool in the fight against child labor.<sup>19</sup> Our research has shown that providing ViVi increases school enrollment and regular attendance, while also enabling improved academic performance. There is also a reduction of 11–81 percent in the prevalence of anemia in those receiving ViVi<sup>19</sup> so that they are energized to learn!

In 2020, we distributed approximately 1.4 million sachets of ViVi, which were received by 27,142 children daily. Unfortunately, due to school closures related to COVID-19, we distributed less ViVi to students than in prior years. However, with the completion of our new ViVi production facility in Côte d'Ivoire, we expect that post-pandemic we will be able to manufacture more ViVi for students' daily access than ever before.

### Children receiving ViVi daily



### Total ViVi sachets distributed



## Improving Income Through Cocoa Yields

Next to certification, we support farmers in achieving economic gains by actively exploring how to improve their cocoa yields and enhance the productivity of their lands by creating tailored farm-development plans. Through Cocoa For Good and associated farmer groups, farmers have access to higher-yielding cocoa varieties and are trained on the proper pruning of shade and cocoa trees, fertilization and irrigation, and weed and disease control. Members also have improved access to credit and loans to make further investments in their farms. As a result of these and other interventions, farmers in the Cocoa For Good program have shown increased productivity.

## Diversifying Incomes

To help diversify economic opportunities, we support cocoa community members in developing alternative means of generating income. In 2020, 5,673 community members were trained in alternative income-generating opportunities such as soap making and cassava processing. During the year, 17,527 farmers, or 21 percent of all farmers participating globally in Cocoa For Good, also received guidance on crop diversification for growing and developing new foods on their farms. This training supports better nutrition and food security for farmers' families in addition to the added sources of income.

## HERSHEY'S SUPPORT FOR THE WEST AFRICA LIVING INCOME DIFFERENTIAL (LID)



Hershey's commitment to improving cocoa farmer livelihoods and ensuring a long-term sustainable cocoa supply is unwavering. Solving the many challenges within cocoa production, such as low incomes, poverty, child labor and environmental protection, will only be possible through collaboration and cooperation across industry, governments and civil society. We deeply value our long-time mutual collaboration and partnership with the governments of Côte d'Ivoire and Ghana to advance our shared goals.

As of 2021, the governments of Côte d'Ivoire and Ghana installed a LID premium to be paid on cocoa purchased in these countries to help fight farmer poverty. Hershey fully supports and is participating in the LID for our ongoing and substantial cocoa purchases from the 2020–2021 Côte d'Ivoire and Ghana crops—and commits to do so for future crops as well.

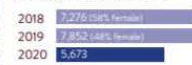
We have engaged the governments of Côte d'Ivoire and Ghana to make our commitments clear, and we have also communicated this requirement to our cocoa suppliers and confirmed that they have paid and will continue to pay the LID. We recognize the importance and value of the LID as a means to reach and improve the lives of farmers across the entire Ivorian and Ghanaian cocoa-farming industries, not just the ones directly involved in our programs.

## 2020 PROGRESS

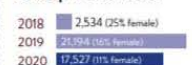
### Farmers supported directly through Cocoa For Good



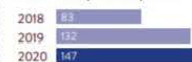
### Community members trained in additional livelihoods



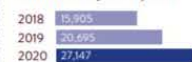
### Total farmers trained on crop diversification



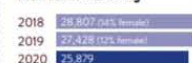
### Community action plans<sup>19</sup>



### Farm development plans



### Farmers receiving individual coaching



<sup>19</sup> Community action plans are developed through trained community representatives to enhance local livelihoods and the quality of life in the community.





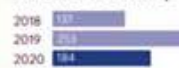
### Supporting Women in Achieving Economic Independence

Village Savings and Loan Associations (VSLAs) are a simple, accessible way to help individuals—especially women—and communities learn about saving, borrowing and investing responsibly. The groups' members are likely to be either completely unbanked or unable to qualify for a loan through traditional financial providers. In VSLAs, loans are based on trust among group members. The groups also create a small solidarity fund that is dispensed either for collective problems (such as repairing a village water pump) or individual emergencies. Hershey now directly supports 184 VSLAs with 5,946 members, 82 percent of whom are women. We are especially pleased to report that, thanks to collective savings, the VSLAs have proved an invaluable source of resilience and security during the COVID-19 pandemic.

### Empowering Youth

To break the intergenerational cycle of poverty, today's youth in cocoa communities (defined as 15 to 35 year-olds) need to be equipped with life skills, technical and vocational skills, and the practical knowledge and tools needed to become self-sufficient community leaders of the future. We support youth economic empowerment through access to training, land tenure documents and the development of income-earning opportunities such as community pruning teams. Pruning teams are groups of up to 10 young adults who help to provide essential pruning services to cocoa farmers in their communities. Regular pruning of cocoa trees helps to prevent tree mold and diseases and reduces the need for farmers to apply agrochemicals and pesticides. In addition to providing an invaluable service to farmers, these community pruning teams provided 525 young adults in cocoa-growing communities in 2020 with valuable skills and knowledge about cocoa farming, while also helping to support their families with extra income.

#### Number of VSLAs set up



#### Total VSLAs members



#### Total savings and interest accrued (as of December 31, 2020)



## Fighting Deforestation

In cocoa-growing regions in West Africa, deforestation and biodiversity loss due to encroachment into protected areas is a manifestation of a complex set of root causes, such as poverty, the absence of land titles, a lack of clarity on land tenure arrangements, limited knowledge of sustainable farming practices and poor law enforcement.

To combat this, Hershey is investing in helping farmers secure land titles where they farm, spreading climate-positive farming methods and investing in protecting the delicate ecosystems where cocoa is produced in Côte d'Ivoire and Ghana.

Since 2018, Hershey has publicly committed to no new deforestation in our global cocoa supply chain and to implementing shade-grown agroforestry tree-planting programs.

### Farm Locations and Deforestation

We have spent the past few years comprehensively mapping our cocoa-growing farms in Côte d'Ivoire and Ghana to create a baseline deforestation rate through measuring annual tree cover loss and to closely monitor farm locations for encroachment into protected forest areas. In 2020, 119,537 hectares were polygon mapped in Côte d'Ivoire and Ghana—that's an area greater than 356,000 football fields.

With our partner *Spatium*, we are using a geospatial satellite monitoring tool and cross-validating data with our

suppliers' systems, national forest laws, Rainforest Alliance and CFI. In 2020, 1,528 farmers were located in protected areas, of whom:

- 577 farmers were permitted by the government to continue farming in compliance with approved guidelines.
- 583 farmers were removed from the Hershey direct sourcing supply chain.<sup>21</sup>
- 8 farmers still have decisions pending.

Farms supported by Cocoa For Good showed a tree cover loss of 1 percent, which may be the result of human activities or natural causes such as disease or storm damage. This is lower than the national annual tree cover loss rates of 1.6 percent and 1.3 percent for Côte d'Ivoire (2019) and Ghana (2019)<sup>22</sup> respectively.

### Securing Land Titles to Unlock Land Value

Without proper land titles, it is difficult for farmers to access financing or make necessary changes on their farms to prevent deforestation, promote reforestation and apply agroforestry and climate-smart cocoa farming.

Through our partnership with the USAID Integrated Land and Resource Governance (ILRG) Project (2018–2020), we support communities in Ghana to clarify and document land rights as well as improve land-use planning practices through agroforestry. Through our engagement with ILRG and our supplier *ECOM* in 2020, 522 farmers have obtained land title documentation and 749 certificates registering ownership of shade trees were issued to farmers.

In 2020, we co-launched the Côte d'Ivoire Land Partnership program (CLAP)<sup>23</sup> to promote affordable land titling as a catalyst for halting deforestation. Due to our intervention and design of relevant land

tenure documents that are government sanctioned and community accepted, this partnership was able to shorten the time of delivery and costs of securing land titles—greatly improving farmers' access.



<sup>21</sup> When farms are found to be located in protected areas, verification bases place and local authorities are informed. When national laws do not permit a farm's location, the farmers are removed from our direct supply chain and can no longer sell cocoa beans to our certified farmer groups and suppliers. Sometimes, certain farm locations in protected areas are allowed. In this case, farmers may continue farming after receiving approval from local authorities and after farm development plans are put in place.

<sup>22</sup> Cocoa Forest Watch, Côte d'Ivoire, Ghana.

<sup>23</sup> The CLAP Consortium key founders are World Bank, AFOR, The Hershey Company, Unilever, Barry Callebaut, Cocoa Horizons and BDO.

### Continuing Our Landscape Programs

We continued our Kakum Agroforestry Landscape Program partnership in Ghana, which covers an area equivalent to twenty times the size of Manhattan. This partnership promotes and supports community-led landscape management, spreads climate-smart cocoa-growing practices and provides training for extra income-generating activities.

In 2020, we also partnered on our first landscape program in Côte d'Ivoire, the "Green Nawa Initiative." The program is led by our partner [FarmStrong Foundation](#) and funded by a multi-sector consortium of enterprises and SECO (the Swiss government development agency). It is set to run until 2023 and has been designed to integrate landscape approaches into agriculture and forestry activities within the Nawa Region's cocoa-growing area (900,000 hectares). What's different is that it is tackling the root causes of the issues through a multi-commodity approach (cocoa, coffee, palm, rubber and rice). The activities planned to be undertaken by this partnership include forest restoration, afforestation, the creation of green jobs, digital payment systems to farmers, the geo-localization of farms and the use of a sophisticated satellite-based land-use change tools to analyze deforestation.

### Promoting Climate-Smart Cocoa

As we support more farmers to gain control of their land, we are also promoting climate-smart growing techniques. In 2020, 16 percent of our farmers in Côte d'Ivoire and Ghana were trained on climate-smart cocoa using a curriculum Hershey helped develop. We will be expanding access to this training by making the content available via a free app. In 2020, 209,961 hectares of certified cocoa area was farmed across seven origins through the 83,783 Cocoa For Good farmers in line with sustainable farming practices: promoting shade-grown agroforestry, specific tree species, tree handling and planting, and the management of trees after planting.

Find out more about our progress against public targets in dedicated [CFI reports](#).

### What's Next

We will continue our engagement in our current two landscape initiatives and are exploring new landscape initiatives in Côte d'Ivoire. In addition, we will continue to double down on agroforestry, promoting climate-smart cocoa and affordable land titling as well as community-led natural resource management.

### Our Impact

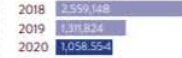
**83%**  
farmers polygon mapped in Côte d'Ivoire and Ghana

**8.46 million**  
cocoa trees and 1.26 million shade trees distributed (since 2013)

**1,018,000**  
hectares of landscapes programs supported and monitored

### 2020 PROGRESS

Total tree seedlings distributed to replace old cocoa trees (drop due to Côte d'Ivoire government suspension)



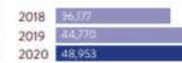
Total multi-purpose trees distributed



Land titles acquired with Hershey's assistance



Total farmers mapped



Total farm area mapped in Côte d'Ivoire and Ghana (in hectares)

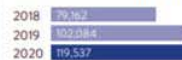


EXHIBIT B

Co-Filers' Submissions

See attached.





ADDING VALUES TO STRONG PERFORMANCE.

December 6, 2021

VIA EXPRESS DELIVERY

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Dear Mr. Turoff,

Friends Fiduciary Corporation ("Friends Fiduciary") is submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of The Hershey Company (the "Company") for its 2022 annual meeting of shareholders. Friends Fiduciary is co-filing the Proposal with lead filer American Baptist Home Mission Society (ABHMS). In its submission letter, filer ABHMS will provide dates and times of ability to meet. We designate the lead filer to meet initially with the Company but may join the meeting subject to our availability.

Friends Fiduciary Corporation serves more than 430 Quaker meetings, churches, and organizations through its socially responsible investment services. We have over \$675 million in assets under management. Our investment philosophy is grounded in the beliefs of the Religious Society of Friends (Quakers), among them the testimonies of peace, simplicity, integrity and justice. We are long term investors and take our responsibility as shareholders seriously. When we engage companies we own through shareholder resolutions we seek to witness to the values and beliefs of Quakers as well as to protect and enhance the long-term value of our investments. As Quaker investors we are very concerned with human rights risks and the use of child labor in our companies' supply chains.

A representative of the filers will attend the shareholder meeting to move the resolution. We look forward to meaningful dialogue with your company on the issues raised in this proposal. Please note that the contact person for this proposal is Gina Falada of Investor Advocates for Social Justice [REDACTED] PII. The lead filer is authorized to withdraw this resolution on our behalf.

Friends Fiduciary has continuously beneficially owned, for at least three years as of the date hereof, greater than \$2,000 worth of the Company's common stock. Verification of this ownership is attached. Friends Fiduciary intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

Sincerely,

  
Jeffery W. Perkins  
Executive Director

Enclosures

cc: David L. Moore at American Baptist Home Mission Society



## End Child Labor in Cocoa Production 2022 - The Hershey Company

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

**Whereas:** Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization's definition of the "worst forms of child labor."<sup>1</sup> ILO Convention 182 calls for urgent action to eliminate these forms and Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025, yet international agreements have repeatedly failed to eradicate hazardous child labor from the cocoa supply chain.<sup>2</sup>

Twenty years ago, Hershey's CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.<sup>3</sup> After repeatedly amending the Protocol's timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60% of cocoa is produced.<sup>4</sup>

While Hershey has a Human Rights Policy and Cocoa for Good strategy, these initiatives have failed to meaningfully address systemic poverty as a root cause of child labor. Adopting a Living Wage and Income Position Statement in 2021 was a positive step; however, an Oxfam report criticizes Hershey for stating support for a living wage without a "concrete, timebound commitment and accompanying action plan to realize it."<sup>5</sup> Investors lack sufficient information to assess how Hershey's living wage statement will help eradicate child labor in its cocoa supply chain.

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<sup>1</sup> <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx> ;  
<https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> ; <https://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang-en/index.htm>

<sup>2</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182) ;  
<https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

<sup>3</sup> [https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin\\_Engel\\_Protocol.pdf](https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>5</sup> [https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY\\_Living\\_Wage\\_Income\\_Position\\_Statement.pdf](https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf) ;  
[https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..)



Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges Hershey knowingly profited from the illegal and systematic use of child labor.<sup>6</sup> In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.<sup>7</sup> In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as “sustainably” or “responsibly produced.”<sup>8</sup>

While Hershey indicates it met its goal to source 100% “certified and sustainable” cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.<sup>9</sup> Hershey also makes misleading and dangerous claims about “appropriate” child work on “family farms,” contradicting international frameworks to end child labor in all forms.<sup>10</sup>

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<sup>6</sup> <https://www.internationalrightsadvocates.org/cases/tevracoubaly>

<sup>7</sup>

<http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>

<sup>8</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ;

<https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx>

<sup>9</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html)

<sup>10</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html)



*Institutional Trust & Custody  
50 South 16<sup>th</sup> St - Suite 2000  
Philadelphia, PA 19102*

12/6/21

To whom it may concern:

This letter is to verify that **Friends Fiduciary Corporation** currently holds greater than \$2,000 worth of **The Hershey Company** stock. Further **Friends Fiduciary Corporation** has continuously held greater than \$2,000 worth of **The Hershey Company** stock for the three years preceding December 6, 2021 and will continue to hold greater than \$2,000.00 of **The Hershey Company** stock through the date of the company's next annual meeting.

The securities are held by **US Bank NA** who serves as custodian for **Friends Fiduciary Corporation**. The shares are registered in our nominee name at **Depository Trust Company**.

Sincerely,

A handwritten signature in black ink that reads "Sue E. Massey".

Sue E. Massey  
Senior Account Associate

PII



December 8, 2021

James Turoff  
Senior Vice President, General Counsel and Secretary  
Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Email: [REDACTED] PII

I am writing you on behalf of **Missionary Oblates of Mary Immaculate-US Province** to co-file the stockholder resolution on End Child Labor in Cocoa Production. In brief, the proposal states: **RESOLVED**, shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with the American Baptist Home Mission Society. I submit it for inclusion in the 2022 proxy statement for consideration and action by the shareholders at the 2022 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of \$2,000 worth of the shares. We have continuously held shares of Hershey Company common stock with a value of at least \$2,000 for at least one year in market value and will continue to hold at least \$2,000 of Hershey Company stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider the American Baptist Home Mission Society the lead filer of this resolution. As such, the American Baptist Home Mission Society, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Gina Falada, of the American Baptist Home Mission Society who may be reached by phone [REDACTED] PII or by email: [REDACTED] PII

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Rev. Séamus Finn OMI

Director - Justice, Peace and Integrity of Creation Office,  
U.S Missionary Oblates of Mary Immaculate



1800 Washington Blvd  
8<sup>th</sup> Floor  
Baltimore, MD 21203

Proof of Ownership

12/8/2021

Rev. Seamus P. Finn  
Missionary Oblates of Mary Immaculate-United States Province  
391 Michigan Avenue, NE  
Washington, DC 20017-1516

Re: Shareholder proposal submitted by Missionary Oblates of Mary Immaculate-United States Province

Dear Father Finn,

At your direction, Missionary Oblates of Mary Immaculate-United States Province, we hereby confirm the following account details.

As of January 4, 2021, Missionary Oblates of Mary Immaculate-United States Province continuously held shares of the Company's common stock Hershey Company with a value of at least \$2,000 for at least one year, and Missionary Oblates of Mary Immaculate-United States Province has continuously maintained a minimum investment of at least \$2,000 of Hershey Company from January 4, 2021 through December 8<sup>th</sup>, 2021.

Wilmington Trust a Division of M&T Bank has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me.

Very truly yours,

**Rose DiBattista**

Vice President | Wilmington Trust a Division of M&T Bank

Retirement and Institutional Custody Services | Unit Manager

Direct [PII] | (F) [PII] (C) [PII] | [PII]

[PII]

1800 Washington Blvd, Baltimore, MD 21230

Mail Code: MD1-MP33

“Wilmington Trust” encompasses the trust and investment business of M&T Bank and of some of M&T Bank’s subsidiaries and affiliates serving individual and institutional clients, including Wilmington Trust, N.A., Wilmington Trust Company (operating only in Delaware), Wilmington Trust Retirement and Institutional Services Company, Wilmington Trust Investment Advisors, Inc., and several other investment advisor affiliates.



December 6, 2021

Via mail and email to [REDACTED] PII Cc: [REDACTED] PII

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Mr. Turoff,

The Sisters of the Holy Cross of Notre Dame, Indiana is submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of The Hershey Company (the "Company") for its 2022 annual meeting of shareholders. The Sisters of the Holy Cross is co-filing the Proposal with lead filer, American Baptist Home Mission Society (ABHMS). In its submission letter, The ABHMS will provide dates and times of ability to meet. We designate the lead filer to meet initially with the Company and hope to join the meeting subject to our availability.


As of January 4, 2021, The Sisters of the Holy Cross of Notre Dame, Indiana had continuously held shares of the Company's common stock with a value of at least \$2,000 for at least one year, and The Sisters of the Holy Cross has continuously maintained a minimum investment of at least \$2,000 of such securities from January 4, 2021 through the date hereof, which confers eligibility to a submit a proposal under Rule 14a-8(b)(3). Verification of this ownership is attached. The Sisters of the Holy Cross intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

American Baptist Home Mission Society is the lead filer of this resolution, and the primary contact person is Gina Falada of Investor Advocates for Social Justice and SRI Consultant to ABHMS. She can be contacted at [REDACTED] PII or [REDACTED] PII. We authorize her to act on our behalf for all purposes in connection with this proposal, including modifications or withdrawal.

The Sisters of the Holy Cross would appreciate correspondence about this resolution be directed to Sister Florence Deacon at the address listed in the letterhead or

[REDACTED] PII

Sincerely yours,

  
Kathleen Moroney, CSC  
General Treasurer  
Sisters of the Holy Cross, Inc.

## End Child Labor in Cocoa Production 2022 - The Hershey Company

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

**Whereas:** Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization's definition of the "worst forms of child labor."<sup>1</sup> ILO Convention 182 calls for urgent action to eliminate these forms and Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025, yet international agreements have repeatedly failed to eradicate hazardous child labor from the cocoa supply chain.<sup>2</sup>

Twenty years ago, Hershey's CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.<sup>3</sup> After repeatedly amending the Protocol's timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60% of cocoa is produced.<sup>4</sup>

While Hershey has a Human Rights Policy and Cocoa for Good strategy, these initiatives have failed to meaningfully address systemic poverty as a root cause of child labor. Adopting a Living Wage and Income Position Statement in 2021 was a positive step; however, an Oxfam report criticizes Hershey for stating support for a living wage without a "concrete, timebound commitment and accompanying action plan to realize it."<sup>5</sup> Investors lack sufficient information to assess how Hershey's living wage statement will help eradicate child labor in its cocoa supply chain.

Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges

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<sup>1</sup> <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%C3%B4te-d%E2%80%99ivoire-and-ghana.aspx> ; <https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> ; <https://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang--en/index.htm>

<sup>2</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182) ; <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

<sup>3</sup> [https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin\\_Engel\\_Protocol.pdf](https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>5</sup> [https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY\\_Living\\_Wage\\_Income\\_Position\\_Statement.pdf](https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf) ; [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?gl=1\\*1ei0guo\\* ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\* ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?gl=1*1ei0guo* ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3* ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..)



Hershey knowingly profited from the illegal and systematic use of child labor.<sup>6</sup> In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.<sup>7</sup> In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as “sustainably” or “responsibly produced.”<sup>8</sup>

While Hershey indicates it met its goal to source 100% “certified and sustainable” cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.<sup>9</sup> Hershey also makes misleading and dangerous claims about “appropriate” child work on “family farms,” contradicting international frameworks to end child labor in all forms.<sup>10</sup>

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<sup>6</sup> <https://www.internationalrightsadvocates.org/cases/tevracoubaly>

<sup>7</sup>

<http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>

<sup>8</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ; <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx>

<sup>9</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html)

<sup>10</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html)

December 6, 2021

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Re: Shareholder proposal submitted by the Sisters of the Holy Cross

Dear Mr. Turoff

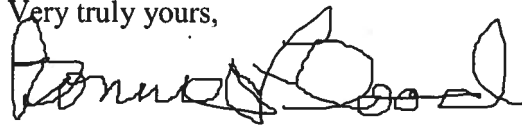
I write concerning a shareholder proposal (the "Proposal") submitted to The Hershey Company (the "Company") by the Sisters of the Holy Cross.

As of January 4, 2021, the Sisters of the Holy Cross had continuously held shares of the Company's common stock with a value of at least \$2,000 for at least one year, and Sisters of the Holy Cross has continuously maintained a minimum investment of at least \$2,000 of such securities (the "Shares") from January 4, 2021 through December 6<sup>th</sup>, 2021.

Wintrust Bank has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me at [REDACTED] PII


[REDACTED] PII

Very truly yours,

A handwritten signature in black ink, appearing to read "Bonnie Flood", written over a horizontal line.

Bonnie Flood  
CSA II



  
Sisters of the Humility of Mary

December 6, 2021

**Via USPS Priority Mail Express**

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

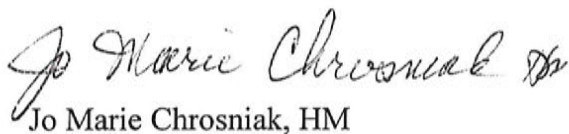
Dear Mr. Turoff,

The Sisters of the Humility of Mary are submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of The Hershey Company. (the "Company") for its 2022 annual meeting of shareholders. The Sisters of the Humility of Mary are co-filing the Proposal with lead filer The American Baptist Home Mission Societies (ABHMS) In its submission letter, ABHMS indicated that a dialogue is scheduled for December 9, 2021. We designate them to meet with the Company but will join in this and future meetings subject to our availability.

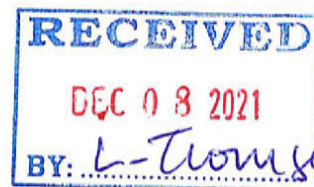
The Sisters of the Humility of Mary has continuously beneficially owned, for at least one year, at least \$2000 worth of the Company's common stock. Verification of this ownership is attached. The Sisters of the Humility of Mary intend to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

The primary contact for all communications related to this proposal is Gina Falada, Senior Program Associate, Investor Advocates for Social Justice and can be reached at [REDACTED] or [REDACTED]. For direct communication with me, I can be contacted on [REDACTED] or by email at [REDACTED].

Sincerely,



Jo Marie Chrosniak, HM  
Sisters of the Humility of Mary  
Shareholder Advocacy Committee



Cc: Gina Falada, Investor Advocates for Social Justice  
Julie Wokaty, Interfaith Center on Corporate Responsibility

## End Child Labor in Cocoa Production 2022 - The Hershey Company

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey’s living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company’s West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey’s 2022 annual meeting.

**Whereas:** Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization’s definition of the “worst forms of child labor.”<sup>1</sup> ILO Convention 182 calls for urgent action to eliminate these forms and Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025, yet international agreements have repeatedly failed to eradicate hazardous child labor from the cocoa supply chain.<sup>2</sup>

Twenty years ago, Hershey’s CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.<sup>3</sup> After repeatedly amending the Protocol’s timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d’Ivoire, where 60% of cocoa is produced.<sup>4</sup>

While Hershey has a Human Rights Policy and Cocoa for Good strategy, these initiatives have failed to meaningfully address systemic poverty as a root cause of child labor. Adopting a Living Wage and Income Position Statement in 2021 was a positive step; however, an Oxfam report criticizes Hershey for stating support for a living wage without a “concrete, timebound commitment and accompanying action plan to realize it.”<sup>5</sup> Investors lack sufficient information to assess how Hershey’s living wage statement will help eradicate child labor in its cocoa supply chain.

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<sup>1</sup> <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%C3%B4te-d%E2%80%99ivoire-and-ghana.aspx> ;  
<https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> ; <https://www.ilo.org/ipecc/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang-en/index.htm>

<sup>2</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182) ;  
<https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

<sup>3</sup> [https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin\\_Engel\\_Protocol.pdf](https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>5</sup> [https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY\\_Living\\_Wage\\_Income\\_Position\\_Statement.pdf](https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf) ;  
[https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0guo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLiEuMTYzODM5MDAwNC41Mw..](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0guo*_ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLiEuMTYzODM5MDAwNC41Mw..)



Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges Hershey knowingly profited from the illegal and systematic use of child labor.<sup>6</sup> In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.<sup>7</sup> In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as “sustainably” or “responsibly produced.”<sup>8</sup>

While Hershey indicates it met its goal to source 100% “certified and sustainable” cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.<sup>9</sup> Hershey also makes misleading and dangerous claims about “appropriate” child work on “family farms,” contradicting international frameworks to end child labor in all forms.<sup>10</sup>

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<sup>6</sup> <https://www.internationalrightsadvocates.org/cases/tevracoubaly>

<sup>7</sup>

<http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>

<sup>8</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ;  
<https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%C3%B4te-d%E2%80%99ivoire-and-ghana.aspx>

<sup>9</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html)

<sup>10</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html)

December 6, 2021

Mr. James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

RE: Shareholder proposal submitted by the Sisters of the Humility of Mary

Dr. Mr. Turoff,

I write concerning a shareholder proposal (the "Proposal") submitted to The Hershey Company (the "Company") by the Sisters of the Humility of Mary.

As of January 4, 2021, the Sisters of the Humility of Mary had continuously held shares of the Company's common stock with a value of at least \$2,000 for at least one year, and the Sisters of the Humility of Mary has continuously maintained a minimum investment of at least \$2,000 of such securities (the "Shares") from January 4, 2021 through December 6, 2021, the date on which the Proposal was submitted.

Comerica Bank has acted as record holder of the Shares and is a DTC participant.

The attached tax lot details indicate the date the stock was acquired.

If you require any additional information, please do not hesitate to contact me.

Sincerely,



Beverly V. Jones  
Senior Trust Analyst  
Comerica Bank  
411 W. Lafayette Boulevard  
MC 3462  
Detroit, Michigan 48226

PII



COMERICA BANK  
Tax Lot Detail

Run on 12/6/2021 12:03:51 PM

As of 12/06/2021

Combined Portfolios

Settlement Date Basis

Account:

PII  
SISTERS OF THE HUMILITY OF MARY  
CROSSMARK LARGE CAP CORE

Administrator: MATTHEW WASMUND PII  
Investment Officer: CROSSMARK GLOBAL INVESTMENTS  
Investment Authority: None  
Investment Objective:  
Lot Select Method: FIFO

Cusip	Security Name	Ticker	Price	% Market	Market Value	
427866108	HERSHEY CO COMMON STOCK	HSY	179.610		8,980.50	
Tax Lot	Acquisition Date	Portfolio	Units	Tax Cost	Market Value	Unrealized Gain/Loss
1	10/07/2016	PRINCIPAL	40.000000	3,809.80	7,184.40	3,374.60
2	06/26/2017	PRINCIPAL	10.000000	1,098.35	1,796.10	697.75
* TOTAL *			50.000000	4,908.15	8,980.50	4,072.35
Unit Status	Number of Units	Tax Cost	Market Value			
Settled	50.000000	4,908.15	8,980.50			
Registration	Number of Units					
DTC - C/C	50.000000					



COMERICA BANK  
Tax Lot Detail

Run on 12/6/2021 12:04:59 PM

As of 12/06/2021

Combined Portfolios

Settlement Date Basis

Account:

PII  
SISTERS OF THE HUMILITY OF MARY  
CROSSMARK US QUALITY

Administrator: MATTHEW WASMUND PII  
Investment Officer: CROSSMARK GLOBAL INVESTMENTS  
Investment Authority: None  
Investment Objective:  
Lot Select Method: FIFO

Cusip	Security Name	Ticker	Price	% Market	Market Value	
427866108	HERSHEY CO COMMON STOCK	HSY	179.610		14,368.80	
Tax Lot	Acquisition Date	Portfolio	Units	Tax Cost	Market Value	Unrealized Gain/Loss
1	06/29/2020	PRINCIPAL	70.000000	8,940.75	12,572.70	3,631.95
2	07/01/2021	PRINCIPAL	10.000000	1,745.75	1,796.10	50.35
* TOTAL *			80.000000	10,686.50	14,368.80	3,682.30
Unit Status	Number of Units	Tax Cost	Market Value			
Settled	80.000000	10,686.50	14,368.80			
Registration	Number of Units					
DTC - C/C	80.000000					

Comerica Bank

MC 3462, PO Box 75000, Detroit, MI 48275 • 411 West Lafayette Boulevard, Detroit, MI 48226 • Comerica.com





**COMERICA BANK**  
Tax Lot Detail

Run on 12/6/2021 12:06:14 PM  
As of 12/06/2021  
Combined Portfolios  
Settlement Date Basis

Account:

PII

SISTERS OF THE HUMILITY OF MARY  
CHARITABLE TRUST  
CROSSMARK LARGE CAP CORE

Administrator: MATTHEW WASMUND PII  
Investment Officer: CROSSMARK GLOBAL INVESTMENTS  
Investment Authority: None  
Investment Objective:  
Lot Select Method: FIFO

Cusip	Security Name	Ticker	Price	% Market	Market Value	
427866108	HERSHEY CO COMMON STOCK	<a href="#">HSY</a>	179.610		3,592.20	
Tax Lot	Acquisition Date	Portfolio	Units	Tax Cost	Market Value	Unrealized Gain/Loss
1	01/20/2017	PRINCIPAL	10.000000	1,056.05	1,796.10	740.05
2	09/23/2019	PRINCIPAL	10.000000	1,548.44	1,796.10	247.66
* TOTAL *			20.000000	2,604.49	3,592.20	987.71
Unit Status			Number of Units	Tax Cost	Market Value	
Settled			20.000000	2,604.49	3,592.20	
Registration						Number of Units
DTC - C/C						20.000000



**COMERICA BANK**  
Tax Lot Detail

Run on 12/6/2021 12:07:01 PM  
As of 12/06/2021  
Combined Portfolios  
Settlement Date Basis

Account:

PII

SISTERS OF THE HUMILITY OF MARY  
CHARITABLE TRUST  
CROSSMARK US QUALITY

Administrator: MATTHEW WASMUND PII  
Investment Officer: CROSSMARK GLOBAL INVESTMENTS  
Investment Authority: None  
Investment Objective:  
Lot Select Method: FIFO

Cusip	Security Name	Ticker	Price	% Market	Market Value	
427866108	HERSHEY CO COMMON STOCK	<a href="#">HSY</a>	179.610		25,145.40	
Tax Lot	Acquisition Date	Portfolio	Units	Tax Cost	Market Value	Unrealized Gain/Loss
1	06/13/2018	PRINCIPAL	10.000000	907.05	1,796.10	889.05
2	06/18/2018	PRINCIPAL	10.000000	917.05	1,796.10	879.05
3	09/19/2018	PRINCIPAL	20.000000	2,072.10	3,592.20	1,520.10
4	03/17/2020	PRINCIPAL	20.000000	2,854.90	3,592.20	737.30
5	05/06/2020	PRINCIPAL	30.000000	3,961.35	5,388.30	1,426.95
6	06/17/2020	PRINCIPAL	10.000000	1,329.85	1,796.10	466.25
7	08/12/2021	PRINCIPAL	40.000000	7,139.80	7,184.40	44.60
* TOTAL *			140.000000	19,182.10	25,145.40	5,963.30
Unit Status			Number of Units	Tax Cost	Market Value	
Settled			140.000000	19,182.10	25,145.40	
Registration						Number of Units
DTC - C/C						140.000000



December 8, 2021

James Turoff  
Senior VP, General Counsel & Corporate Secretary  
The Hershey Company  
19 East Chocolate AVE  
Hershey, Pennsylvania, 17033  
Via email: [REDACTED] PII  
Cc: [REDACTED] PII

Re: Shareholder proposal submitted by the Sisters of Providence, Mother Joseph Province

Dear Mr. Turoff,

The Sisters of Providence, Mother Joseph Province is submitting the attached proposal, pursuant to the Securities and Exchange Commission's Rule 14a-8, to be included in the proxy statement of The Hershey Company for its 2022 annual meeting of shareholders. The Sisters of Providence, Mother Joseph Province is co-filing the proposal with lead filer, the American Baptist Home Mission Society (ABHMS). In its submission letter, the ABHMS will provide dates and times of ability to meet. We designate the lead filer to meet initially with the Company but may join the meeting subject to our availability.

The Sisters of Providence, Mother Joseph Province has continuously beneficially owned, for at least one year as of the date hereof, at least \$2000 worth of the Company's common stock. Verification of this ownership will be forthcoming. The Sisters of Providence, Mother Joseph Province intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

The representative of the lead filer of the proposal, Gina Falada of Investor Advocates for Social Justice and SRI Consultant to ABHMS, can be contacted at [REDACTED] PII or [REDACTED] PII if you have questions for the Sisters of Providence, Mother Joseph Province, contact David Neisius by email:

[REDACTED] PII

Sincerely,

David Neisius  
Provincial Treasurer

Encl: Shareholder Resolution



## End Child Labor in Cocoa Production 2022 - The Hershey Company

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

**Whereas:** Hazardous child labor on cocoa farms, which includes using machetes and harmful pesticides, meets the International Labor Organization's definition of the "worst forms of child labor."<sup>1</sup> ILO Convention 182 calls for urgent action to eliminate these forms and Sustainable Development Goal 8.7 calls for the elimination of all child labor by 2025, yet international agreements have repeatedly failed to eradicate hazardous child labor from the cocoa supply chain.<sup>2</sup>

Twenty years ago, Hershey's CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.<sup>3</sup> After repeatedly amending the Protocol's timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60% of cocoa is produced.<sup>4</sup>

While Hershey has a Human Rights Policy and Cocoa for Good strategy, these initiatives have failed to meaningfully address systemic poverty as a root cause of child labor. Adopting a Living Wage and Income Position Statement in 2021 was a positive step; however, an Oxfam report criticizes Hershey for stating support for a living wage without a "concrete, timebound commitment and accompanying action plan to realize it."<sup>5</sup> Investors lack sufficient information to assess how Hershey's living wage statement will help eradicate child labor in its cocoa supply chain.

Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges

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<sup>1</sup> <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx> ; <https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> ; <https://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang--en/index.htm>

<sup>2</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO::P12100_ILO_CODE:C182) ; <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

<sup>3</sup> [https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin\\_Engel\\_Protocol.pdf](https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>5</sup> [https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY\\_Living\\_Wage\\_Income\\_Position\\_Statement.pdf](https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf) ; [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?gl=1\\*1ei0guo\\* ga\\*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3\\* ga R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?gl=1*1ei0guo* ga*MTI5NTI4MjAzNi4xNjM4Mzg5OTk3* ga R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..)



Hershey knowingly profited from the illegal and systematic use of child labor.<sup>6</sup> In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.<sup>7</sup> In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as “sustainably” or “responsibly produced.”<sup>8</sup>

While Hershey indicates it met its goal to source 100% “certified and sustainable” cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.<sup>9</sup> Hershey also makes misleading and dangerous claims about “appropriate” child work on “family farms,” contradicting international frameworks to end child labor in all forms.<sup>10</sup>

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<sup>6</sup> <https://www.internationalrightsadvocates.org/cases/tevracoubaly>

<sup>7</sup>

<http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>

<sup>8</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ; <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx>

<sup>9</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html)

<sup>10</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html)



Proof of Ownership

January 10, 2022

Corporate Secretary  
The Hershey Company  
19 East Chocolate AVE  
Hershey, Pennsylvania 17033

Re: Shareholder proposal submitted by the Sisters of Providence, Mother Joseph Province

Dear Corporate Secretary:

I write concerning a shareholder proposal (the "Proposal") submitted by e-mail to The Hershey Company (the "Company") by the Sisters of Providence, Mother Joseph Province on December 8, 2021.

As of January 4, 2021, the Sisters of Providence, Mother Joseph Province had continuously held shares of the Company's common stock with a value of at least \$2,000 for at least one year, and the Sisters of Providence, Mother Joseph Province has continuously maintained a minimum investment of at least \$2,000 of such securities (the "Shares") from January 4, 2021 through December 8, 2021.

Charles Schwab has acted as record holder of the Shares and is a DTC participant. A confirmation from Schwab is attached. If you require any additional information, please do not hesitate to contact me at [REDACTED] or [REDACTED].

Very truly yours,

David Neisius  
Provincial Treasurer  
Sisters of Providence  
Mother Joseph Province





January 07, 2022

Account #: PII

Sisters Of Providence  
Mother Joseph Province  
Attn: David Neisius  
1801 Lind Ave Sw #9016  
Renton, WA 98057  
US

## Important Account Information

Dear Sisters Of Providence,

Thank you for requesting information about the Schwab brokerage account referenced above registered in the name of Sisters of Providence – Mother Joseph Province.

As of January 4, 2021, the Sisters of Providence, Mother Joseph Province had continuously held shares of The Hershey Company's common stock (HSY) with a value of at least \$2,000.00 for at least one year, and the Sisters of Providence, Mother Joseph Province has continuously maintained a minimum investment of at least \$2,000.00 of said security (HSY) from January 4, 2021 through December 8, 2021.

Please note: This letter is for informational purposes only and is not an official record of the account.

**Thank you for choosing Schwab.** We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at PII.

Sincerely,

*Beth Woodman*

Beth Woodman  
Specialist, Partner Support

PII

9800 Schwab Way  
LONE TREE, CO 80124



THE SISTERS OF ST. FRANCIS OF PHILADELPHIA

December 3, 2021

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Re: Ending Child Labor in Cocoa Production

Dear James,

Peace and all good! The Sisters of St. Francis of Philadelphia have been shareholders in Hershey Corporation for several years. As faith-based investors, we appreciate all the opportunities that we have had to dialogue with the company and we believe that we have made some progress in addressing important issues. We are still very concerned about Hershey's lack of implementation of its human rights policy to eradicate child labor in the cocoa farms. We call on the company to take our proposal seriously and act accordingly.

As a faith-based investor, I am hereby authorized to notify you of our intention to co-file this shareholder proposal with American Baptist Home Mission Societies. I submit it for inclusion in the proxy statement in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 and for consideration and action by the shareholders for its 2022 Annual General Meeting.

The Sisters of St. Francis of Philadelphia have continuously beneficially owned, for at least 10 years as of December 3, 2021 at least \$2,000 worth of the Company's common stock. Verification of this ownership is attached. The Sisters of St. Francis of Philadelphia intend to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

Gina Falada is available to meet with the Company in person or via teleconference on dates agreeable to the Company. She can be reached at [PII] or [PII]

Respectfully yours,

Nora M. Nash, OSF  
Director Corporate Social Responsibility

Enclosures

cc: Julie Wokaty, ICCR  
Gina Falada, IASJ



[PII]



## End Child Labor in Cocoa Production 2022 - The Hershey Company

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

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Twenty years ago, Hershey's CEO signed the Harkin-Engel Protocol, a voluntary public-private commitment to end the worst forms of child labor, including forced labor, in West African cocoa production.<sup>3</sup> After repeatedly amending the Protocol's timeline and goals, signatory companies continue to profit from child slavery. The Department of Labor estimates that 1.56 million children engage in hazardous work on cocoa farms in Ghana and Côte d'Ivoire, where 60% of cocoa is produced.<sup>4</sup>

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<sup>1</sup> <https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx> ; <https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> ; <https://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/worstforms/lang--en/index.htm>

<sup>2</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C182](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182) ; <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

<sup>3</sup> [https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin\\_Engel\\_Protocol.pdf](https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking/child-labor-cocoa>

<sup>5</sup> [https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY\\_Living\\_Wage\\_Income\\_Position\\_Statement.pdf](https://www.thehersheycompany.com/content/dam/corporate-us/documents/sustainability/HSY_Living_Wage_Income_Position_Statement.pdf) ; [https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?\\_gl=1\\*1ei0quo\\*\\_ga\\*MTI5NTI4MjAzNi4xNjM4Mzq5OTk3\\*\\_ga\\_R58YETD6XK\\*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..](https://webassets.oxfamamerica.org/media/documents/Business-briefing-Issue-1-V3.pdf?_gl=1*1ei0quo*_ga*MTI5NTI4MjAzNi4xNjM4Mzq5OTk3*_ga_R58YETD6XK*MTYzODM4OTk5Ny4xLjEuMTYzODM5MDAwNC41Mw..)

Failure to eradicate child labor exposes Hershey and its investors to financial, legal, and reputational risks. In February 2021, a lawsuit filed on behalf of eight former child slaves alleges Hershey knowingly profited from the illegal and systematic use of child labor.<sup>6</sup> In a motion to dismiss, defendants argued that companies are no more responsible for child labor in their supply chains than retailers and consumers, and claimed they lack sufficient knowledge to be held liable.<sup>7</sup> In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as "sustainably" or "responsibly produced."<sup>8</sup>

While Hershey indicates it met its goal to source 100% "certified and sustainable" cocoa in 2020, this does not guarantee that its cocoa is slavery-free nor that it is fully traceable to the farm level.<sup>9</sup> Hershey also makes misleading and dangerous claims about "appropriate" child work on "family farms," contradicting international frameworks to end child labor in all forms.<sup>10</sup>

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<sup>6</sup> <https://www.internationalrightsadvocates.org/cases/tevracoubaly>

<sup>7</sup>

<http://www.iradvocates.org/sites/iradvocates.org/files/7.30.21%20Defs%20Memo.%20in%20Support%20of%20Motion%20to%20Dismiss.pdf> ; <https://stopcocoaslavery.carrd.co/>

<sup>8</sup>

<https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/6181623e5f967e246dd8c416/1635869247075/RFA+and+Hershey+Press+Release+FINAL+no+logo.docx.pdf> ;

<https://www.norc.org/Research/Projects/Pages/assessing-progress-in-reducing-child-labor-in-cocoa-growing-areas-of-c%3%B4te-d%E2%80%99ivoire-and-ghana.aspx>

<sup>9</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html)

<sup>10</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html](https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html)

The Northern Trust Company  
50 South LaSalle Street  
Chicago, Illinois 60603



December 3, 2021

James Turoff  
Senior Vice President, General Counsel and Secretary  
The Hershey Company  
19 East Chocolate Avenue  
Hershey, Pennsylvania 17033

Re: Shareholder proposal submitted by the Sisters of St. Francis of Philadelphia

Dear James:

I write concerning a shareholder proposal (the "Proposal") submitted to Hershey Company Com (the "Company") by the Sisters of St. Francis of Philadelphia.

"As of December 3, 2021, the Sisters of St. Francis of Philadelphia beneficially owned, and had beneficially owned continuously for at least three years, shares of the Company's common stock worth at least \$2,000 (the "Shares")."

Northern Trust has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact me at [PII] or via email at [PII]

Sincerely,

*Sanjay K. Singhal*

Sanjay K Singhal  
Vice President  
Northern Trust

EXHIBIT C

Hershey's 2020 Sustainability Report Excerpt

See attached.



HERSHEY 



# GOODNESS IN ACTION

2020 SUSTAINABILITY REPORT



# We Are Hershey

Welcome to our 2020 Sustainability Report.

Hershey's purpose is to "Make More Moments of Goodness" for our consumers today and for many generations to come. Integral to achieving that is our holistic sustainability strategy: our Shared Goodness Promise. It guides how we empower the remarkable people who work behind our brands, interact with farming communities that grow our ingredients, deliver on our commitments to consumers, customers and external stakeholders, protect the environment and support children and youth.

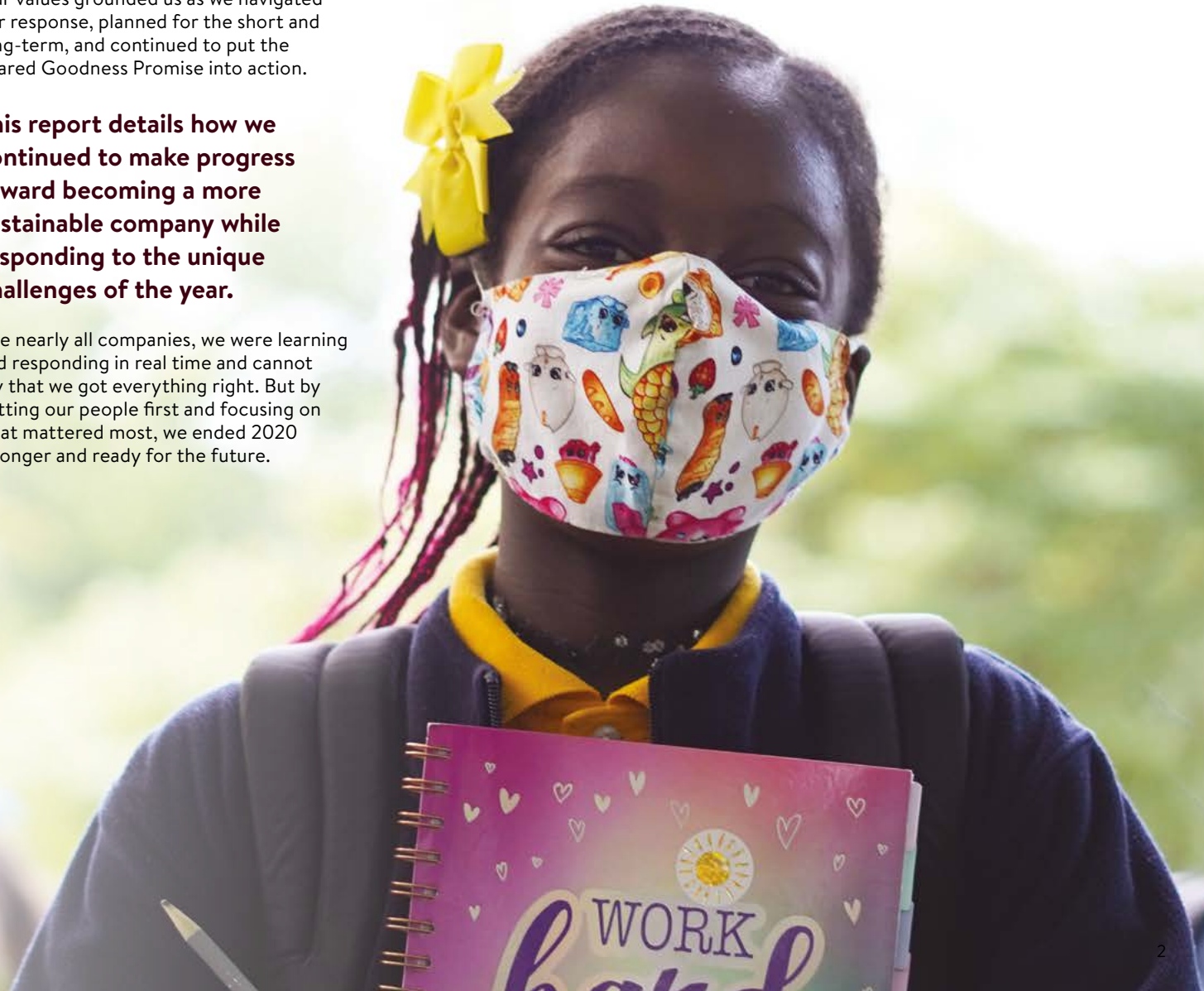
2020 has been a year like no other. Faced with the global COVID-19 pandemic, ongoing issues and social unrest stemming from systemic racism, and devastating natural disasters due to climate change, this year has put our Shared Goodness Promise to the test. It has prompted us to think differently, prioritize differently, act differently and bring empathy and compassion to the forefront of our decision-making. Throughout this volatile year, we continued to ask ourselves: How can we be better? How can we better support one another? How do we continue to move forward as a smarter, more resilient business?

Our values—Togetherness, Making a Difference, Excellence and Integrity—shone through during this challenging year. Our values grounded us as we navigated our response, planned for the short and long-term, and continued to put the Shared Goodness Promise into action.

**This report details how we continued to make progress toward becoming a more sustainable company while responding to the unique challenges of the year.**

Like nearly all companies, we were learning and responding in real time and cannot say that we got everything right. But by putting our people first and focusing on what mattered most, we ended 2020 stronger and ready for the future.

Note on photography: At Hershey, we take our commitment to health and safety seriously every day, and especially during the COVID-19 pandemic. We took fewer photos this year in order to follow social distancing precautions. Some photographs in this report show individuals without masks. They were taken before wearing masks became a part of our everyday vigilance.



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### Living Wages and Income

We believe that all individuals deserve the opportunity to earn a decent standard of living. In 2020, Hershey followed the guidance of the UNGPs to determine where individuals are most likely to experience wage and income-related vulnerabilities, particularly where Hershey has significant leverage and influence. This resulted in our new [Living Wage and Income Position Statement](#).

### Amplifying Equality and Opportunity in Our Supply Chain

At the center of our Human Rights Policy is a belief in the principles of equality and non-discrimination, and a commitment to treating all individuals with respect and dignity.

We believe systemic racism is at its core a human rights issue. At Hershey, we have a long-standing commitment to diversity, equity and inclusion, and in 2020, we ramped up our efforts to be a more inclusive company ([see page 54](#)).

We also support inclusion and broader opportunities through our supplier diversity program. The program supports economic growth for minority, women, veteran, LGBTQ and disabled person-owned businesses.

To promote supplier diversity across our business and educate our employees and industry, we operate a Supplier Diversity Roundtable with representatives from each procurement area, as well as our contract manufacturers and packers.

We also have access to a searchable supplier database to help identify diverse suppliers.

In our procurement contracts, we specifically request that our direct suppliers use diverse suppliers in their value chain and report their diverse spend to us.

We track the internal reporting of spend with both diverse Tier 1 suppliers (those directly supplying us with goods and services) and Tier 2 suppliers (those that supply our Tier 1 suppliers) on a quarterly basis.

In 2020, we launched a new Supplier Diversity Strategy, paving the way for further growth and development in addition to internal and external engagements.

### Climate Justice and Human Rights

Climate change poses a significant threat to human rights globally. Its impacts disrupt global food supplies and impact [livelihoods](#). Vulnerable communities will be disproportionately harmed by rising temperatures and the related safety and access to water risks.

Our supply chain includes many communities that will be impacted if the world does not take action. As such, we are committed to doing our part to act on climate change.

Read more about our new climate commitments on [page 46](#).



# Collaborating to End Child Labor

## What Is Child Labor?

Hershey uses the [International Labour Organization's \(ILO\) definition](#), which specifies that:

*Child labor is work that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling.*

Not all work done by children, such as helping their parents around the home and assisting in a family business, is classified as child labor.

The worst forms of child labor put children at the greatest risk and are the highest priority for elimination. Most instances of inappropriate child labor involved tasks such as carrying heavy loads like firewood or water, contact with agrochemicals or clearing away bushes.

**Child labor is also distinct from forced labor, which is defined by the ILO as:**

*Situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities.*

**As of 2020, Hershey's Child Labor Monitoring and Remediation System (CLMRS) found no evidence of forced child labor in Hershey's cocoa supply chain.**

Hershey does not tolerate child labor within our value chain and has formed strategic partnerships with communities, NGOs and governments to eliminate it from occurring within cocoa communities.

In cocoa-growing communities, child labor is a complex issue resulting from a mix of poverty, cultural norms and misunderstandings about what constitutes appropriate child work. In many communities, child-friendly work on the farm or in the household is an important part of young people's learning and cultural development. However, a lack of stable income and educational opportunities in rural areas can lead to families requiring children to put in long hours at home and on family farms, which are often the families' sole source of income. Paired with lack of awareness about age-appropriate work, this puts children at risk of performing farm work that is hazardous to their health and development.

This cycle can further entrench intergenerational poverty in rural communities, as it also deprives children of the chance to attend school and shape their own future.

Hershey has developed a multifaceted approach that includes improving community and farmer awareness, and investing in preventative, supplier-led approaches that monitor farmers to help ensure child labor is not occurring and provide tools, resources and oversight to remediate instance of child labor if they are found.

## Identifying and Addressing Child Labor

Our regular review of key risks in the cocoa supply chain (as outlined in our cocoa due diligence process on the previous page) continues to highlight the importance of preventing and remediating instances of child labor.

CLMRS is the leading method of child labor detection and remediation among children aged 5 to 17 years old and was developed through the [ICI](#). It is executed by supply chain structures and community-based groups that identify child labor and monitor and remediate when cases are found.

Under CLMRS, members of local farmer groups and our suppliers' staff are trained to become facilitators and build skills in communities to detect and report instances of child labor. We also support the establishment of community-level child protection committees to do the same. As trusted community members, both these groups are in the best positions to raise awareness, identify cases of child

labor and implement the most appropriate practices to remediate those cases. Dependent on the type of child labor detected, remediation support is done at the child, household or community level.

Successful remediation strategies vary and need to respond to the needs of individual children and their families. By increasing farmers' awareness of what constitutes child labor (such as children carrying heavy loads) and improving farmers' and families' ease and efficiency of completing tasks around the farm, the need for children to lend a hand with more hazardous tasks is reduced.

COVID-19 elevated risks of child labor with children not in school during lockdowns and the loss of seasonal laborers due to travel restrictions related to the pandemic. Through CLMRS, child labor liaison officers and community child protection committees continued to make farm and household visits while taking appropriate safety measures.



Image courtesy of Fair Trade USA






## How CLMRS Is Helping Kids Be Kids



- 1 Community facilitators visit every farm assigned to their farmer group
- 2 Any child involved in hazardous activity is identified and information about his/her situation is recorded in a centralized database
- 3 The report is verified
- 4 The data is used to design actions in support of children identified
- 5 Children and their families receive remediation support from supply chain facilitators and NGO partners or are referred to public services

### What's next

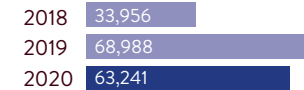
We will continue to invest to improve the quality of CLMRS and to expand it with the aim of ensuring that no child goes unseen and everyone gets the right support. In addition, we are increasingly focusing on the topic of forced labor to understand how to uncover it and mitigate it in partnership with ICI and our suppliers.

 **97%** of farmers in Côte d'Ivoire and Ghana that direct sourced to Hershey were covered through CLMRS in 2020

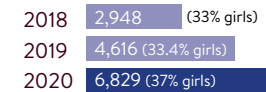
### 2020 PROGRESS<sup>16</sup>

#### Detection and Reporting

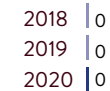
Children monitored



Children identified doing inappropriate work and in process of remediation

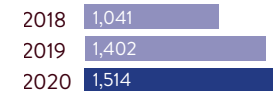


Children identified in forced labor



#### Capacity Building

Monitoring and Remediation Agents and Community Liaisons (paid and volunteers)



<sup>16</sup> CLMRS coverage of our supply chain continues to grow year over year. Increases in children monitored, children identified doing inappropriate work and Monitoring and Remediation Agents all represent the expansion of this program. Cumulative numbers 2018 to 2020 have been adjusted to account for children flowing out of CLMRS, such as those who are older than 17, have moved away, whose parents are no longer in a farmer group, etc., and the digitization of paper-based systems.

# Prevention Is the Priority

## Preventing Child Labor through Access to Education

As part of our holistic effort to eliminate child labor, we seek to prevent child labor from occurring by removing barriers to children being able to attend school. We focus significant resources and effort on making it easier for children to access and continue their education, such as by improving education infrastructure, training school-parent management committees, providing school kits filled with important school supplies, and helping children and youth obtain birth certificates for school enrollment.

Since the launch of Cocoa For Good, Hershey has invested together with local authorities to build four schools. In 2020, Hershey launched its latest fully equipped primary school in the village of Naabadougou, Côte d'Ivoire with the partnership of the local cocoa cooperative and the community. Construction was completed in September 2020, just before the new school year started. The school includes six classrooms, two bathroom blocks, one canteen, two handwashing taps, six teacher residences, a hydraulic pump and water tower villagers can access, and a solar energy system to power the whole school.

We have also committed to invest \$3 million in the coming years to support the Jacobs Foundation on two new public-private initiatives from 2020 to 2025: the Child Learning and Education Facility

(CLEF), which will contribute to improved foundational literacy and numeracy skills for 5 million children at the primary level and invest in 2,500 new classrooms; and the Early Learning and Nutrition Facility (ELAN), which is designed to reach 1.3 million children below the age of five and their caregivers, providing quality services and training in early childhood development and nutrition.


### Our Impact

In 2020:

 **3,367**  
birth certificates obtained to enable access to school

 **83**  
classrooms renovated

 **6,562**  
school kits provided

 **47,481**  
children enrolled in primary schools that benefited from quality education interventions

## ADDRESSING CHILD LABOR THROUGH SCHOOL-BASED NUTRITION



Image courtesy of Fair Trade USA

Not only does a full stomach improve a student's ability to concentrate and learn, it can also be the deciding factor between whether or not a child attends school. Since 2015, we have been distributing ViVi—a peanut-based fortified snack—to school children in Ghana daily. ViVi was developed by Hershey and our partner Project Peanut Butter, and provides children with 30 percent of their daily nutritional intake requirements.

Knowing that children will be fed at school becomes another reason to ensure they go to class rather than to work, making it an important preventative tool in the fight against child labor.<sup>17</sup> Our research has shown that providing ViVi increases school enrollment and regular attendance while also enabling improved academic performance. There is also a reduction of 11–81 percent in the prevalence of anemia in those receiving ViVi<sup>18</sup> so that they are energized to learn!

In 2020, we distributed approximately 1.4 million sachets of ViVi, which were received by 27,142 children daily. Unfortunately, due to school closures related to COVID-19, we distributed less ViVi to students than in prior years. However, with the completion of our new ViVi production factory in Côte d'Ivoire, we expect that post-pandemic we will be able to manufacture more ViVi for students' daily access than ever before.

### Children receiving ViVi daily



### Total ViVi sachets distributed



<sup>17</sup> [https://cocoainitiative.org/wp-content/uploads/2019/06/Education-quality-and-child-labour-evidence-from-C%C3%B4te-dIvoire-and-Ghana\\_June2019.pdf](https://cocoainitiative.org/wp-content/uploads/2019/06/Education-quality-and-child-labour-evidence-from-C%C3%B4te-dIvoire-and-Ghana_June2019.pdf).

<sup>18</sup> Steiner-Aseidu, M (Prof) & Saalia F.B. (Prof) (2016–2018) A Pilot Study to Determine the Efficacy of Consuming Highly Fortified Groundnut Nutritional Supplement on the Nutritional Status of School Children, University of Ghana.

# Uplifting Rural Livelihoods

A confluence of factors contribute to the prevalence of poverty in cocoa-growing communities, including low access to credit, impeded negotiating power for farmers to set crop prices, a singular reliance on cocoa for income, falling cocoa yields as cocoa trees age, a lack of proper business and financial training, and gender imbalances. Meanwhile, we know that the cycle of poverty continues to exacerbate the existence of child labor and high deforestation rates in these communities.

Our aim is to support cocoa farmers' transition out of poverty, and we invest in developing multiple opportunities to increase income and build resilience.

## Supporting the Development of Farmer Groups

Farmer groups are essential platforms for farmers to unify their voice and negotiating power to increase their earning potential and economic resilience. Through Cocoa For Good, in 2020, Hershey expanded its support to 91 certified farmer groups, reaching 83,783 farmers through our suppliers across seven origins.

Our support has assisted these groups in receiving certification of their cocoa in compliance with credible sustainability standards. This not only helped us reach our goal of sourcing 100 percent certified and sustainable cocoa but also ensures the farmer groups and their farmers are paid a higher premium for their harvests.

Farmers receive direct cash payouts from the certification premium that enables them to reinvest in their farms and their families, including buying food,

paying school fees and covering medical expenses. In 2020, through Cocoa For Good, we paid \$5.9 million direct cash premium to farmers across all origins. In Côte d'Ivoire and Ghana, the premiums were equivalent to 5 percent on top of farm gate prices. At the group level, the certification premium is used to further strengthen the resiliency of the group as a whole, such as through investment in shared equipment and capacity building like training on climate-smart cocoa techniques and income-diversification opportunities.

In 2020, two farmer groups supplying Hershey were decertified, based on third-party audits that found a lack of transparency related to bean traceability, issues on group documentation and inconsistencies between the groups' forecasts and sales. Consequently, the farmer groups were excluded from our direct sourcing and none of their beans have entered our supply chain since. Based on improvement plans, we expect the farmer groups to mitigate gaps found and recertify in early 2021, making them able to rejoin Cocoa For Good at that time.

## Our Impact



**\$5.9m**  
direct premium  
paid to farmers



**91**  
farmer groups  
supported in 2020  
2018: 57, 2019: 64

## FARMER GROUPS ARE LOCAL GAME CHANGERS



In 2014, the Ivorian CA CPSL cocoa cooperative partnered with Hershey via our supplier and became UTZ certified. By achieving certification, the farmer group can now sell its cocoa for even more than the price set by Côte d'Ivoire's Conseil du Café Cacao. For the farmers, the cooperative has increased their incomes and greatly contributed to their wellbeing, and has also had positive ripple effects on surrounding communities.

Since certification, the farmer group has increased in size by 36 percent to 1,789 members and developed structurally, making it possible to secure around 50 full-time jobs and

about 100 part-time jobs. They have also invested in new offices and storage facilities and purchased cars and trucks. Their goal is to grow to 2,000 members by 2023.

At the community level, the group premium—an incentive for being certified that is paid by Hershey—enabled the cooperative to invest in the construction of two primary schools, six village water pumps and the renovation of roads and two bridges. The direct premium has also led to extra income-generating activities and the renewal of cocoa tree orchards through a program that developed nurseries for cocoa trees and shade plants.



## Improving Income Through Cocoa Yields

Next to certification, we support farmers in achieving economic gains by actively exploring how to improve their cocoa yields and enhance the productivity of their lands by creating tailored farm-development plans. Through Cocoa For Good and associated farmer groups, farmers have access to higher-yielding cocoa varieties and are trained on the proper pruning of shade and cocoa trees, fertilization and irrigation, and weed and disease control. Members also have improved access to credit and loans to make further investments in their farms. As a result of these and other interventions, farmers in the Cocoa For Good program have shown increased productivity.

## Diversifying Incomes

To help diversify economic opportunities, we support cocoa community members in developing alternative means of generating income. In 2020, 5,673 community members were trained in alternative income-generating opportunities such as soap making and cassava processing. During the year, 17,527 farmers, or 21 percent of all farmers participating globally in Cocoa For Good, also received guidance on crop diversification for growing and developing new foods on their farms. This training supports better nutrition and food security for farmers' families in addition to the added sources of income.

### HERSHEY'S SUPPORT FOR THE WEST AFRICA LIVING INCOME DIFFERENTIAL (LID)



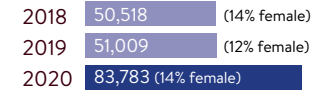
Hershey's commitment to improving cocoa farmer livelihoods and ensuring a long-term sustainable cocoa supply is unwavering. Solving the many challenges within cocoa production, such as low incomes, poverty, child labor and environmental protection, will only be possible through collaboration and cooperation across industry, governments and civil society. We deeply value our long-time mutual collaboration and partnership with the governments of Côte d'Ivoire and Ghana to advance our shared goals.

As of 2021, the governments of Côte d'Ivoire and Ghana installed a LID premium to be paid on cocoa purchased in these countries to help fight farmer poverty. Hershey fully supports and is participating in the LID for our ongoing and substantial cocoa purchases from the 2020–2021 Côte d'Ivoire and Ghana crops—and commits to do so for future crops as well.

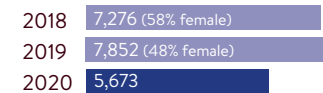
We have engaged the governments of Côte d'Ivoire and Ghana to make our commitments clear, and we have also communicated this requirement to our cocoa suppliers and confirmed that they have paid and will continue to pay the LID. We recognize the importance and value of the LID as a means to reach and improve the lives of farmers across the entire Ivorian and Ghanaian cocoa-farming industries, not just the ones directly involved in our programs.

## 2020 PROGRESS

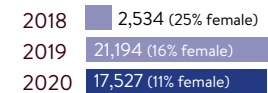
### Farmers supported directly through Cocoa For Good



### Community members trained in additional livelihoods



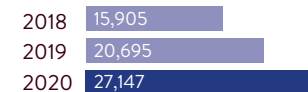
### Total farmers trained on crop diversification



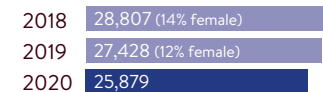
### Community action plans<sup>19</sup>



### Farm development plans



### Farmers receiving individual coaching



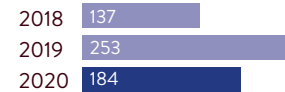
<sup>19</sup> Community action plans are developed through trained community representatives to enhance local livelihoods and the quality of life in the community.



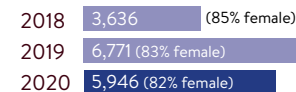
### Supporting Women in Achieving Economic Independence

Village Savings and Loan Associations (VSLAs) are a simple, accessible way to help individuals—especially women—and communities learn about saving, borrowing and investing responsibly. The groups’ members are likely to be either completely unbanked or unable to qualify for a loan through traditional financial providers. In VSLAs, loans are based on trust among group members. The groups also create a small solidarity fund that is dispensed either for collective problems (such as repairing a village water pump) or individual emergencies. Hershey now directly supports 184 VSLAs with 5,946 members, 82 percent of whom are women. We are especially pleased to report that, thanks to collective savings, the VSLAs have proved an invaluable source of resilience and security during the COVID-19 pandemic.

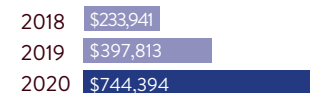
#### Number of VSLAs set up



#### Total VSLAs members



#### Total savings and interest accrued (as of December 31, 2020)



### Empowering Youth

To break the intergenerational cycle of poverty, today’s youth in cocoa communities (defined as 15 to 35 year-olds) need to be equipped with life skills, technical and vocational skills, and the practical knowledge and tools needed to become self-sufficient community leaders of the future. We support youth economic empowerment through access to training, land tenure documents and the development of income-earning opportunities such as community pruning teams. Pruning teams are groups of up to 10 young adults who help to provide essential pruning services to cocoa farmers in their communities. Regular pruning of cocoa trees helps to prevent tree mold and diseases and reduces the need for farmers to apply agrochemicals and pesticides. In addition to providing an invaluable service to farmers, these community pruning teams provided 525 young adults in cocoa-growing communities in 2020 with valuable skills and knowledge about cocoa farming, while also helping to support their families with extra income.

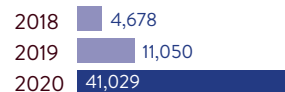


## Assisting Cocoa Growing Communities With Responding to COVID-19

Recognizing that cocoa farmers were some of the most vulnerable people in our supply chain as the COVID-19 pandemic spread globally, we took action as early as March 2020 and worked with our suppliers and NGO partners like [CARE International](#) and the [ICI](#) to support awareness activities through trainings, visual posters and voice messages sent through the Hershey-sponsored free mobile application CocoaLink in Ghana.

We also focused on access to water by installing clean water equipment at farmer groups' warehouses, constructing new village water pumps or renovating old ones, and providing hygiene kits and medical equipment to supplier staff and farmer groups. Members of VSLAs were trained to become self-reliant in creating handwashing systems and making soap. Hershey also contributed to the industry response convened by the World Cocoa Foundation, funding COVID-19 protection activities in cocoa-growing communities in and outside West Africa.

### Total community members trained on nutrition and health (including COVID-19 safety in 2020)



## What's Next

As we collectively navigate the challenges presented by COVID-19, we have seen that past investments in farmer groups, communities and social infrastructure such as VSLAs have lived up to their purpose. But we have also seen how vulnerable the rural communities we work with still are. More work is needed, especially in the areas of food security and access to clean water.

We are also working with research firm [Ipsos](#) on a bi-annual impact assessment methodology that will capture data on farmer and household income to measure the efficacy of our programs in addressing farmer livelihoods. This will use the [Living Income Community of Practice](#) methodology, which defines living income as: "The net annual incomes required for a household in a particular place to afford a decent standard of living for all members of that household." Baseline data will be collected in 2021 and will generate a general view of the percentage of farmers earning a living income across our cocoa supply chain. For more information on this work, please see our [Living Wage & Living Income Position Statement](#).



Image courtesy of Fair Trade USA

# Fighting Deforestation

In cocoa-growing regions in West Africa, deforestation and biodiversity loss due to encroachment into protected areas is a manifestation of a complex set of root causes, such as poverty, the absence of land titles, a lack of clarity on land tenure arrangements, limited knowledge of sustainable farming practices and poor law enforcement.

To combat this, Hershey is investing in helping farmers secure land titles where they farm, spreading climate-positive farming methods and investing in protecting the delicate ecosystems where cocoa is produced in Côte d'Ivoire and Ghana.



Since 2018, Hershey has publicly committed to no new deforestation in our global cocoa supply chain and to implementing shade-grown agroforestry tree-planting programs.

## Farm Locations and Deforestation

We have spent the past few years comprehensively mapping our cocoa-growing farms in Côte d'Ivoire and Ghana to create a baseline deforestation rate through measuring annual tree cover loss and to closely monitor farm locations for encroachment into protected forest areas. In 2020, 119,537 hectares were polygon mapped in Côte d'Ivoire and Ghana—that's an area greater than 356,000 football fields.

With our partner [Sourcemap](#), we are using a geospatial satellite monitoring tool and cross-validating data with our

suppliers' systems, national forest laws, Rainforest Alliance and CFI. In 2020, 1,628 farmers were located in protected areas, of whom:

- 577 farmers were permitted by the government to continue farming in compliance with approved guidelines.
- 583 farmers were removed from the Hershey direct sourcing supply chain.<sup>20</sup>
- 8 farmers still have decisions pending.

Farms supported by Cocoa For Good showed a tree cover loss of 1 percent, which may be the result of human activities or natural causes such as disease or storm damage. This is lower than the national annual tree cover loss rates of 1.6 percent and 1.3 percent for Côte d'Ivoire (2019) and Ghana (2019)<sup>21</sup> respectively.

## Securing Land Titles to Unlock Land Value

Without proper land titles, it is difficult for farmers to access financing or make necessary changes on their farms to prevent deforestation, promote reforestation and apply agroforestry and climate-smart cocoa farming.

Through our partnership with the [USAID Integrated Land and Resource Governance \(ILRG\) Project \(2018–2021\)](#), we support communities in Ghana to clarify and document land rights as well as improve land-use planning practices through agroforestry. Through our engagement with ILRG and our supplier [ECOM](#) in 2020, 622 farmers have obtained land title documentation and 749 certificates registering ownership of shade trees were issued to farmers.

In 2020, we co-launched the Côte d'Ivoire Land Partnership program ([CLAP](#))<sup>22</sup> to promote affordable land titling as a catalyst for halting deforestation. Due to our intervention and design of relevant land

tenure documents that are government sanctioned and community accepted, this partnership was able to shorten the time of delivery and costs of securing land titles—greatly improving farmers' access.



<sup>20</sup> When farms are found to be located in protected areas, verification takes place and local authorities are informed. When national laws do not permit a farm's location, the farmers are removed from our direct supply chain and can no longer sell cocoa beans via our certified farmer groups and suppliers. Sometimes, certain farm locations in protected areas are allowed. In this case, farmers may continue farming after receiving approval from local authorities and after farm-development plans are put in place.

<sup>21</sup> Global Forest Watch, [Côte D'Ivoire, Ghana](#).

<sup>22</sup> The CLAP Consortium key founders are Meridia, AFOR, The Hershey Company, Unilever, Barry Callebaut/Cocoa Horizons and BDSI.

## Continuing Our Landscape Programs

We continued our Kakum Agroforestry Landscape Program partnership in Ghana, which covers an area equivalent to twenty times the size of Manhattan. This partnership promotes and supports community-led landscape management, spreads climate-smart cocoa-growing practices and provides training for extra income-generating activities.

In 2020, we also partnered on our first landscape program in Côte d'Ivoire, the "Green Nawa Initiative." The program is led by our partner [FarmStrong Foundation](#) and funded by a multi-sector consortium of enterprises and SECO (the Swiss government development agency). It is set to run until 2023 and has been designed to integrate landscape approaches into agriculture and forestry activities within the Nawa Region's cocoa-growing area (900,000 hectares). What's different is that it is tackling the root causes of the issues through a multi-commodity approach (cocoa, coffee, palm, rubber and rice). The activities planned to be undertaken by this partnership include forest restoration, afforestation, the creation of green jobs, digital payment systems to farmers, the geo-localization of farms and the use of a sophisticated satellite-based land-use change tools to analyze deforestation.

## Promoting Climate-Smart Cocoa

As we support more farmers to gain control of their land, we are also promoting climate-smart growing techniques. In 2020, 16 percent of our farmers in Côte d'Ivoire and Ghana were trained on climate-smart cocoa using a curriculum Hershey helped develop. We will be expanding access to this training by making the content available via a free app. In 2020, 209,961 hectares of certified cocoa area was farmed across seven origins through the 83,783 Cocoa For Good farmers in line with sustainable farming practices: promoting shade-grown agroforestry, specific tree species, tree handling and planting, and the management of trees after planting.

Find out more about our progress against public targets in dedicated [CFI reports](#).

## What's Next

We will continue our engagement in our current two landscape initiatives and are exploring new landscape initiatives in Côte d'Ivoire. In addition, we will continue to double down on agroforestry, promoting climate-smart cocoa and affordable land titling as well as community-led natural resource management.

## Our Impact

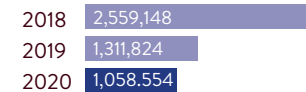
 **83%** farmers polygon mapped in Côte d'Ivoire and Ghana

 **8.46 million** cocoa trees and 1.26 million shade trees distributed (since 2013)

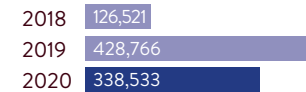
 **1,018,000** hectares of landscapes programs supported and monitored

## 2020 PROGRESS

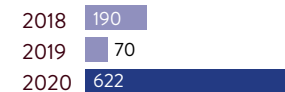
**Total tree seedlings distributed to replace old cocoa trees (drop due to Côte d'Ivoire government suspension)**



**Total multi-purpose trees distributed**



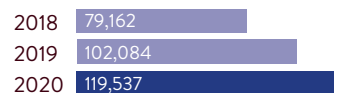
**Land titles acquired with Hershey's assistance**



**Total farmers mapped**



**Total farm area mapped in Côte d'Ivoire and Ghana (in hectares)**





## About This Report

This is our ninth report that reviews progress made on ESG issues.

This is our second Sustainability Report to be released alongside a Sustainability Accounting Standards Board Index and it is our third report prepared in accordance with the Global Reporting Initiative Standards: Comprehensive option, after prior reporting in accordance with the Core option.

For the first time, we are reporting through the UNGPs Reporting Framework and Task Force on Climate-related Financial Disclosures, and have released our second UN Sustainable Development Goals Index. We have also developed this report with guidance from the United Nations Global Compact.

The report covers the 2020 calendar year, which is also our fiscal year.

We have not sought any external assurance for this report, our GRI Index or any of the other reports above.

All financial figures are reported in U.S. Dollars, unless otherwise stated.

For stakeholders who want more detail, please see our separate reports for:



[GRI](#)



[UN Global Compact](#)



[SASB](#)



[UN SDGs](#)



[TCFD](#)



[UNGPRF](#)

We welcome any feedback you have on how we report and how we performed. Please direct inquiries to [sustainability@hersheys.com](mailto:sustainability@hersheys.com)



Exhibit D

Hershey's Living Wage & Income Position Statement

See attached.



# Living Wage & Income Position Statement



## INTRODUCTION

We believe that all individuals deserve the opportunity to earn a living wage & income including the remarkable and diverse group of people who work at The Hershey Company and the many individuals who make their living within our broader supply chain. Hershey recognizes the concepts of living wage and living income as human rights and that mandated minimum wages are not always sufficient to allow workers a basic, but decent, standard of living including; but not limited to adequate housing, food, access to education, childcare and savings for unexpected events. Furthermore, within our extended supply chain, lack of income for smallholder farmers is a root cause of poverty, which increases the risk of other human rights violations such as child or forced labor as well as deforestation. Lastly, we note the clear linkages between wages & income and achieving many of the United Nations Sustainable Development Goals.

As a result, we are taking action to maintain our strong pay practices within our Hershey operations including continuing to pay a living wage to full-time Hershey employees across our global locations. We are also establishing new partnerships and programming in our cocoa supply chain that will allow us to:

- Directly measure farmer incomes on Cocoa For Good Farms in Ghana and Cote d'Ivoire to better target our programs and investments focused on improving incomes
- Strengthen our engagement in the pre-competitive platforms and multi-stakeholder collaborations we feel are critical to enable an environment ultimately needed to promote a living income for cocoa farmers

We will revisit the focus of our commitments in 2023 to assess our progress as well as the opportunity for new programming in other parts of our operations and extended supply chain.

### **Definition of a Living Wage**

Hershey supports the [Global Living Wage Coalition's](#) definition of a living wage:

*The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.*

### **Definition of Living Income**

Hershey is a member of and supports the [Living Income Community of Practice](#) definition of living income which builds on the concept of wages above and describes living income as:

*The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.*

<sup>1</sup> <https://www.living-income.com/>

<sup>2</sup> <https://www.living-income.com/sdg-s-and-living-income>

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## THE CASE FOR ACTION

Continuing to pay our employees a living wage and understanding how to promote living wages and income in our extended supply chain builds on our existing investments and is critical to our long-term business success. We employ thousands of workers directly at Hershey and our supply chain includes hundreds of thousands of manufacturing and other workers as well as smallholder farmers around the world who do not work directly for Hershey. We know from our own experience that workers are more productive when they are paid fair wages and treated with dignity and respect. Respecting human rights and labor rights have also been linked to decreased turnover and improved performance<sup>3</sup>. Economically viable farms are also critical to our supply chain. Farmers who cannot earn a living income will not invest in the best agricultural practices and techniques, undermining productivity, good environmental and labor practices, as well as the quality of the raw materials and ingredients we need for the products our consumers expect.

The urgency to address living wages and income has been accelerated by the global COVID-19 pandemic, which has disproportionately burdened the most disadvantaged while creating new vulnerabilities for people who were less impacted previously. World Bank projections estimate that between 88 million and 115 million people could fall back into extreme poverty as a result of the pandemic<sup>4</sup>. In Sub-Saharan Africa where we source raw materials like cocoa, Covid-19 has created an additional vulnerability for smallholder farmers who already are facing the impact of climate change, market volatility, conflict and resource scarcity<sup>5</sup>. As the world begins to recover and rebuild from Covid-19, companies like Hershey will play a critical role in promoting living wages and income which can enable a swifter recovery and contribute to broader efforts to achieve a more just and resilient society.

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## CHALLENGES & OPPORTUNITIES

While we can control wages for our own employees, it is difficult for us to influence the external variables that factor into household income, such as income diversity, fluctuating commodity prices, government programs, and underlying assets such as farm size or bankability. In addition, collecting accurate and reliable data on farmer income is challenging and inconsistency in existing approaches has led to divergence in living income reference points. Finally, while we have seen progress in areas like income diversification, promoting savings and loans, and efforts to promote women's empowerment, proven strategies to close the living income gap are limited and the identification of best practices for project implementation are still developing.

As a result, improving wages and income must be a shared responsibility in partnership with government, industry, and community-based organizations including women's organizations, working to align income collection and measurement approaches, and effective strategies to close the gap. Together, we must address root causes including looking more holistically at rural economic development strategies, land tenure, and national or regional sustainability strategies to create the enabling environment for assets that ultimately strengthen income. Hershey is committed to using our leverage as a global company to advance this alignment, to sharing information in a pre-competitive fashion with peers and other industry actors, and to taking actions to address these challenges directly in our own supply chain.

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<sup>3</sup><https://irle.berkeley.edu/productivity-profits-and-pay/> and <https://betterwork.org/wp-content/uploads/2020/10/Harnessing-Compliance-to-Improve-Well-being-and-Productivity-The-Impact-of-Better-Factories-Cambodia.pdf>

<sup>4</sup><https://openknowledge.worldbank.org/bitstream/handle/10986/34496/211602ov.pdf>

<sup>5</sup><https://www.mckinsey.com/featured-insights/middle-east-and-africa/reopening-and-reimagining-africa>



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## OUR FOCUS AND APPROACH

To target our efforts, Hershey followed the guidance of the UN Guiding Principles on Business & Human Rights (UNGPs) to determine where individuals are most likely to experience wage- and income-related vulnerabilities along with where Hershey has significant leverage, influence and responsibility. While we are proud of our global commitment to competitive and fair pay, we felt it important to also include Hershey operations in the scope of our research to ensure we were validating our practices through credible external benchmarks. Our initial research included:

- Conducting internal research on wages of Hershey employees using the [BSR](#) methodology
- Using available public research, as well as our own company supply chain and traceability data, to look at income vulnerabilities in other material and ingredient value chains
- Benchmarking industry commitments and initiatives that promote living wages for workers employed through direct (Tier 1<sup>6</sup>) supplier relationships
- Consulting with internal and external stakeholders, including Hershey employees, nonprofit & advocacy organizations, human rights organizations, academic institutions, our suppliers, governments, and certifying bodies amongst others.

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## TAKING ACTION

While we recognize that our research demonstrates that wage & income vulnerabilities exist in multiple parts of our supply chain, we have prioritized the following areas for action in the next two years. We will revisit the scope of our current commitment in 2023 including assessing the need for activities in our Tier 1 supply chain and other agricultural commodities such as palm oil and sugarcane.

### *Hershey Employees & Operations*

Living wage is only one part of our larger company-wide commitment to promote equity and build a more [diverse and inclusive workplace](#). Competitive & fair pay plays a central role in this commitment, including the promotion of gender pay equity, where we currently have [closed our gender pay gap](#) with U.S. salaried women and people of color, in aggregate, earning dollar for dollar with male colleagues. To incorporate living wage into our approach to compensation for Hershey employees, we partnered with [BSR](#) to undertake an assessment of wages in our company operations. This assessment looked at all full-time Hershey employees across our global locations. All Hershey employees currently meet BSR's living wage benchmarks in their respective locations.

*[BSR's](#) calculation methodology is scoped to apply to multiple countries and is based on the cost of food for an individual, which then, through various computations generates an estimate of total average household expenditures on all goods and services and finally a living wage after estimating the number of workers per household. To calculate subnational living wages, it deploys a variety of data-intense approaches, including the use of regional price indices associated with the calculation of Purchasing Power Parity conversion rates.*

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<sup>6</sup>Suppliers that directly provide products to Hershey



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To continue our commitment to paying Hershey employees a living wage, we will:

- Review employee wages against the BSR benchmark on an annual basis and adjust any pay levels that would fall below the living wage level,
- Continue our efforts on promoting equity for people of color
- Ensure that all regional compensation managers are trained on the concept of living wages and that it is incorporated into our annual review process and wage requirements, and
- Continue to assess the scope of our living wage efforts, relevant benchmarks, and methodologies for measurement which are continuing to evolve at both the national and international level

## Cocoa

At Hershey, we envision a world where cocoa farmers and their families can live healthy, prosperous lives and where cocoa communities and ecosystems thrive for generations to come. Currently, more than 80,000 farmers participate in Hershey's [Cocoa For Good](#) program. Fundamental to our programming are investments focused on increasing assets and resilience, concepts we believe are directly connected to increasing farmer income and poverty, which are root causes of issues like child labor. As a result, since 2018 we have gone beyond our 100% certification commitment to support broader sustainable livelihood initiatives in Cote d'Ivoire and Ghana. These efforts include improving crop yields, work on land tenure titling, alternative income generation projects on-farm and off-farm, financial literacy training, village savings and loan associations (VSLAs), and gender awareness training.

As we take additional steps to understand how we can best contribute to efforts promoting a living income for cocoa farmers, we are putting in place new partnerships and programs that will allow us to directly measure the incomes of farmers in our Cocoa For Good programs in Cote d'Ivoire and Ghana. This will allow us to better target our programs and investments focused on improving incomes. When we seek to understand the gap between farmer income and living income, we will use [benchmarks endorsed by the Living Income Community of Practice](#). Our activities in cocoa will include:

- Continuing to support the West Africa governments' Living Income Differential (LID) and requiring our suppliers to comply with paying the LID.
- Maintaining our existing commitments to 100% certified and sustainable cocoa and paying certification premiums to farmer groups and farmers who successfully meet internationally recognized environmental and labor standards,
- Using a direct-sourcing model through our [suppliers](#) for 100% of our cocoa from Cote d'Ivoire and Ghana by 2025, that include responsible procurement practices such as long-term agreements with suppliers that allows to foster long-term relationships with farmer groups and continuity of investments focused on asset strengthening, income diversification, and professionalization of cooperatives,
- Establishing a new partnership with the global market research firm [IPSOS](#) that, along with broader monitoring and evaluation activities, will allow us to gather household income data on Cocoa For Good farms including insight into income levels by gender and farm size (data collection begins in 2021). This baseline research will allow us to refine our income-based programming and work to improve farmer incomes,
- Participating in the Living Income Community of Practice ([LICOP](#)) to contribute to and benefit from best practices, including supporting new research by LICOP and the Anker Research Network that will contribute to updated living income benchmarks in Cote d'Ivoire and Ghana along with five additional cocoa origins, and
- Publishing and reporting on our progress via our website and annual sustainability report







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February 15, 2022

**By Email** ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov) cc: [jturoff@hersheys.com](mailto:jturoff@hersheys.com), [spatterson@hunton.com](mailto:spatterson@hunton.com), [gfalada@iasj.org](mailto:gfalada@iasj.org))

Securities and Exchange Commission  
Division of Corporation Finance  
Office of the Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Request by The Hershey Company to omit shareholder proposal submitted by the American Baptist Home Mission Society and co-filers<sup>1</sup>

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the American Baptist Home Mission Society (the “Proponent”) submitted a shareholder proposal (the “Proposal”) to The Hershey Company (“Hershey” or the “Company”). The Proposal requests a report “describing if, and how, Hershey’s living wage position statement and implementation steps will put the company on course to eradicate child labor in all forms from the Company’s West African cocoa supply chain by 2025.”

In a letter to the Division dated January 17, 2022 (the “No-Action Request”), Hershey stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the company’s 2022 annual meeting of shareholders. Hershey argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(10), on the ground that the Company has substantially implemented the Proposal. As discussed more fully below, Hershey has not met its burden of proving its entitlement to exclude the Proposal on that basis, and the Proponent respectfully requests that Hershey’s request for relief be denied.

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<sup>1</sup> Co-filers: Friends Fiduciary Corporation; Missionary Oblates of Mary Immaculate - US Province, Sisters of the Holy Cross, Inc.; Sisters of the Humility of Mary; Sisters of Providence, Mother Joseph Province; and The Sisters of St. Francis of Philadelphia



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## **The Proposal**

The Proposal states:

**Resolved:** Shareholders request that the Board of Directors issue a public report, at reasonable cost and omitting proprietary information, describing if, and how, Hershey's living wage position statement and planned implementation steps will put the company on course to eradicate child labor in all forms from the company's West African cocoa supply chain by 2025. Reporting is requested within one year from Hershey's 2022 annual meeting.

## **Substantial Implementation**

Rule 14a-8(i)(10) permits exclusion of a proposal that has been "substantially implemented." Hershey argues that it has substantially implemented the Proposal through existing disclosures in its 2020 Sustainability report, and planned disclosures which have not been made public to investors. Because existing disclosures on living income consist almost exclusively of aspirational statements of expectations or requirements, without discussion of how Hershey meaningfully implements this commitment for West African cocoa farmers, or how and when Hershey's cocoa supply chain will be free of all forms of child labor, Hershey's existing disclosure falls far short of substantially implementing the Proposal.

The No-Action Request discusses at some length Hershey's 2020 Sustainability Report to show that Hershey has adopted policies and programs designed to address child labor and living income.<sup>2</sup> But that fact is not in dispute: The Proposal takes it as a given that Hershey has made child labor and living wage commitments and specifically cites them in the Proposal.

The Proposal focuses solely on how Hershey implements its living wage and income position in the cocoa supply chain, and how this commitment will contribute to the eradication of child labor in all forms in Hershey's cocoa supply chain by 2025. As cited in the proposal, Hershey and its cocoa sector peers have been making commitments to end child labor in cocoa production since the 2001 Harkin Engel Protocol, yet, 21 years later, child labor, including hazardous work, is still widely prevalent in cocoa production in Ghana and Cote D'Ivoire, signaling the ineffectiveness of voluntary corporate commitments to date. Ensuring a living

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<sup>2</sup> [https://www.thehersheycompany.com/en\\_us/home/sustainability/policies-and-reports.html](https://www.thehersheycompany.com/en_us/home/sustainability/policies-and-reports.html)



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income for adult cocoa farmers is seen as a critical way of addressing poverty as a root cause of child labor, and for this reason, Proponents seek more transparent disclosure about how Hershey will implement its living income position statement, and how the company foresees the impact of this plan on its ability to guarantee its cocoa supply chain is free of child labor. The time-bound 2025 target is intended to align with Sustainable Development Goal (SDG) 8.7, a target widely adopted by the international human rights community. Corporations like Hershey have distinct responsibilities and roles to play in working with partners to end child labor in cocoa. Hershey and its peers are creating a demand for cocoa and profiting from an exploitative labor system to meet that demand and must pay a fair price for cocoa to dismantle this model dependent on hazardous child labor.

Hershey makes almost no disclosure regarding how it implements/will implement its living wage and income statement to ensure farmers in the cocoa supply chain are paid a fair price for cocoa, and even acknowledges in the No-Action Request that this disclosure is planned versus existing. Investors can only rely on disclosure that has already been made publicly available to all shareholders in its assessment of the Company's living income and child labor eradication strategy. Therefore, planned disclosure listed in the Request should not be considered in the assessment of Hershey's substantial implementation argument. Most of the language in Hershey's disclosure describes expectations of suppliers around child labor monitoring without making clear Hershey's processes for ensuring a living income for farmers as a key tactic to address the root cause of child labor - systemic poverty - to which the Company plays a contributing role through relying on exploitative labor practices to sustain its business model. The disclosure in the sustainability report provides no information from which shareholders can assess the extent to which Hershey is on track to provide a livable income to farmers in its cocoa supply chain and eradicate all forms of child labor to meet the 2025 target of Sustainable Development Goal 8.7.

Existing disclosure cited by Hershey that covers philanthropic efforts, versus the company's core business model reliant on exploitative labor practices and the company's responsibility to ensure a living income and child labor-free supply chain, do not pertain to the request of the proposal and should therefore not be considered in the evaluation of the substantial implementation argument. Efforts that Proponents consider to be philanthropic and unresponsive to the proposal's request would include distribution of nutritional supplements (ViVi) to children, school programs, and financial literacy education.



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Disclosure about cocoa certification schemes does not address the request of the proposal as it is well documented that traditional certification schemes for cocoa cannot guarantee that the product is child-labor free.

Disclosures about programs to increase farmer productivity are also unresponsive because the burden is placed on farmers to increase production to increase their own earnings versus efforts by Hershey to pay a fair price for cocoa. Alternative income-generating activities outside of cocoa (soap and cassava production) do not address the Proposal's request for disclosure on living income for cocoa farmers and eradicating child labor from cocoa production.

Arguments about the responsibilities of actors other than Hershey (governments, NGOs, etc.) related to the eradication of child labor in cocoa production detract from Hershey's human rights responsibilities as a business, which are distinct from those of states, to address their human rights impacts. Proponents acknowledge the importance of partnerships in ending child labor, but that does not lessen Hershey's responsibilities.

The No-Action Request does not address at all the request about Hershey's timeline to eradicate all forms of child labor from its cocoa supply chain, a key element of the Resolved clause. Hershey was an original signatory to the 2001 Harkin Engel Protocol which has timebound commitments to end child labor, and international frameworks such as the ILO and UNSDGs which have clear targets for ending child labor by 2025.

The reasoning above demonstrates why the determinations cited by Hershey on page 3 of its No-Action Request regarding exclusions permitted on the basis that existing disclosures "compare favorably" with the guidelines of the proposal do not apply in the case of this Proposal. The specific example most related to the Proposal, the Gap Inc. 2001 exclusion, is distinguishable from the Hershey 2022 proposal because the resolved clauses differ substantially, as the Gap 2001 proposal requested disclosure from suppliers on child labor practices, while the Hershey 2022 proposal requests living income implementation plans from the company itself.

In sum, Hershey has not satisfied key elements of the Proposal and the Proposal has not been substantially implemented.

\* \* \*





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For the reasons set forth, Hershey has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 12a-8(i)(10). The Proponents thus respectfully request that Hershey's request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need any additional information, please contact Gina Falada of Investor Advocates for Social Justice, Consultant to the American Baptist Home Mission Society, at [gfalada@iasj.org](mailto:gfalada@iasj.org) or (973) 509-8800.

Sincerely,

David L. Moore, Jr.  
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