



## The Hershey Company Third-Party Labor Provider Responsible Recruiting & Employment Policy

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### INTRODUCTION & PURPOSE

The Hershey Company is committed to treating all individuals throughout our value chain with respect and dignity. We promote and follow ethical recruitment, hiring and employment practices that reinforce and help us deliver on our broader commitment to human rights as outlined in [The Hershey Company Human Rights policy](#). This policy outlines our global standard for responsibly recruiting workers employed by third-parties that support Hershey. It is meant to be used in conjunction with and provide additional guidance beyond our [Supplier Code of Conduct](#) to third-party labor providers.

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### SCOPE

This policy applies where The Hershey Company engages a third-party to source, recruit and/or provide workers to Hershey operations including manufacturing sites, business offices, warehouses and distribution centers (“Hershey Operations”). This policy also applies in situations where Hershey has engaged third-party workers in sales service activities including marketing and merchandising.

To support compliance with this policy, Hershey requires that third-party labor providers have the appropriate policies and procedures in place for meeting the requirements outlined in this document and for communicating the expectations of this policy to employees within their organization and to their business partners, as needed. We believe conformance with this policy is achieved more readily when third-party labor providers directly recruit workers. When recruiting sub-agents or brokers are used, the third-party labor provider is required to have a mechanism to conduct due diligence on their sub-agents and brokers and verify that they have all required licenses, permits and management systems to ensure compliance with this standard.

By its acceptance of any purchase order from The Hershey Company or related entities, the provider acknowledges its acceptance of this policy and intention to comply with its requirements.

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### ADDRESSING FORCED LABOR

As outlined in our [Supplier Code of Conduct](#), Hershey does not tolerate any form of abusive or illegal labor in our supply chain such as forced labor or human trafficking. To combat forced labor that can be associated with third-party labor provider models, Hershey has adopted and requires third-party labor service providers who seek to do business with Hershey to follow the [Employer Pays Principle](#) and [Priority Industry Principles](#) as outlined below.

- **The Employer Pays Principle:** No worker should pay for a job – the costs of recruitment should be borne not by the worker but rather the employer.
- **Priority Industry Principles:** Every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work.



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# REQUIREMENTS

Consistent with these principles and other leading practices to address common issues of forced labor, Hershey requires the following:

## ***Management Systems and Practices***

- Written contracts and/or purchase orders must be in place and clearly outline the terms and services provided to The Hershey Company
- Providers must have appropriate licenses and permits for all countries in which they operate and require and verify sub-agents or brokers working on their behalf to be similarly licensed
- Confirmation that all third-party workers are legally authorized to work is required prior to performing services for The Hershey Company, including proof of age records
- Workers must have access to and be informed of grievance mechanisms related to the recruitment process without retaliation or reprisal

## ***Recruitment***

- Labor provider has a policy commitment prohibiting the charging of or otherwise recovering the cost of recruitment fees and related costs to workers, irrespective of where or how they are recruited and communicates this policy to the jobseeker.
- No recruiting or service fees or deposits are charged directly or indirectly (such as through deductions from wages or benefits) to job seekers and workers for any services directly related to the recruitment for temporary or permanent job placement, including when using the services of sub-agents or brokers performing recruitment directly.

As outlined by the International Labor Organization (ILO), “recruitment fees” refer to any fees or costs incurred in the recruitment process in order for workers to secure employment regardless of the manner, timing or location of their imposition or collection. Examples include but are not limited to:

- Pre-departure fees and costs such as skills tests, medical examinations, costs associated with documentation and or permits and associated travel
- Costs associated for travel, lodging and subsistence within or across national borders in the recruitment process, including for training, interviews, consular appointments and relocation
- Orientation and onboarding costs
- Costs associated with return to the worker’s country of origin when the contract is temporary

For more information the ILO’s definition of recruitment fees please visit: [https://www.ilo.org/global/topics/labour-migration/publications/WCMS\\_536755/lang--en/index.htm](https://www.ilo.org/global/topics/labour-migration/publications/WCMS_536755/lang--en/index.htm)

- When fees are legally allowable and it is not possible for the employer to pay the fee directly, the fees must be clearly defined and set forth in writing and approved by the employee and the labor provider must put in place a transparent process for repaying the fee directly to the worker.



## **Contracting**

- In advance of employment, workers are provided accurate and understandable information about the basic terms of their employment clearly stating their rights and responsibilities as well as information on wages, hours and holidays
- Contracts or employment/offer/appointment letters clearly outline the above as well as benefits and any deductions and disciplinary measures that can lead to wage deductions and terminations as well as procedures for appeal mechanisms
- The final terms of the employment contract are reviewed by and agreed upon by the worker in advance of beginning employment and prior to arrival in the case of migrant workers. The terms and conditions of the contract are not changed without review and agreement by the worker.

## **Employment Conditions**

- Where workers are provided with employer-provided accommodation and transportation, they are of similar quality and cost to other non-employer provided options
- Workers have the freedom to terminate their employment at any time upon giving notice within the terms and conditions of their employment contract or the law, which must not unreasonably restrict the right of workers to leave work and terminate at any time
- Employers must not retain any personal identification, travel documents (including passports), wages or other valuables as conditions of employment
- Workers are not subject to the withholding and retention of wages by employers, and any deductions from pay are identified in writing to the employee and authorized by the employee, as appropriate.
- Unpaid internships are prohibited

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## **ASSESSMENT & VERIFICATION**

To verify compliance with this policy, The Hershey Company reserves the right to access and review labor providers management systems and processes, standards and records through self-assessment questionnaires, questionnaires, interviews, audits performed directly by Hershey, third third-party audits and/or other methods.

- When an audit or survey identifies a practice that is not aligned with this standard or legal requirements, the labor provider will develop and implement corrective action measures that are verified
- Labor providers unwilling to remediate activities determined to be inconsistent with this policy or legal requirements may be terminated

