

## **KnowTheChain: Questions regarding forced labour risks in your company's sugar cane supply chain**

In answering these questions, **please indicate where your companies' policies and practices specifically apply to sugar cane sourcing or processing countries at risk of forced labour or human trafficking** such as Bolivia, Brazil, Dominican Republic, Guatemala, India, Malawi, Myanmar, and Pakistan<sup>1</sup> or other countries where you might have identified forced labour risks.

Please note the following questions focus on sourcing of sugar cane (not sugar beets). Where available, please include URLs to existing disclosure.

Please see below in red the responses from The Hershey's Company.

### **Traceability:**

1. Which countries does your company and/or your suppliers source sugar cane from (option to indicate percentage or volume of supply from each country)?
2. What are the names and addresses of your company's sugar mills and/or sugar suppliers? Please indicate the nature of suppliers, e.g. traders or mills, and your relationship to them, e.g. direct owned or purchasing only (option to indicate workforce data you deem relevant, such as workforce composition or rate of unionisation).

The majority of Hershey's sugar usage is in the US. Eighty-five percent of US sugar production is sourced from US grown beet or cane sugar. The US Farm Bill dictates the remaining 15% be produced from raw sugar sourced from 40 countries that make up the quota holding countries.

Hershey does not publicly share its supplier information; however, it does not own any mills and buys from multiple suppliers for its global usage.

### **Risk assessment:**

3. How does your company assess risks related to forced labour in sugar cane sourcing at mill and farm level?
4. What risks has your company identified, and what actions has your company taken to address these risks?

Hershey established a [Sustainable Sugar Sourcing Policy](#) to address potential risks associated within the sugar supply chain.

### **Worker voice:**

5. Grievance mechanisms: Does your company ensure workers on sugar farms and mills, as well as local stakeholders have access to effective grievance mechanisms? If yes, please explain what mechanisms are available for local stakeholders and workers in both owned and third party sugar farms and mills. Please also explain how you ensure those mechanisms fulfil the [effectiveness criteria under the UN Guiding Principles for Business & Human Rights](#), in particular how you ensure mechanisms are communicated to, as well as trusted and used by both formal and informal sugar farm and mill workers.

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<sup>1</sup> Sugar sourced from Dominican Republic, Bolivia, Brazil, Myanmar, Pakistan has been identified as being at risk of forced labour by the [US Department of Labor](#). [Verite](#) has collected reports in forced child labour in Malawi, and debt bondage of sugar workers in India. [Coca-Cola](#) identified forced labour incidents at sugar farms and mills in Guatemala. For further information on forced labour risks in sugar sourcing, please see [Verite's Responsible Sourcing Tool](#).

6. Worker engagement and empowerment: How does your company ensure that workers at sugar farms and mills you source from are made aware of their rights, and empowered to exercise their rights (e.g. freedom of association or, where there are regulatory constraints to freedom of association, alternative means of organising)?

We have a confidential reporting system available in multiple languages and accessible by country-specific hotline numbers and at [HersheysConcern.com](https://www.hersheysconcern.com) for employees and third parties to ask questions and report concerns to the company. We also have a dedicated email, [responsiblesourcing@hersheys.com](mailto:responsiblesourcing@hersheys.com), to receive other communication.

While Hershey does not own or operate any sugar farms or mills, the company expects its suppliers comply with Hershey's Supplier Code of Conduct. As an added layer of accountability, Hershey does, and will continue to, conduct social audits with suppliers to verify compliance with our Supplier Code of Conduct.

#### **Monitoring / certification:**

7. How does your company monitor the labour performance of its sugar suppliers / farmers?
8. If you undertake sustainable sugar sourcing, how does the certification or verification programme consider forced labour risks at mill and farm level?

We established a Sustainable Sugar Sourcing Policy that outlines the company's commitment to source 100% sustainable sugar by the year 2020. Hershey continues to explore options for implementation of this policy. Hershey will use independent third party verified programs, which have established labor standards in place, to aid the company in the successful implementation of the policy.

#### **Remedy:**

9. What steps does your company take to ensure workers are fairly compensated and provided remedy when labour abuses have been identified (e.g. during the recruitment process of workers, at farm level or mill level)?
10. Please provide examples of outcomes of this remedy process (e.g. support reintegration of victims in the labour market).

Hershey requires its suppliers to comply with Hershey's Supplier Code of Conduct, which includes an expectation on working hours and wages.

#### **Additional information**

Please provide any further information regarding your company's activities on forced labour risks in sugar sourcing or your supply chain structure which you think is relevant (e.g. related to local stakeholder engagement, recruitment, supplier training or purchasing practices). Country specific examples are welcome, e.g. in the example of Brazil, participating in initiatives like [Brazil's National Pact to Eradicate Slave Labour](#), or ensuring not to source from companies on [Brazil's Transparency List on Contemporary Slave Labour](#).

**Background information:**

This questionnaire has been sent to the following companies:

- Beverage companies: Coca Cola, FEMSA, PepsiCo, Monster Beverages
- Chocolate and confectionary manufacturers: Hershey, Mondelez, Nestle
- Sugar producers: Archer Daniels Midland (ADM), Associated British Foods (ABF), Wilmar International,

Please note your responses will be made public on the [Business & Human Rights Resource Centre website](#). In addition, we will publish a short analysis paper which will seek to highlight better practices, as well as companies and areas where disclosure is limited. For an indication of the types of practices KnowTheChain generally regards as better practices, please review the [methodology](#) and the [findings report](#) of [KnowTheChain's food & beverage benchmark](#).