

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."¹ 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.²

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.³ 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.⁴

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."⁵ 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

¹ <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>

² https://www.ilo.org/dyn/normlex/en/?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182 ; <https://unstats.un.org/sdgs/metadata/?Text=&Goal=8&Target=8.7>

³ https://cocoainitiative.org/wp-content/uploads/2016/10/Harkin_Engel_Protocol.pdf

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

⁵ 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..

Hershey knowingly profited from the illegal and systematic use of child labor.⁶ 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.⁷ In October 2021, Hershey and the Rainforest Alliance were sued for false and deceptive marketing of chocolate products labeled as “sustainably” or “responsibly produced.”⁸

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.⁹ Hershey also makes misleading and dangerous claims about “appropriate” child work on “family farms,” contradicting international frameworks to end child labor in all forms.¹⁰

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

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

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<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>

⁹ https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa.html

¹⁰ https://www.thehersheycompany.com/en_us/home/sustainability/sustainability-focus-areas/cocoa/child-labor-monitoring-and-remediation-system.html