



HERSHEY



Sharing Goodness for

125
YEARS



2019 SUSTAINABLE DEVELOPMENT GOALS FOOTPRINT

HERSHEY SDG FOOTPRINT

In September 2015, the United Nations General Assembly unanimously approved the Sustainable Development Goals (SDGs). These 17 goals and their 169 sub-targets define the global framework for sustainable development through 2030. The UN has appealed to businesses and the private sector to share responsibility in helping realize these goals.

As a global business, Hershey recognizes that our work touches upon the objectives of the SDGs throughout our supply chain, in how we treat employees, and how we engage with communities where we operate. We seek to align with the global goals, recognizing that there are areas where our business may directly or indirectly have a potential negative impact on the 2030 Sustainable Development Agenda.

We are presenting our first inventory of where we are today, disclosing both the good and the bad. As we move forward, Hershey will seek to maximize our positive impacts while minimizing the negative.





NO POVERTY

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> Improve farmer livelihoods Drive affordable land-rights documentation Exert a direct or indirect impact on ecosystems and land use in our supply chain that may affect local resident’s livelihoods. 	<ul style="list-style-type: none"> • Cocoa For Good program aims to increase farm productivity –critical for creating employment and reducing poverty¹ – as well as incomes for small-scale food producers. It also provides coaching and resources to assist growers in diversifying their incomes • Member of the Côte d’Ivoire Land Partnership (CLAP) to bring affordable land titling to local communities • Supporting the Cocoa & Forests Initiative’s (CFI) zero-deforestation commitment, along with agroforestry programs and Climate Smart education for improving yields <p>See also: Responsible Sourcing and Cocoa For Good</p>		1.1, 1.4, 1.5, 2.3, 2.4, 5.A, 8.3, 13



ZERO HUNGER

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> Increase access to nutrition Improve the resilience and sustainability of small-scale food producers 	<ul style="list-style-type: none"> • Providing fortified snacks to school children including ViVi in Ghana and Côte d’Ivoire and <i>Soft Plus</i> in India • Training local community members on healthy eating and diversifying crops to support better nutrition through Cocoa For Good • Alleviating hunger is one of Hershey’s three philanthropic giving priorities, and we partner with food banks to help children get adequate nutrition when school lunch programs are not in session <p>See also: Cocoa For Good, Children & Youth and Communities</p>	 	1.5, 2.1, 2.2, 2.3, 2.4, 13

KEY Potential positive impact on the SDGs Potential negative impact on the SDGs

Communities in our supply chain
 Communities where we operate
 Our consumers
 Our employees
 Regulators and policy makers
 The natural world

¹ World Bank <https://blogs.worldbank.org/jobs/five-new-insights-how-agriculture-can-help-reduce-poverty>



GOOD HEALTH AND WELL-BEING

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<p> Improve mental health by promoting social connection amongst youth</p> <p> Overconsumption of our products may have negative health outcomes</p>	<ul style="list-style-type: none"> • Our Heartwarming Project and corresponding Heartwarming Action Grants enable youth to connect with one another and their communities to improve social connection and mental health • Use our position as a founding member of The Children’s Food and Beverage Advertising Initiative, to shift the focus of advertising to children under 12 toward healthier dietary choices and lifestyles • Access to community health services and children’s wellbeing activities is one of Hershey’s three philanthropic giving priorities • Offer consumers transparency about ingredients in our products and choice for consumers looking to control sugar, fat, and portion sizes <p>See also: Responsible Marketing and Children & Youth</p>		3.4



QUALITY EDUCATION

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<p> Increase access to education for children within our supply chains and to disadvantaged youth within the United States</p>	<ul style="list-style-type: none"> • Invest in education and youth empowerment programs in our cocoa growing communities • Hershey’s success directly benefits 2,100 pre-K through 12th grade students who attend Milton Hershey School, a cost-free, residential private school for children of low-income backgrounds • Access to youth education is one of Hershey’s three philanthropic giving priorities <p>See also: Cocoa For Good and Children & Youth</p>		4.1, 4.2, 4.4, 4.A, 16.9

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GENDER EQUALITY

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> Expand female leadership and opportunities across our organization Support women-owned businesses Train farmer communities on gender sensitivity and train and assist women in our supply chains 	<ul style="list-style-type: none"> • Above average gender representation on our Board of Directors • Publicly disclose our gender wage gap to ensure equal pay for work of equal value • Offering work benefits and mentoring programs to advance women’s careers • Providing business-skills training, savings education and other female-focused economic development through Cocoa For Good • Actively supporting an inclusive marketplace by maintaining a diverse supply chain <p>See also: Responsible Sourcing, Cocoa For Good, and Our Remarkable People</p>	<ul style="list-style-type: none"> 	5.5, 5.A, 8.5



CLEAN WATER AND SANITATION

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> Ensure sustainable water use and management to protect water quality and quantity Indirectly impact water availability and quality through our ingredient supply chain 	<ul style="list-style-type: none"> • Managing water usage in our operations and monitoring the quality of effluent • Planning to conduct a water risk map of our supply chain in the next few years <p>See also: Planet</p>	<ul style="list-style-type: none"> 	3.9, 6.3, 6.4, 6.6, 12.4, 14.1, 15.1

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AFFORDABLE AND CLEAN ENERGY

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<p> Increase the share of renewable energy in the grids in which we operate</p>	<ul style="list-style-type: none"> Working with developers to add more renewable energy to our fuel mix to power our manufacturing, distribution and office properties Urged the Federal Energy Regulatory Commission (FERC) to exempt voluntary renewable energy contracts from its Minimum Offer Price Rule (MOPR) which would have made corporate renewable energy deals cost-inefficient 	 	7.2, 9.4, 13



DECENT WORK AND ECONOMIC GROWTH

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<p> Assist in economic development of local communities</p> <p> Promote safe and secure working environments for all workers</p> <p> Industry-wide risk of human rights infringements, including child labor, occurring within agriculture supply chains</p>	<ul style="list-style-type: none"> Providing over 16,000 jobs worldwide, including close to 10,000 manufacturing jobs Maintaining our policy commitment and due diligence work to protect human rights in our operations and supply chain and implementation of <u>Child Labor Monitoring and Remediation System (CLMRS)</u> to detect and remediate child labor among children aged 5–17. Our Cocoa For Good program also represents a suite of programs that seek to address systemic issues within our cocoa supply chain including poverty and risks of child labor <p>See also: Our Remarkable People and Business</p>	 	8.5, 8.7, 8.8, 16.2

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RESPONSIBLE CONSUMPTION AND PRODUCTION

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> + Support programs focused on improving the sustainable management and efficient use of natural resources + Transparently report sustainability information - Generate waste in our operations and indirectly affect food waste within our ingredient supply chain and at the consumer level 	<ul style="list-style-type: none"> • Upholding commitments to responsibly source Cocoa, Palm Oil, Sugar, and Pulp and Paper • 47% of our sites are Zero Waste to Landfill and our plants averaged a 86% recycle rate • Producing an annual sustainability report and including key sustainability disclosures on our website • Continue to reduce packaging and formed an enterprise wide taskforce focused on the goal of sustainable packaging <p>See also: Sharing Goodness for 125 Years and Planet</p>	<ul style="list-style-type: none"> 	6.3, 12.2, 12.3, 12.4, 12.5, 12.6



CLIMATE CHANGE

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> + Reduce CO₂ emissions generated throughout our value chain + Strengthen suppliers' resilience to climate-related hazards + Support the objectives of the Paris Climate Agreement - Directly and indirectly add greenhouse gases to the atmosphere throughout our value chain. 	<ul style="list-style-type: none"> • Developing Science Based GHG reduction targets (expected 2021) • Improving energy efficiency in our workplaces • Supporting the Cocoa & Forests Initiative's (CFI) zero-deforestation commitment, along with agroforestry programs and Climate Smart education for increasing growers' yields <p>See also: Planet and Cocoa For Good and SDG 7</p>	<ul style="list-style-type: none"> 	7.2, 7.3, 8.4

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LIFE ON LAND

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<p> Protect and restore ecosystems in our supply chain and ensure their sustainable management</p> <p> Increased demand for food commodities (including some of our ingredients) puts pressure on global forest land</p>	<ul style="list-style-type: none"> • Maintaining zero deforestation commitments for Palm, Cocoa, and Pulp and Paper sourcing • Promoting agroforestry in cocoa growing regions, and shade-grown cocoa. Aiding reforestation by providing cocoa seedlings and shade trees • Driving greater traceability and transparency in our <u>Cocoa</u>, <u>Palm</u>, and <u>Pulp and Paper</u> sourcing <p>See also: <u>Planet</u> and <u>Cocoa For Good</u></p>	<p></p> <p></p> <p></p>	<p>6.6. 15.1, 15.2, 15.5, 15.B</p>



PEACE, JUSTICE AND STRONG INSTITUTIONS

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<p> Risk of directly or indirectly influencing unethical practices, including improper relations between business and government</p> <p> Supply chain infringements on human rights including child or forced labor</p>	<ul style="list-style-type: none"> • Systematically managing our compliance and ethical risks based on Hershey's Ethical Code of Conduct and through our Supplier Code of Conduct • Disclosing our lobbying expenditures and trade association dues on our Corporate Governance site • Monitoring and addressing human rights risks and disclosing the findings of our <u>Child Labor Monitoring and Remediation System</u> (CLMRS) <p>See also: <u>Governance and Accountability</u> and <u>Business and SDG 8</u></p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p>	<p>8.7, 8.8, 16.2, 16.5, 16.6</p>

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PARTNERSHIPS FOR THE GOALS

Potential Impact	Where We Are	Who Is Impacted	Key SDG sub-targets & Cross linkages
<ul style="list-style-type: none"> + Provide demand for developing countries' commodities + Encourage and promote effective public-private and civil society group partnerships 	<ul style="list-style-type: none"> • Sourcing Cocoa, Sugar, Coconut and other ingredients from countries on the World Bank's developing countries list (Ghana, Côte d'Ivoire, India, Indonesia, Philippines, Vietnam)² • Maintaining partnerships that promote the SDGs' core objectives to end poverty and hunger, reduce inequalities, and preserve the natural environment in communities where we operate • Upholding partnerships with governments in West Africa – e.g. memorandum of understanding between Côte d'Ivoire and Ghana around providing childhood nutrition through ViVi. The Cocoa & Forests Initiative (CFI) is another example <p>See also: Business and GRI index</p>	<ul style="list-style-type: none"> 	17.11, 17.17

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²Countries labeled lower middle income or low income on the World Bank list of economies