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2021 SUSTAINABLE
DEVELOPMENT GOALS
REPORT

HERSHEY 

2021 Sustainable Development Goals Report

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 appealed to businesses and the private sector to share responsibility in helping realize these goals.

As a global business, our work at Hershey touches upon many of the objectives of the SDGs including throughout our global supply chain, in how we treat employees, how we manage our environmental impacts and how we engage with communities where we operate.

This report stands as an inventory of where we are today, and how Hershey's work aligns to the SDGs. Our approach is one of continuous improvement, where we seek to maximize our positive impacts while minimizing or eliminating potential negative impacts.



SDG Ambition Benchmarks

In January 2020, the SDG Ambition Benchmarks were launched at Davos representing a new call to action by the UN Global Compact for companies “to set ambitious goals and targets in 14 areas that will have the greatest impacts on the SDGs.”

Three of our corporate ambitions developed in 2021 align with the new SDG Ambition Benchmarks and we have active workstreams related to several more. As UN Global Compact members, we believe it is important to work with global initiatives that amplify our impact.

SDG Ambition Benchmarks where Hershey’s Commitments are aligned



SDG Ambition Benchmark

“100% sustainable material inputs that are renewable, recyclable or reusable”

Goal addressed by:

Hershey’s goal for 100% of plastic packaging to be recyclable, reusable or compostable by 2030.

For more information on Hershey’s packaging goals and related KPIs, see pages 53 and 60 of the [2021 ESG Report](#).



SDG Ambition Benchmark

“Science-based emissions reduction in line with a 1.5°C pathway”

Goal addressed by:

Hershey’s science-based greenhouse gas (GHG) reduction goals to cut our Scope 1 and Scope 2 absolute emissions by 50% and Scope 3 absolute emissions by 25% by 2030 against a 2018 baseline.

For more information about Hershey’s GHG emissions reduction goals and related KPIs, see pages 49 – 51 and 57 – 58 of the [2021 ESG Report](#).



SDG Ambition Benchmark

“Land degradation neutrality including zero deforestation”

Goal addressed by:

Hershey’s commitment to eliminate commodity-driven deforestation from all our ingredient supply chains by 2030.

For more information, see [Hershey’s No Deforestation Policy](#).

SDG Ambition Benchmarks where Hershey has workstreams for business integration



SDG Ambition Benchmark

“Gender balance at all levels of management”

Hershey action:

Hershey 2021 ESG Report:

- Accelerating DEI Efforts at Hershey and 2021: Living DEI at Hershey, pages 67 – 68



SDG Ambition Benchmark

“100% of employees across the organization earn a living wage”

Hershey action:

Hershey 2021 ESG Report:

- Responsible Sourcing and Human Rights: Human Rights Across Our Value Chain, pages 34 – 37

See also:

- [Living Wage and Income Position Statement](#)



SDG Ambition Benchmark

“Zero incidences of bribery”

Hershey action:

Intolerance for bribery is an established principle of our [Code of Conduct](#) and [Supplier Code of Conduct](#)



No Poverty

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Drive affordable land-rights documentation + Improve farmer livelihoods + Provide access to a living wage/income - Exert a direct or indirect impact on ecosystems and land use in our supply chain that may affect local residents' livelihoods 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Lifting up Rural Livelihoods, pages 27 – 28 • Environment, pages 48 – 61 • Responsible Sourcing and Human Rights, pages 33 – 47 <p>See also:</p> <ul style="list-style-type: none"> • Living Wage and Income Position Statement 	<ul style="list-style-type: none"> 	<p>1.1, 1.4, 1.5, 2.3, 2.4, 5.A, 8.10, 11.5, 13</p>



Zero Hunger

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Increase access to nutrition + Improve the resilience and sustainability of small-scale food producers 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Addressing Child Labor Through School-Based Nutrition, page 26 • Community: A Culture of Giving Back, page 90 • Community: Showing up for Our Communities, page 88 • Community: Tackling Hunger Head On, page 90 • Responsible Sourcing and Human Rights, pages 33 – 47 • Youth: Supporting Connections / Heartwarming Young Heroes Award Winner Nourishes Others, page 82 	<ul style="list-style-type: none"> 	<p>1.5, 2.1, 2.3, 2.4, 13</p>

Key

- + Potential positive impact on the SDGs
- Potential negative impact on the SDGs
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- The natural world



Good Health and Well-being

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Improve mental health by promoting social connection, social emotional development and access to mental well-being resources for youth + Act responsibly to keep our employees, supply chain partners and communities safe and protected from the spread of COVID-19 - Value chain operations may exert a direct or indirect impact on ecosystems and environments that could impact human health - Overconsumption of our products may have negative health outcomes 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Community: Highlighting Healthcare Around the World, page 91 • Our Company: Marketing Responsibly, page 17 • Our Company: Staying Agile Through Change, page 18 • Our People: Keeping People Safe, page 64 • Our People: Providing a Caring Employee Experience, page 65 • The Big Picture: Spotlight 2021, page 5 • Youth, pages 80 – 85 	 	3.3, 3.4, 3.9



Quality Education

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Increase access to education for children within our supply chains and to disadvantaged youth within the United States 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Preventing Child Labor Through Access to Education, page 26 • Youth: Our Shared Goodness Legacy – Milton Hershey School, page 84 	 	4.1, 4.4, 4.A, 4.C, 16.9

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Gender Equality

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND 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 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Supporting Women in Achieving Economic Independence, page 28 • Community: A Culture of Giving Back, pages 90 – 92 • Our Company: Corporate Governance, pages 11 – 12 • Our People: Leading the Way for Women, page 68 • Our People: Providing a Caring Employee Experience, pages 65 – 66 • Responsible Sourcing and Human Rights: Human Rights Across Our Value Chain, pages 34 – 37 <p>See also:</p> <ul style="list-style-type: none"> • Fostering Diversity, Equity and Inclusion • Supplier Diversity 	<ul style="list-style-type: none"> 	4.1, 5.5, 5.B, 8.6



Clean Water and Sanitation

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Ensure sustainable water use and management to protect water quality and quantity - Directly and indirectly impact water availability and quality through our operations and ingredient supply chain 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Environment: Our Journey to Understand Our Water Impact, page 55 • Environment: Protecting Water Supplies, page 54 • Environment: Water, page 61 	<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 AND CROSS LINKAGES
<ul style="list-style-type: none"> + Increase the share of renewable energy supported and sourced in the grid + Improve energy efficiency in our facilities 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Environment: Acting on Climate Change, pages 49 – 51 	<ul style="list-style-type: none"> 	7.2, 7.3, 9.4, 13



Decent Work and Economic Growth

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Assist in economic development of local communities + Promote safe and secure working environments for all workers + Promote equal pay for equal work + Seek to decouple our economic growth from environmental degradation - Industry-wide risk of human rights infringements, including child labor, occurring within agriculture supply chains 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Lifting up Rural Livelihoods, pages 27 – 28 • Our People: Keeping People Safe, page 64 • Our People: Leading the Way for Women, page 68 • Our People: Safety, page 79 • Responsible Sourcing and Human Rights: Human Rights Across Our Value Chain, pages 34 – 37 • Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42 <p>See also:</p> <ul style="list-style-type: none"> • 2021 Form 10-K, pages 6 – 7 • Responsible Sourcing Supplier Program 	<ul style="list-style-type: none"> 	8.4, 8.5, 8.6, 8.7, 8.8, 16.2

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Reduced Inequalities

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<p>+ Empower and promote the social and economic inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Lifting up Rural Livelihoods, pages 27 – 28 • Community, pages 86 – 92 • Our People: 2021: Living DEI at Hershey, page 68 • Our People: Accelerating DEI Efforts at Hershey, page 67 • Our People: Providing a Caring Employee Experience, pages 65 – 66 • Youth: Our Shared Goodness Legacy – Milton Hershey School, page 84 <p>See also:</p> <ul style="list-style-type: none"> • Fostering Diversity, Equity and Inclusion • Supplier Diversity 	 	10.2



Responsible Consumption and Production

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<p>+ Ensure ingredients and materials are sourced responsibly</p> <p>+ Increase visibility into our ingredient and raw material supply chains back to origin to understand opportunities to mitigate any negative impacts</p> <p>+ Reduce packaging material usage</p> <p>+ Increase use of packaging material inputs that are renewable, recyclable or reusable</p> <p>- Packaging waste is a global issue</p> <p>- Social and environmental challenges in the communities and ecosystems where our ingredients and materials come from</p>	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Fighting Deforestation, pages 29 – 30 • Environment: Making Progress on Packaging, page 53 • Environment: Packaging, page 60 • Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42 <p>See also:</p> <ul style="list-style-type: none"> • Environment • Priority Ingredients and Raw Materials • Responsible Sourcing Supplier Program 	 	6.3, 12.2, 12.3, 12.4, 12.5, 12.6

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Climate Action

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Reduce absolute GHG emissions across our direct operations (Scope 1 and Scope 2) and our value chain (Scope 3) in alignment with the Paris Climate Agreement + Advance sustainable packaging solutions and work to eliminate deforestation from our ingredient supply chains - Directly and indirectly add GHG emissions to the atmosphere as part of our carbon footprint 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Fighting Deforestation, pages 29 – 30 • Environment: Acting on Climate Change, pages 49 – 51 • Environment: Our Progress, pages 57 – 61 • Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42 • Responsible Sourcing and Human Rights: Responsible Sourcing Supplier Program, pages 44 – 46 <p>See also:</p> <ul style="list-style-type: none"> • Environment 	<ul style="list-style-type: none"> 	7.2, 7.3, 8.4, 14.3



Life on Land

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> + Protect and restore ecosystems in our supply chain and ensure their sustainable management - Increased demand for food commodities (including some of our ingredients) puts pressure on global forest land 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Fighting Deforestation, pages 29 – 30 • Cocoa: Our Progress, pages 31 – 32 • Environment, pages 48 – 56 • Environment: Our Progress, pages 57 – 61 • Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42 • Responsible Sourcing and Human Rights: Responsible Sourcing Ingredient Commitments and Progress, page 47 <p>See also:</p> <ul style="list-style-type: none"> • Environment • Priority Ingredients and Raw Materials • Responsible Sourcing Supplier Program 	<ul style="list-style-type: none"> 	6.6, 15.1, 15.2, 15.5, 15.B

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Peace, Justice and Strong Institutions

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND CROSS LINKAGES
<ul style="list-style-type: none"> - Risk of directly or indirectly influencing unethical practices, including improper relations between business and government - Risks of infringements on human rights including child or forced labor in our supply chain 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Cocoa For Good, page 21 • Our Company: Corporate Governance, pages 11 – 12 • Responsible Sourcing and Human Rights, pages 33 – 47 <p>See also:</p> <ul style="list-style-type: none"> • 2021 UNGPRF Report • Advocacy Expenditures • Child Labor Monitoring and Remediation System (CLMRS) • Hershey’s Commitment to Human Rights • Supplier Code of Conduct 	<ul style="list-style-type: none"> 	8.7, 8.8, 16.2, 16.5, 16.6



Partnerships for the Goals

POTENTIAL IMPACT	WHERE WE ARE	WHO IS IMPACTED	KEY SDG SUB-TARGETS AND 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 + Strategic partnerships and alignments to implement meaningful actions towards shared targets 	<p>Hershey 2021 ESG Report:</p> <ul style="list-style-type: none"> • Cocoa: Cocoa For Good, page 21 • Community, pages 86 – 92 • Environment, pages 48 – 61 • Our People, pages 62 – 79 • Responsible Sourcing and Human Rights, pages 33 – 47 <p>See also:</p> <ul style="list-style-type: none"> • 2021 GRI: GRI 102-12; 102-13, page 3 	<ul style="list-style-type: none"> 	17.11, 17.17

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