HERSHEY

The Hershey Company

2025 Responsible Business Report

Contents

03 Making Good for Our Future

04 A Message from Our CEO
05 A Message from Our Head of Sustainability
06 Retrospective and Lessons Learned
09 Our New Strategy: Source, Make, Delight. Responsibly.
10 The Assessments that Inform Our Strategy
11 Progress on Our Priority Goals

12 Source: Resilient Ingredients

13 Our Goals: Measuring What Matters
14 Our Priority Ingredients and Materials
15 Resilient Farms: Regenerative, Restorative and Protective Measures
15 Regenerative Agriculture
17 Restore and Protect: Investing in Landscapes and Ecosystems
18 Deforestation and Conversion-Free Supply Chains
19 Reducing Our Scope 3 FLAG Emissions
21 Resilient Farmers: Building Financial Resilience and Livelihoods
21 The Hershey Income Accelerator Program (HIAP)
23 Child and Family Well-Being: Education, Health and Addressing the Root Causes of Child Labor
25 Responsibly Sourced Priority Ingredients and Materials
27 Looking Ahead

28 Make: Efficient Operations

29 Our Goals: Measuring What Matters
30 Waste Reduction
31 Energy and Climate
32 Energy Efficiency
33 Reducing Our Scope 3 Non-FLAG Emissions
33 Optimizing Packaging
34 Enhancing Logistics
34 Finished Goods
34 Final Waste Disposal
35 Water
36 Green Teams
37 Looking Ahead

38 Delight: Relevant Portfolio

39 Our Goals: Measuring What Matters
40 Building a More Relevant Portfolio
40 Why Portfolio Relevance Is a Sustainability Issue
40 Our Evolving Portfolio
41 Building Our Understanding of Sustainable Product Performance
42 Responsible Packaging
42 How We Think About Packaging Sustainability
43 Improving Circularity: Progress on Recyclability
43 Navigating the Regulatory Landscape: Extended Producer Responsibility
44 Looking Ahead

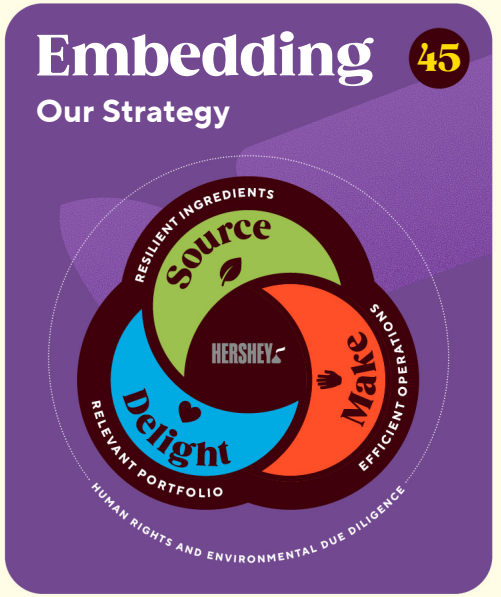
45 Embedding Our Strategy

46 Human Rights and Environmental Due Diligence (HREDD)
46 Strengthening Our Approach: A Six-Step Framework
48 Responsible Sourcing Supplier and Recruitment Programs
49 Living Wage
50 Investing in Data and Technology
51 Sustainability Policies and Governance

52 Appendix

53 Our Company Data
54 Cocoa
56 Responsible Sourcing & Human Rights
61 Environment
68 Our People
74 Youth and Community

75 About This Report



Making Good for Our Future

The world is asking more of businesses. Our updated sustainability strategy reflects that reality. It builds on the progress and lessons of the past, while taking a more integrated, enterprise-wide approach to addressing the environmental and social challenges that intersect with our business. Looking ahead to the next decade, our strategy helps shape how we source ingredients and make our products, enabling us to continue delighting consumers while growing responsibly in a changing world.

In this chapter:

04 A Message from Our CEO
05 A Message from Our Head of Sustainability
06 Retrospective and Lessons Learned
09 Our New Strategy: Source, Make, Delight. Responsibly.
11 Progress on Our Priority Goals

UN Sustainable Development Goals (SDGs)
With the company's extensive global reach, our work supports many of the United Nations SDGs, from managing the impact of our supply chain to nurturing resilient communities.

Our strategy contributes to achieving the following SDGs:

A Message from Our CEO

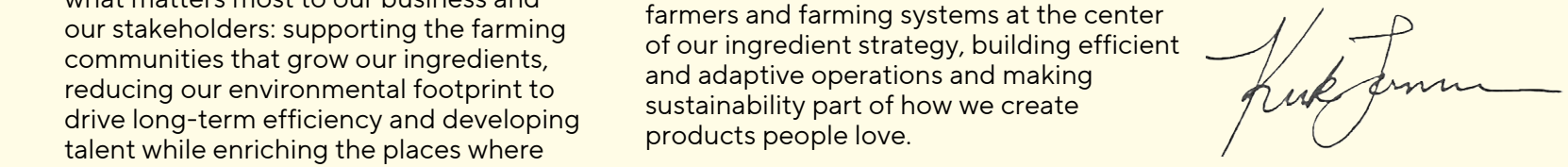
At Hershey, every product we make is a moment of goodness. Delivering on that promise, now and for generations to come, is exactly why responsible business is foundational to how we *Lead Next Generation Snacking*.

Our sustainability approach focuses on what matters most to our business and our stakeholders: supporting the farming communities that grow our ingredients, reducing our environmental footprint to drive long-term efficiency and developing talent while enriching the places where we operate. As our portfolio and global footprint evolve, this work is essential to ensuring supply reliability, affordability and growth over the next decade and beyond.

We operate in a world shaped by market volatility, evolving regulations and rising expectations from consumers, customers and investors. Our response is an integrated, enterprise-wide approach that embeds resilience into how we source ingredients, run our operations and innovate our portfolio. That means putting farmers and farming systems at the center of our ingredient strategy, building efficient and adaptive operations and making sustainability part of how we create products people love.

Progress here requires focus, sustained investment and partnership. We are encouraged by the momentum we have built, particularly where our efforts have been consistent over time. This report outlines where we are making progress, where work continues and how this strategy supports a stronger Hershey.

We don't do this work alone. Alongside farmers, suppliers, customers, governments, NGOs and communities, we are building a business prepared for what's next: delivering great-tasting snacks, helping protect the people and ecosystems that make them possible and creating shared goodness for years to come.



Kirk Tanner
President and
Chief Executive Officer

"Alongside farmers, suppliers, customers, governments, NGOs and communities, we are building a business prepared for what's next."

A Message from Our Head of Sustainability

Hershey is entering an exciting new chapter, shaping the future of snacking with an evolving portfolio, new flavors and formats and a broader geographic reach. This creates opportunities to make our business more resilient, more relevant and more sustainable, all at once.

In 2025, we refreshed our sustainability strategy to reflect the realities facing a global snacking company in an increasingly complex world. Our refreshed strategy builds on years of commitment while sharpening our focus for what comes next. It is organized around three pillars:

- How we **Source** our ingredients
- How we **Make** our products
- How we **Delight** our consumers with a portfolio that meets their evolving expectations.

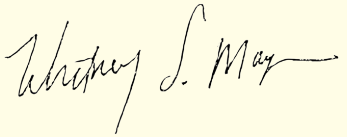
These pillars stand on the foundational investments we make in governance, data and due diligence. Many of the goals we pursued under our prior strategy continue under this one. What has evolved is our more integrated, enterprise-wide approach to managing risk, strengthening operational and supply chain resilience and enabling more forward-looking investment decisions.

Our updated sustainability strategy is designed to meet the world where it is heading. It anticipates how consumer preferences, regulatory expectations and market conditions will continue to change, and positions Hershey to succeed in future environments. It is also grounded in evidence. We built this strategy based on the findings of recurring assessments that give us a clear view of the risks and opportunities most material to our business. These include a double materiality assessment, a human rights saliency assessment and a climate risk scenario analysis that pressure-tests our operations and supply chains.

We have and will continue to operate our business with multiple stakeholders in mind and with a view toward long-term value creation, even as our business and communities face a variety of challenges. We leverage our expertise, along with external partners, to address these challenges so that we can continue to delight consumers and make a positive impact today and into the future.

We closed out our prior strategy with a deeper understanding of how to operationalize sustainability at Hershey and create greater impact through integrated efforts such as reducing waste. The pages that follow reflect further on what we have learned and how we will continue to evolve as we move forward under our new strategy.

This work is not simple, and it is never finished. But it is essential to our business, to the communities where we work and to the people our brands delight every day. Responsibility, resilience and sustainability are integral to the legacy Milton Hershey began more than 130 years ago, a legacy we are proud to carry forward as we begin our new chapter.



Whitney Mayer
Head of Global Sustainability

“As our business grows and evolves, so does our responsibility to source, make and deliver products we are proud of, reflecting the company we strive to be.”

Retrospective and Lessons Learned

Since 2010, Hershey's sustainability reports have documented our ongoing journey of learning and adaptation. Each iteration of our sustainability strategy has strengthened our understanding of what it takes to drive meaningful impact at scale. Along the way, we have learned that progress across complex global supply chains is rarely linear, and success is best achieved through adaptive approaches rather than rigid targets, with lasting impact driven by execution on the ground, rather than during the goal-setting process alone. We reflect on our previous strategy in that spirit, celebrating the progress we made while acknowledging where our ambitions exceeded outcomes. As we transition to the next chapter of sustainability at Hershey, we will continue to evolve while carrying forward insights that strengthen and refine our responsible business approach.

Priority Area	Historical Goals with 2025 Deadlines	Final Progress (as of Dec. 31, 2025)	Status	Lessons Learned
Cocoa[1]	**100% sourcing visibility of Hershey's cocoa volume in Côte d'Ivoire and Ghana[2]**	**72%**	**Partially achieved**	By improving farm-level visibility, we have strengthened relationships with farmers and supported a more consistent supply base. This foundation allows us to take a farmer-centric approach and has been critical to designing, implementing and scaling impact programs across child labor prevention, deforestation-free sourcing and forest conservation. In 2025, we saw some regression while responding to unprecedented cocoa market volatility. As we look ahead, our efforts to achieve farm-level visibility across a more complex and multi-origin supply chain will continue, in line with our broader ingredient resilience efforts.
	100% of farmers producing Hershey's cocoa volume in Côte d'Ivoire and Ghana are polygon mapped by our suppliers to improve traceability and monitor deforestation[3]	**97%**	**Nearly achieved**	We made significant progress on traceability, nearly achieving our goal of 100% polygon mapping. We expanded our partnership with Earthworm Foundation to strengthen satellite-monitoring capabilities and continued collaboration to enhance supplier controls. As our strategy evolves, polygon mapping will remain a foundation of traceability, but our focus is increasingly on outcomes—working toward 100% deforestation-free supply chains by 2030 alongside proactive forest conservation. We have already begun this shift through our landscape initiatives in Mabi-Yaya and Kakum, and we will continue to scale deforestation prevention and forest protection efforts to support our new goal of 1 million hectares under restorative, protective, or regenerative practices.
	100% of farmers producing Hershey's cocoa volume in Côte d'Ivoire and Ghana are covered by Child Labor Monitoring and Remediation Systems (CLMRS) to prevent, monitor and remediate child labor[4]	**92%**	**Nearly achieved**	We remain firmly committed to eliminating child labor in our supply chain by working with governments, suppliers and farming communities to prevent and remediate issues. We expanded our CLMRS coverage in CDI and Ghana while also working with partners such as the International Cocoa Initiative (ICI) to improve implementation at the field level. In addition to CLMRS, we expanded our focus on tackling root causes by improving farming family livelihoods through the launch of Hershey's Income Accelerator Program (HIAP), increasing access to quality education and supporting health and well-being in cocoa-growing communities. Under our new strategy, we will continue robust child labor monitoring and remediation through CLMRS in at-risk origins, striving to deliver 100% Human Rights and Environmental Due Diligence (HREDD) coverage across all sourcing origins.

[1] All mention of "farmers producing Hershey's cocoa volume" refer to the known farmers where we have sourcing visibility; representing progress within our visibly sourced volumes.
[2] Sourcing visibility means cocoa from known farmers is segregated and traceable to the first buyer (i.e., to the port or the factory in origin). From here, cocoa may be mixed, and independently verified cocoa then flows into our supply chain under a mass balance traceability model.
[3] We are reporting results based on an analysis of supplier-provided polygon maps. This analysis follows World Cocoa Foundation guidelines, which define a farmer as fully mapped when all farm plots managed by the farmer have polygon maps. This metric is generated by checking information provided by suppliers: the list of fully mapped farmers is compared against the files with the polygon maps.
[4] Farmers covered refers to households covered by CLMRS.

Retrospective and Lessons Learned continued

Priority Area	Historical Goals with 2025 Deadlines	Final Progress (as of Dec. 31, 2025)	Status	Lessons Learned
Responsible Sourcing	**100% of priority ingredients and materials to be responsibly sourced (by volume)**	**91%**	**Nearly achieved**	Certification and independent verification have and will continue to be an important foundation for our work in responsible sourcing. As we evolve our strategy, we are revising and extending this commitment to 2035, with increased rigor around the HREDD controls and assurance that define what "responsibly sourced" means in practice. We are also evolving this effort to cover a broader set of ingredients, in line with our evolving portfolio.
	85% of in-scope supplier sites meet Hershey's Responsible Sourcing Supplier Program (RSSP) requirements	**55%**	**Partially achieved**	We are proud of what the RSSP has built: a structured, continuous-improvement program operating across a global supply base. We have learned, however, that a compliance-rate goal does not fully capture what matters most: whether suppliers are actually improving their human rights and environmental management systems in sustainable ways. In 2025, we invested in Tier 1 supplier capability-building for 38 suppliers in nine countries through one-to-one consultative support with Lloyd's Register Quality Assurance (LRQA). This engagement aimed to support suppliers to address and remediate root causes for difficult and repeated issues identified in their Sedex Members' Ethical Trade Audits (SMETA). Suppliers indicated that they found this engagement to be more valuable than an audit because it clarified gaps and provided structured ways to address them, such as templates, tools, "one-on-one guidance" and practical answers to questions. Our experience with direct capacity-building programs like these demonstrates how this kind of support can enable sustained supplier improvement rather than solely relying on corrective action plans and follow-up audits. We also partnered with The Outcome Gap to measure the effectiveness of the RSSP in supporting supplier improvement. As this effort evolves, we will continue to audit our suppliers, but we are replacing the external compliance percentage target with a deeper commitment to building supplier capability, extending HREDD controls across our supply chains and measuring impact that reflects supplier improvement.

Retrospective and Lessons Learned continued

Priority Area	Historical Goals with 2025 Deadlines	Final Progress (as of Dec. 31, 2025)	Status	Lessons Learned
Our People	**50% hazard reduction for job functions with ergonomic risks through process improvements**	**42%**	**Partially achieved**	The health and safety of our people is a top priority at Hershey, and we made solid progress on our hazard reduction goal through our Ergonomics Maturity Ladder, a structured framework that drove measurable risk reduction and consistent site-level execution across our manufacturing network. We fell short of our target due to the acquisition of our Salty manufacturing plants, which were added to the program mid-way through our goal-reporting period. We remain committed to progressing these efforts across our expanded operational footprint.
Youth & Community	**50 million children globally supported through education, nutrition, and social and emotional well-being**	**50.4M**	**Achieved**	The achievement of our Youth & Community goals reflects years of relationship-building and authentic partnerships with the Milton Hershey School, which has anchored our commitment to children since our founding, and national organizations like the Boys & Girls Clubs of America, a local partner in the communities where we operate. We are evolving how Hershey can best support young people going forward, through conversations with experts and listening to the lived experiences of youth themselves. In the meantime, we will continue our support for our highest-impact partnerships.
	100,000 children take Heartwarming actions and impact their communities	**388,418**	**Achieved**	Our work focused on young people has taught us that when youth are given resources and encouragement to make a difference, they are motivated to spark change. We also learned that a strategy spanning education, nutrition and social and emotional well-being can achieve meaningful reach but risks diffused impact. Our next chapter will focus on enduring impact and measurability alongside scale.
	$105 million donated in cash and products to community partners focused on education, community economic development, inclusive communities and health and human services where we live and work	**$175.1M**	**Achieved**	Learn more about our ongoing Youth and Community initiatives on the Corporate Philanthropy section of The Hershey Company website

Our New Strategy

Source, Make, Delight. Responsibly.

Hershey is on a mission to *lead next generation snacking*. How we think about every aspect of our business drives that mission, from the way we **source** our ingredients to how we **make** our iconic products and how we **delight** consumers with a range of snacking options for every occasion. Hershey is building a business positioned to deliver both growth and goodness.

Our updated sustainability strategy is organized around three interconnected pillars, each grounded in the material risks and opportunities most relevant to our long-term business resilience.

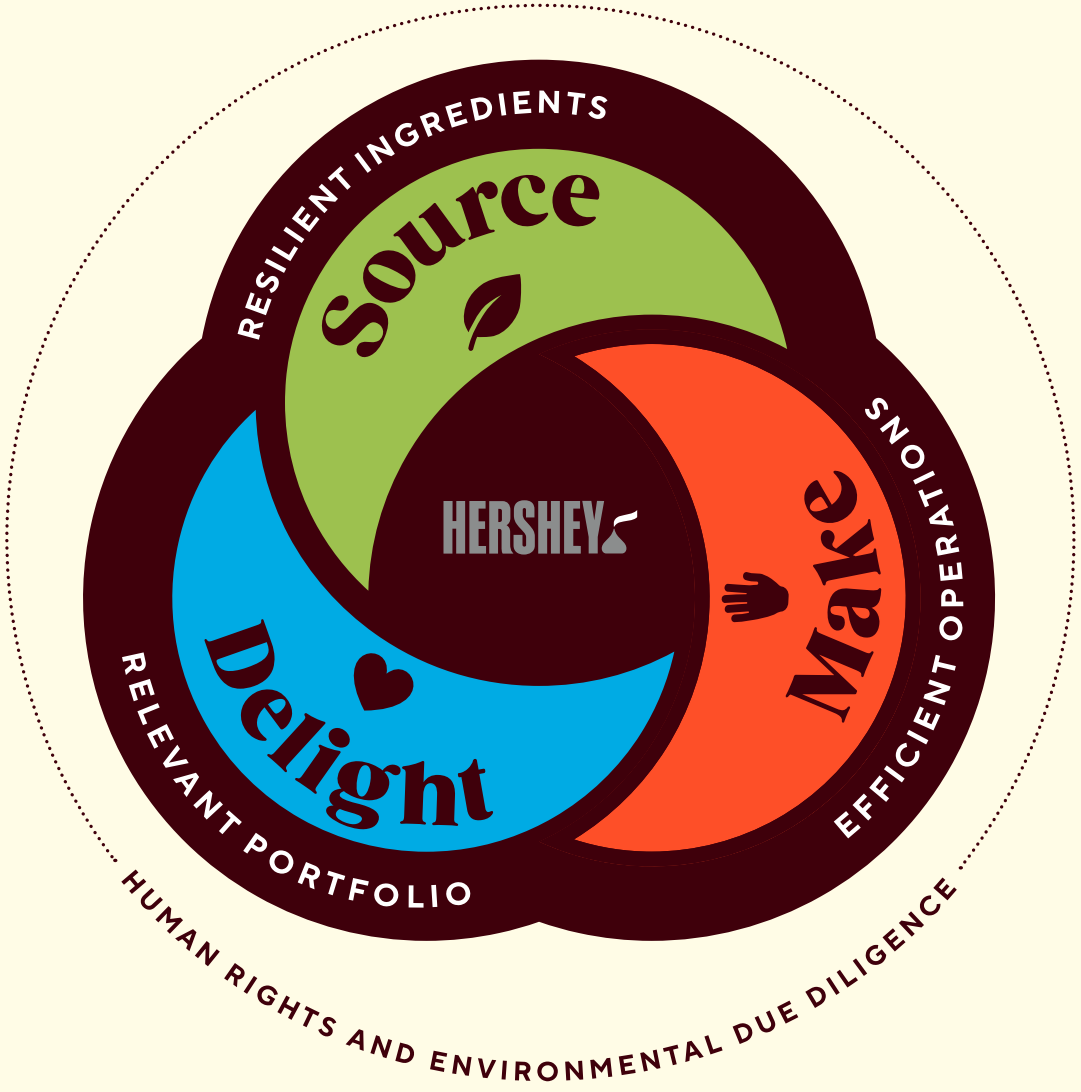
Our strategy puts **resilient, responsibly sourced ingredients** at the heart of our long-term vision, starting with the farmers and farming communities at the origin of our supply chains. We take a holistic approach to ingredient sourcing that safeguards our supply, supports the communities where those ingredients are grown and helps protect the natural systems on which agriculture depends.

Operational excellence through efficient operations helps us reduce costs, mitigate compliance risks and strengthen our resilience against climate and market disruptions, all while delivering sustained value to our stakeholders.

The connections between sustainability and cost efficiency in our operations are among the clearest and most tangible examples of alignment between immediate business and long-term sustainability goals in our strategy.

Consumer values are complex and shifting, with a growing emphasis on health, well-being and the environmental and social footprint of the brands people choose. Customers are increasingly looking for partners who can help them meet their own sustainability commitments. Grounded in sustainability-informed consumer insights and integrated into our design and innovation processes, **Hershey's approach to portfolio strategy** helps ensure our brands and products reflect these trends, driving both business growth and positive impact, now and for generations to come.

Forming the foundation of this strategy is how we are further **embedding robust human rights and environmental due diligence** across our value chain, investing in data and automation to enable transparent reporting and informed decision-making and ongoing risk assessments to ensure we remain focused on the right priorities for Hershey, people and the planet.



Our New Strategy: Source, Make, Delight. Responsibly. continued

The Assessments That Inform Our Strategy

Our strategy was informed by several risk and opportunity assessments that evaluated potential impacts to our business and our impact on people and planet. These assessments are not one-time exercises. They will continue to evolve and inform our strategy as the external environment changes.

Double Materiality Assessment
We evaluated both financial materiality — the sustainability risks and opportunities that may affect Hershey — and impact materiality — the ways our business affects people and the environment.

Human Rights Saliency Assessment
Informed by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, this assessment identified and prioritized the most severe human rights risks across our value chain.

Climate Scenario Risk Assessment
We evaluated physical and transition climate risks across our manufacturing and supply chain operations under multiple warming scenarios.

Business Strategy and Continuity Assessment
We evaluated sustainability risks in the context of supply resilience and long-term business continuity, helping to connect sustainability priorities directly to commercial and operational planning.

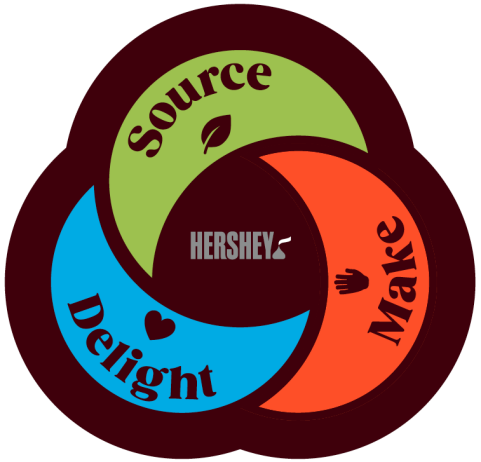
1 We Conducted Various Risk and Opportunity Assessments

- Double Materiality
- Environmental Footprint (water, biodiversity, energy and emissions)
- Human Rights Saliency
- Climate Scenario Risk Assessment
- Business Strategy and Continuity
- Ingredient and supplier risk assessments

2 Key Themes Emerged

- Water, climate and biodiversity are consistently flagged as material risks and opportunities.
- Persistent inequities in farm labor economics and human rights practices threaten the dignity, stability and long-term well-being of agricultural communities.
- Opportunities to unlock cost savings and environmental benefits remain under-leveraged.
- To drive growth, we need a structured approach to insights that aligns sustainability opportunities with our strategic agenda.

3 Which Informed Our New Pillars and Goals



Progress on Our Priority Goals

Achieved
On Track
In Progress
At Risk

Our Strategic Pillars	Priority Goals	Target	Progress (as of Dec. 31, 2025)	Status	Notes
Source Resilient ingredients	Responsibly sourced priority ingredients and materials (PIM)	**2035**	New in 2026	In Progress	1, 2, 3
	1 million hectares (including watersheds) covered by regenerative agriculture, restorative or protective practices	**2035**	50,011 hectares	On Track	1
	Deforestation and Conversion-Free (DCF) prioritized agricultural supply chains	**2030**	80%	On Track	–
	Improve financial resilience of farmers and workers in prioritized agricultural supply chains	**Ongoing**	New in 2026	In Progress	1, 2
	36.4% absolute reduction in Scope 3 FLAG emissions against a 2018 baseline	**2030**	43%	On Track	4
Make Efficient operations	50% absolute reduction in Scope 1 and 2 GHG emissions against a 2018 baseline	**2030**	43%	On Track	5
	Procure 100% of electricity from renewable and zero-emission sources	**2030**	85%	On Track	6
	30% absolute reduction in Scope 3 Non-FLAG emissions against a 2018 baseline	**2030**	9%	In Progress	4
	25 million pounds of packaging to be eliminated	**2030**	18.7 million lbs	On Track	7
	Reduce water usage in prioritized operations (absolute gallons reduced and intensity)	**Ongoing**	New in 2026	In Progress	2, 8
Delight Relevant portfolio	Support growth and relevance through integration of sustainability insights into portfolio design and evolution (qualitative)	**2030**	New in 2026	In Progress	2
	100% of plastic packaging designed to be recyclable	**Ongoing**	26%	On Track	–

1 Relevant existing programs will be/are incorporated.
2 Progress disclosure will begin with our 2026 Responsible Business Report.
3 We are working with partners, Preferred by Nature, to define this revised and extended priority goal.
4 Our 2025 Scope 3 data is verified by Quantis.
5 Hershey's GHG emissions reduction goal for 2030 is based on Scope 1 and 2 (market-based). Our 2025 Scope 1 and 2 data received limited assurance by EY.
6 This result represents renewable electricity consumption and the share of total electricity covered by zero-emission contractual instruments, including Renewable Energy Certificates (RECs) from Power Purchase Agreements, Zero-Emission Credits (ZECs), and hydro, solar and biogas-generated electricity sourced by sites under our operational control.
7 Cumulative packaging waste eliminated (2021-2025) includes Candy, Mint and Gum (CMG) products. It excludes all other product packaging and any non-Hershey purchased packaging materials.
8 Prioritized operations include those where water stress and water use are highest.

Source

Resilient Ingredients

For Hershey, ingredient resilience is both a sustainability objective and a business imperative.

This has always been true, and it remains crucial as our business evolves to include a more diversified portfolio of products made from a wider range of ingredients sourced from farms around the world. Each supply chain presents unique opportunities and challenges, even as all face shared pressures.

In this chapter:

13 Our Goals: Measuring What Matters
14 Our Priority Ingredients and Materials
15 Resilient Farms: Regenerative, Restorative and Protective Measures
19 Reducing Our Scope 3 FLAG Emissions
21 Resilient Farmers: Building Financial Resilience and Livelihoods
27 Looking Ahead

Link to UN SDGs:

Source

Our Goals: Measuring What Matters

Under our new strategy, six enterprise-level goals within our Source pillar help guide our investments and provide the basis for measuring progress. These goals are designed to work together; progress on one often helps advance another.

Resilient Farm

- **1 million hectares** (including watersheds) covered by regenerative agriculture, restorative or protective practices; **50% by 2030** and **100% by 2035.**
- Reduce Scope 3 FLAG emissions **36.4% by 2030**, against a 2018 baseline.
- Deforestation and Conversion-Free prioritized agricultural supply chains **by 2030**.

Resilient Farmer

- **Improve the financial resiliency** of farmers and workers in prioritized agricultural supply chains.
- Responsibly sourced priority ingredients and materials (PIM)* **by 2035**.

Resilient Product

- Translate agronomic science, field data and climate insights into a **resilient set of ingredients and portfolio of products**.

*Volumes with risk-appropriate HREDD supply chain controls.

We recognize the power of nature and the central role farmers play in stewarding it. Healthy, well-managed ecosystems absorb climate shocks, sustain water cycles and soil health and generate benefits that grow over time. Preserving and restoring degraded ecosystems will help us build resilience in our supply chains.

We are not simply buyers of agricultural commodities. We are partners with the farming communities that make our business possible. A farmer who cannot earn a stable livelihood cannot invest in better practices. A landscape stripped of healthy soil cannot sustain crops. Supply chain resilience includes farms, farmers and the ecosystems we all depend on.

Climate instability disrupts yields, while agricultural and land-use pressures have worsened deforestation, soil erosion, biodiversity loss and watershed stress across many regions. In addition, income insecurity and risks to children's well-being persist in regions where some of our ingredients are grown. Addressing these challenges requires ongoing collaboration with a range of stakeholders to build a more stable and sustainable supply of ingredients.

Our strategy thus takes a broad, systems-based view, building on our learnings in cocoa to encompass all priority ingredients and multiple growing regions. Our long-term vision: thriving farming communities, healthy agricultural ecosystems and a Hershey that continues to deliver Moments of Goodness in a rapidly changing world.

Our Priority Ingredients and Materials

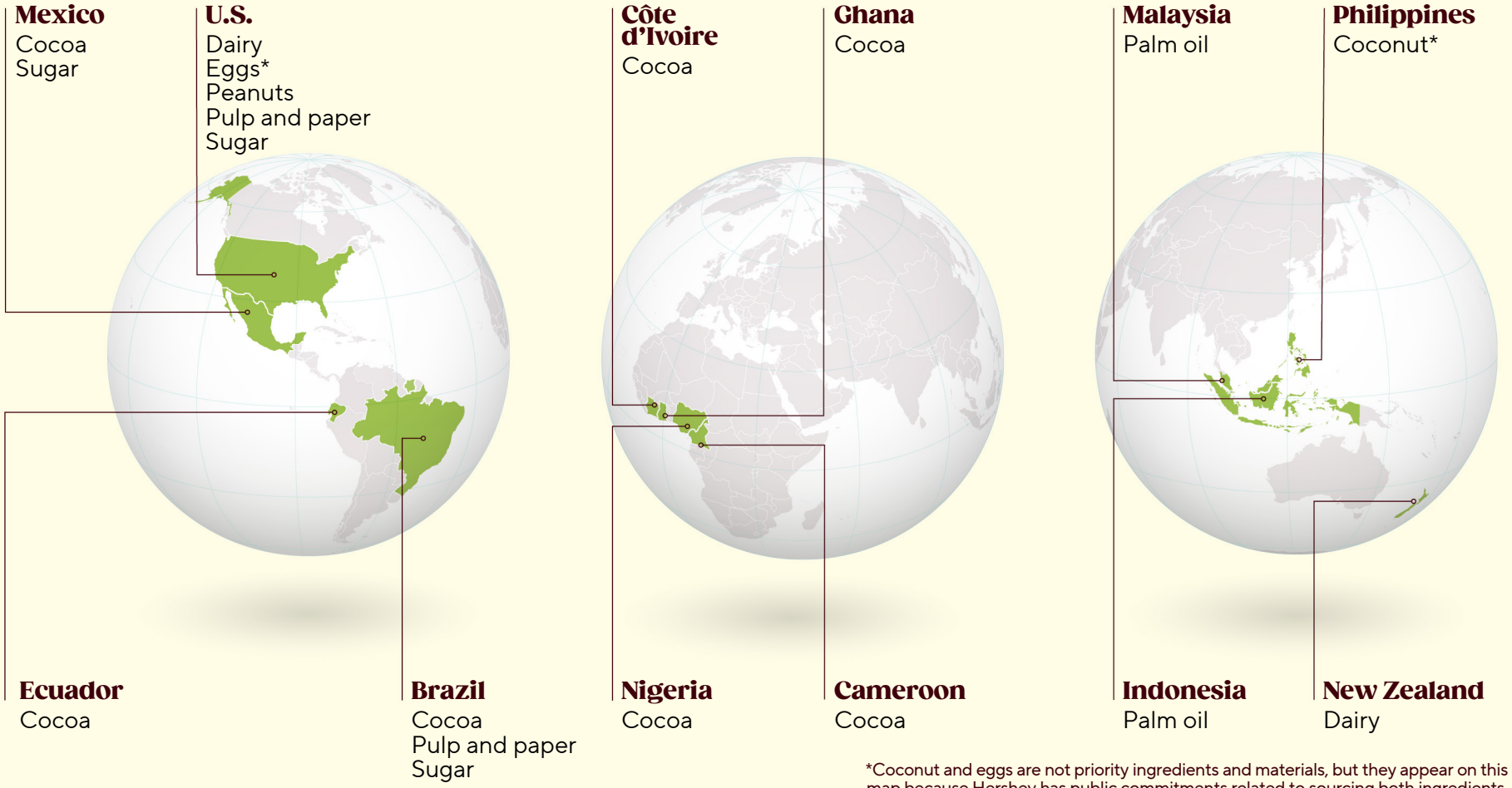
In line with the Human Rights and Environmental Due Diligence (HREDD) framework described in the 'Embedding Our Strategy' chapter of this report, we assess each priority ingredient across three aspects at the country of origin and supply chain level:

1. **Human rights risk,** including child labor, forced labor, living wage and income and health and safety
2. **Environmental risk,** including greenhouse gas emissions, deforestation and conversion, water stress and biodiversity
3. **Continuity risk,** including climate vulnerability and commercial criticality

This assessment, which we will refresh in 2026, informs how we prioritize action, set goals and allocate resources.

We understand that the risks facing a smallholder cocoa farmer in Côte d'Ivoire are often different from those facing a sugar beet grower or dairy farmer in the U.S., and our programs reflect that reality.

Find out more on Responsible Sourcing Ingredient Commitments and Progress 60



*Coconut and eggs are not priority ingredients and materials, but they appear on this map because Hershey has public commitments related to sourcing both ingredients.

Resilient Farms: Regenerative, Restorative and Protective Measures

Regenerative Agriculture

Farms are not just platforms for production. They are part of living systems, and the health of those systems is critical to long-term agricultural resilience. Soil that is healthy and well-structured retains water, resists erosion and supports higher yields. Farms that maintain diverse crop rotations and habitat are more resistant to pest pressure and climate stress. Fields that sequester carbon rather than releasing it contribute to the stability of the climate system on which agriculture depends. Farms that have lower reliance on synthetic inputs can enhance farm resilience by strengthening underlying ecosystem functions and reducing exposure to external input risks.

In accordance with the Sustainable Agriculture Initiative Platform, Hershey defines regenerative agriculture as an outcome-based farming approach that protects and improves soil health, biodiversity, climate and water resources while supporting farmer livelihoods. This means seeking to holistically manage multiple environmental impacts from farming alongside yield and economic profitability.

Examples of regenerative agriculture practices include reduced and no-till cultivation, cover cropping, agroforestry, integrated nutrient and pest management, irrigation efficiency and on-farm habitat enhancement. We consider a hectare to be engaged in regenerative agriculture when its farmers have adopted practices that support improved outcomes for at least two of the following environmental impact areas: soil health, water, climate and biodiversity.

The initiatives that follow help illustrate our progress and commitment to regenerative agriculture across our cocoa, dairy and sugar supply chains.

A healthy Texas playa, post-restoration.
Credit: Texas Parks & Wildlife.

Resilient Farms: Regenerative, Restorative and Protective Measures continued

Cocoa

Agroforestry in Côte d'Ivoire

In cocoa-growing regions, shade trees can reduce heat stress on cocoa plants, moderate soil temperature and moisture, sequester carbon, support biodiversity and create diversified income streams for farmers.

In partnership with PUR, a global organization specializing in nature-based solutions to regenerate ecosystems and strengthen agricultural supply chains, Hershey is working to plant more than 900,000 trees within our cocoa supply shed in Côte d'Ivoire by the end of 2028. The targeted number of trees has reduced from our original aim of 1.18 million, as analysis showed that fewer shade trees per hectare can provide optimal shade requirements for cocoa. The program, which is part of the Hershey Income Accelerator Program (HIAP), provides farmer incentives tied to tree survival rates at 18 months post-planting.

In 2025, 1,336 farmers received cash incentives for planting more than 147,000 shade trees. An early monitoring evaluation found that trees planted in 2024 had an 80% survival rate, significantly higher than the rate achieved by comparable programs in a study by the UK Centre for Ecology and Hydrology.

Soil Health

Our Hershey cocoa key requirements encourage suppliers to set up programs that advance good agricultural practices, including appropriate field management and weeding, where relevant, to help support soil health.

We encourage all of our cocoa suppliers to align with the Rainforest Alliance farming requirements related to prohibited and restricted agrochemicals on a voluntary basis. In addition, farmers participating in the Hershey Income Accelerator Program (HIAP) work with coaches to set up Farm Enterprise Plans. These plans are based on integrated pest management and include assessment criteria related to crop resilience, soil health, pest management and other regenerative farming practices.

Dairy

Protecting the Chesapeake Bay Watershed in the U.S.

Since 2021, Hershey has been investing in regenerative agricultural practices across dairy farms in Pennsylvania and the Chesapeake Bay Watershed through our Sustainable Dairy PA Initiative with Land O'Lakes and the Alliance for the Chesapeake Bay. In 2025, we continued to scale our efforts in this area through an additional partnership with Dairy Farmers of America (DFA), a farmer-owned cooperative. Both programs seek to support farmers in adopting improved manure management practices, such as solid-liquid separation and cover-and-flare systems, as well as improved nutrient management, cover cropping and no-till cultivation on acres used for feed crop production and riparian forest buffer plantings along waterways.

Through practices incentivized in 2025 across 250 hectares, Hershey expects to achieve about 6,000 MT of CO_2e reduction annually and to keep more than 25,000 lbs of nitrogen, 4,000 lbs of phosphorus and 3.2 million lbs of sediment out of the watershed each year.

Sugar

The Northern Plains Trusted Advisor Partnership in the U.S. and Canada

Created by a consortium of food and beverage companies working with the Sustainable Food Lab, the Northern Plains Trusted Advisor Partnership (TAP) is a novel approach to advancing regenerative agriculture projects that reach more acres, rural communities and critical ecosystems with soil, water and nutrient conservation. First launched in North Dakota, U.S. TAP now also engages farmers in Minnesota, U.S., and Manitoba and Saskatchewan, Canada, creating a unified conservation initiative across the ecologically important Prairie Pothole region.

TAP combines free, localized soil health training for farm consultants with financial incentives for farmers. It operates on a simple premise: Working through farmers' advisors often provides a more effective path than trying to transition one farm at a time to regenerative agriculture. TAP takes a "train the trainers" approach, working with advisors to whom farmers already look for guidance to not only implement but also troubleshoot complex soil health practices.

In 2025, more than 30,000 hectares were enrolled in new regenerative practices across the full program, including more than 1,700 sugar beet hectares attributable to Hershey. Practices implemented across the program included improved nutrient management, reduced tillage cultivation and cover cropping.

Resilient Farms: Regenerative, Restorative and Protective Measures continued

Restore and Protect: Investing in Landscapes and Ecosystems

Building supply chain resilience also means thinking and working at a broader scale, recognizing the role that forests, watersheds and other large, connected ecosystems play in sustaining agricultural systems by providing ecosystem services. Hershey pursues this work through a portfolio of supply-shed and landscape-level restoration and protection programs tailored to mitigate and address specific environmental and social risks.

Mabi-Yaya Nature Reserve, Côte d'Ivoire

The Mabi-Yaya Nature Reserve is one of Côte d'Ivoire's last remaining intact tropical rainforests and provides crucial ecosystem services to the surrounding area. Since 2023, Hershey has invested $1 million in its conservation, in partnership with the Foundation for Parks and Reserves of Côte d'Ivoire (FPRCI). The project aims to restore deforested areas, patrol the reserve's borders, monitor wildlife and strengthen community engagement in its long-term management.

In 2025, more than 30 surveillance patrol staff monitored activity in the reserve, and wildlife cameras have captured the presence of vulnerable species including chimpanzees, giant pangolin and bongo antelope. The project also supports a group of graduate and doctoral students, who are reinforcing the reserve's scientific knowledge base. Community engagement through local and regional councils and conservation awareness campaigns in nearby primary schools reached more than 500 community members.

Kakum National Park, Ghana

In Ghana, 2025 marked the beginning of the third three-year phase of our $500,000 investment in Kakum National Park, a biologically rich rainforest that borders cocoa-growing communities and provides crucial ecosystem services to the region. The project is a collaboration with our supplier ECOM, the Kakum Consortium[1] and national and local government agencies. By supporting local committees to strengthen landscape governance, the project aims to prevent farmers from encroaching on protected forest areas. It also supports the sustainable harvesting of kombo nuts — an ingredient used by the natural cosmetics industry — and other botanical products, effectively integrating work to protect biodiversity with investment in community livelihoods.

In 2025, the community agreed to build a new kombo nut processing facility, with construction beginning in late 2025, creating 15 new jobs expected to start in 2026. Two training sessions on financial management for community leaders were also conducted. Multiple wildlife cameras were installed on farms bordering the protected area. Additionally, a wet-season bird survey, led by a trained member of the monitoring team who is now the local bird expert, gathered data on the species and numbers of birds present in the reserve and trained project team members to identify species and continue monitoring in the future.

Forest Protection & Conservation, Indonesia

In partnership with Earthworm Foundation, we continued to support their Aceh landscape, contributing to collaborative forest protection efforts in one of Indonesia's most biodiverse regions through village-led land use planning and local regulations. This was in addition to conservation actions taken within palm-oil concessions and helped strengthen community-based stewardship of standing forests.

We also continued funding the Lobu Tayas Forest project in North Sumatra through the Forest Conservation Fund. The project supports local communities in establishing formal village forest management rights, while allowing sustainable livelihoods through non timber forest products and conservation-based land management. Key progress included regular SMART-based forest patrols[2] and installation of 40 camera traps across 20 locations confirming the presence of multiple threatened and protected species. These efforts reinforced local forest stewardship while helping safeguard critical ecosystems that also demonstrated resilience during severe flooding and landslides in the region in late 2025.

In 2026, we are supporting the Forest Conservation Fund's Lesan River Forest in East Kalimantan, Indonesia. Our co-funding will support joint forest patrols between the government and the community as well as planting fruit trees on the edges of the forest to secure the health of the local orangutan population and safeguard the future of this biodiversity hotspot.

Texas Playa Restoration, United States

In partnership with Texan By Nature, an organization focused on uniting business and conservation, Hershey is launching a playa restoration program in 2026 that will restore and protect playa systems in peanut-growing regions of Texas. Helping to sustain the water resources that underpin long-term peanut production, the program aims to increase recharge of the Ogallala Aquifer, improve water quality through natural filtration and enhance habitats for migratory birds, all while maintaining engagement with local landowners and communities.

Cross-Cutting Partnerships

Through our renewed partnership with the Arbor Day Foundation, Hershey is investing in tree planting, forest restoration and land protection in key regions connected to our priority ingredient supply chains.

[1] Partners include the Nature Conservation Research Centre, the Ghana Cocoa Board, the Ghana Forestry Commission, local municipal assemblies, chocolate companies and cocoa suppliers.
[2] The SMART (Spatial Monitoring and Reporting Tool) methodology is a widely used conservation approach combining software, training and standards to improve protected area management.

Resilient Farms: Regenerative, Restorative and Protective Measures continued

Deforestation and Conversion-Free Supply Chains

Protecting forests and other natural ecosystems is critical to the resilience of global supply chains. Forests and other natural ecosystems help mitigate climate risks, improve climate change resiliency and safeguard biodiversity. They can also provide livelihoods and economic opportunities for communities and Indigenous peoples.

In 2025, we continued to make measurable progress toward a deforestation- and conversion-free (DCF) supply chain, assessing 80% of our cocoa, palm oil, pulp and paper and soy supply chain volumes as DCF through our Earthworm Foundation and Airbus partnership and the Starling satellite.

While we did not reach our 2025 DCF target, Hershey remains committed to delivering a DCF supply chain for our in-scope commodity supply chains. Our updated DCF Policy reinforces our commitment with a 2030 target and expands the commodity scope to include sugarcane, reflecting a broader assessment of deforestation and conversion risk across our value chain.

To further strengthen accountability and transparency, Hershey published a detailed DCF Implementation Approach outlining how we operationalize our DCF Policy and expanded our Grievance Procedure, outlining how potential violations across cocoa, palm oil, pulp and paper and soy can be identified, investigated and addressed through time-bound corrective action and reporting.

Together, our updated target and approach reflect what we believe is credible and should be achievable today for complex commodity supply chains, informed by real implementation experience and practical challenges and limitations we have documented, including:

- **Traceability constraints:** Collecting traceability data for complex commodity supply chains (e.g., cocoa butter and soy), often involving multiple tiers of suppliers, including intermediaries and smallholders, and confidentiality and data privacy concerns related to sharing geolocation and/or volume data
- **Tools and solutions gaps:** Limited feasibility and remote sensing solutions to monitor and assess degradation and conversion in certain contexts, such as cocoa, pulp and paper and soy

We also acknowledge that supply conditions and prolonged cocoa sector volatility have impacted our DCF progress in cocoa. As we navigate these pressures, we have had to balance the need to maintain sourcing flexibility with our responsibility to protect forests and natural ecosystems, strengthen farmer resilience and meet emerging regulatory expectations. This reality has reinforced the importance of employing adaptive approaches that prioritize on-the-ground impact while maintaining credibility, transparency and long-term direction.

As we work towards our revised goal, Hershey continues to collaborate with suppliers and industry partners, including Earthworm Foundation, Sourcemap and World Cocoa Foundation, to evolve and improve industry best practices, approaches, tools and solutions to monitor and assess DCF in different sourcing and supply chain contexts. We will continue to monitor and evolve our targets, scope and implementation mechanisms as external guidance is finalized, regulatory expectations mature and monitoring and traceability technologies advance.

Finally, Hershey recognizes that achieving a DCF supply chain is a foundational step, not the endpoint. In line with our updated sustainability strategy, we are expanding efforts beyond risk mitigation toward landscape-level protection, restoration and resilience, supporting long-term outcomes for ecosystems, farmers and communities connected to and beyond our physical supply chains.

Using Data and Technology to Advance our Deforestation Free Efforts

In 2025, we developed a custom traceability and reporting solution designed to meet the requirements of the EU Deforestation Regulation (EUDR). This solution leverages upstream data collection of farm-level practices and integrates with our existing supply chain data systems to create an end-to-end process that enhances visibility and positions us to meet EUDR's due diligence and documentation requirements.

Our Progress[3,4]

Cocoa

61.6% DF

Palm

91% DCF

Pulp and paper

97% DCF

Soy

2.8% DF

[3] Our reported progress on DCF will include sugarcane in future reports, with our assessment of this ingredient supply chain for volumes from Brazil, Dominican Republic, Guatemala, India, Mexico and the U.S. anticipated for completion in 2026.
[4] As outlined in our DCF Policy and DCF Implementation Approach, we monitor deforestation for all in-scope commodities (marked as "DF"), and conversion for a subset of commodities (marked as "DCF") due to monitoring solution and data limitations.

Reducing Our Scope 3 FLAG Emissions

In 2024, we set ambitious science-based targets (SBTs) to reduce our Scope 3 FLAG (Forest Land and Agriculture) emissions, which represent most of our Scope 3 footprint.

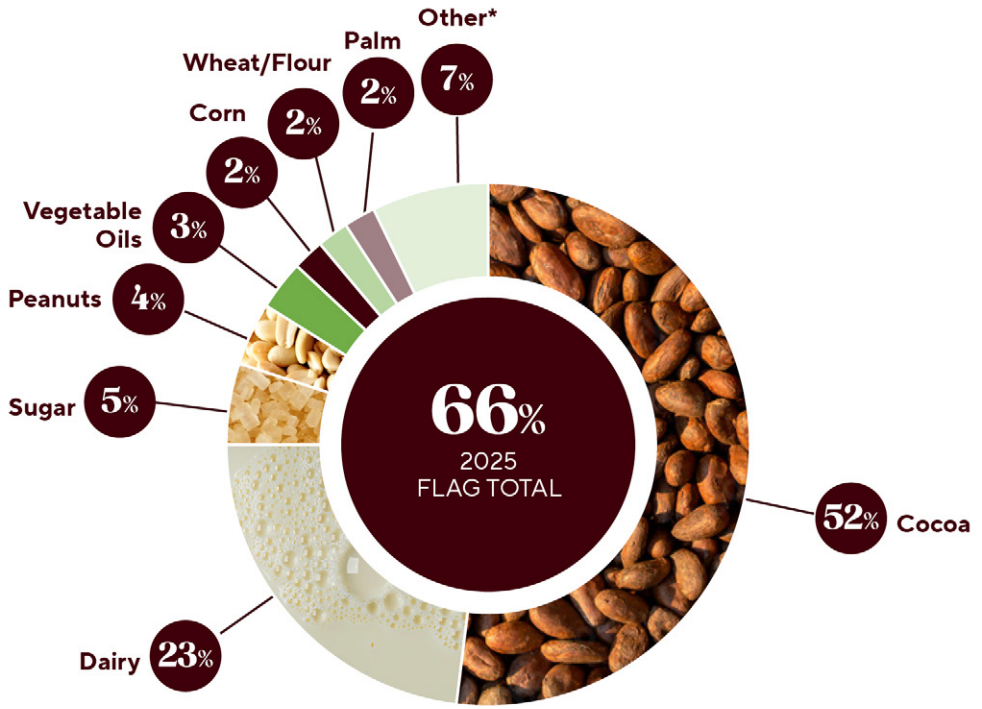
Achieving these targets requires coordinated action across all commodities and geographies, with the largest impact coming from forest-based commodities and emissions-intensive ingredients. We focus on supply-chain decarbonization not only to deliver carbon emissions reductions, but also because of its direct link to on-farm and landscape-level resilience and its contribution to broader planetary health. Cocoa remains the greatest contributor to our FLAG footprint, followed by dairy.

We have made strong progress against our FLAG emissions. In 2025, our FLAG emissions decreased 43% against our 2018 baseline year. This reduction was driven primarily by increased certification in priority forested commodities and dynamic procurement volumes.

Though we have achieved our FLAG goal, we recognize that progress is not always linear and will continue to measure our efforts and hold ourselves accountable to our target. Each year's performance is a snapshot, and progress this year is not a guarantee that we will maintain similar performance in the context of dynamic business activity. We remain focused on programming to drive emissions reduction and resilience for our ingredients over the long term.

Understanding Our Scope 3 Emissions

2025 FLAG Emissions Breakdown



*Other is a combination of Packaging (Pulp and Paper), Almonds and other lower volume and specialty ingredients.

Reducing Our Scope 3 FLAG Emissions continued

Climate Scenario Risk Assessment

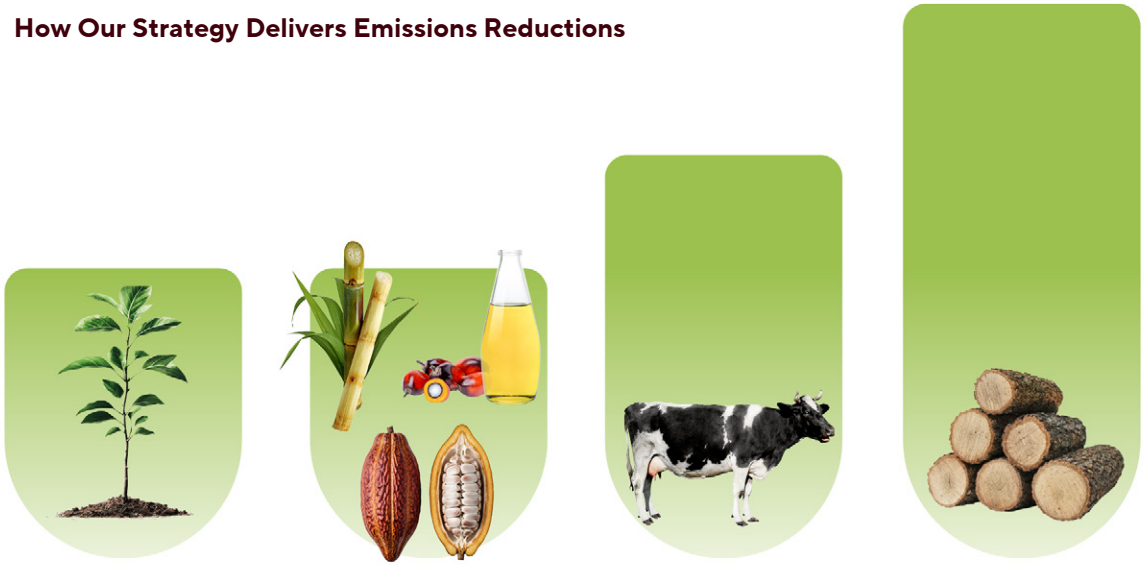
Complementary to our action to reduce emissions is building our understanding of future risks from climate change and our responses and resilience to those changes. In 2025, we completed an enterprise-wide climate risk assessment for facilities and major ingredient sourcing geographies. This assessment built on prior scenario analysis and further validated that physical risks from acute and chronic climate change, such as extreme weather, water stress and ecosystem loss, could disrupt operations and ingredients. The insights from our climate scenario planning highlighted opportunities for Hershey to mitigate climate change by strengthening supply chain resilience through nature-based solutions, in line with our new strategy. Learn more about how we are addressing climate-related risks and opportunities in our 2025 TCFD Report.

Enhancing Carbon Accounting Practices

Data and technology play a critical role in helping us understand hotspots, enable emission reductions and report transparently on progress. Hershey continues to invest in digital tools and solutions, including implementation of carbon accounting solutions and broader data infrastructure to improve data quality, controls and regulatory reporting. This is especially important as the measurement of Scope 3 FLAG emissions and carbon removals becomes more rigorous under evolving disclosure standards. Enhanced carbon accounting also improves our ability to track progress against our own emissions-reduction goals and validate the outcomes of our supply chain investment programs.

As we continue to refine our carbon accounting tools, methodologies and data inputs, our reported emissions may change over time. Improvements such as transitions to new carbon accounting platforms, updates to emissions factors, refinements to baseline assumptions for certain commodities and increased use of supplier-specific emissions data can introduce year-to-year variability. As data quality and methods are updated, it is best practice to reflect these improvements in the base year — a process commonly referred to as re-baselining to maintain comparability of emissions trends and track targets over time. Hershey expects to undertake a comprehensive re-baselining exercise in the second half of 2026 and remains committed to transparent disclosure of our emissions performance and any material methodological updates.

How Our Strategy Delivers Emissions Reductions



36.4% Reduction in Scope 3 FLAG Emissions by 2030

Regenerative Agriculture
Reducing emissions and increasing carbon sequestration through agroforestry, cover crops, reduced tillage, nutrient management and other regenerative agriculture practices.

Sourcing Optimization
Sourcing products with lower carbon intensities.

Dairy Farming Decarbonization
Reducing emissions from manure, enteric methane and animal feed.

Prevention of Deforestation & Land Conversion
Avoiding land-use change for the forest-risk commodities we source.

Resilient Farmers: Building Financial Resilience and Livelihoods

Investing in the people who grow our ingredients is crucial. When farmers are economically secure, they can invest in their farms and adopt better practices, helping to build the resilient supply chains we all depend on.

The realities facing farmers, however, include limited economic opportunities and access to services, financial instability, irregular rainfall and declining soil health, all of which can affect their ability to effectively manage their yields and income.

Creating more resilient farming communities across our sourcing footprint requires a multifaceted and collaborative approach. To do this, we work with partners across sectors and geographies as we build new programs and apply what we have learned. As we look ahead, we will continue to deepen our learning on best practices and the most meaningful metrics for strengthening farming community resilience. As part of this work, we are exploring potential engagement in additional commodities, including sugarcane and palm oil.

Cocoa growing community, Ghana.

The Hershey Income Accelerator Program (HIAP)

Launched in April 2023, in partnership with the Government of Côte d'Ivoire, HIAP represents a $40 million, five-year investment in the financial resilience of cocoa farming communities, with the goal of increasing incomes for 20,000 cocoa-producing households.

How the Program Works

HIAP promotes farmer professionalization, financial inclusion and access to education for children in cocoa farming communities. The program combines cash transfers that are conditional on the adoption of sustainable farming practices with community interventions, such as Village Savings and Loan Associations (VSLAs) and school incentive payments to boost school enrollment.

Dedicated coaches work with individual farming households to co-create Farm Enterprise Plans (FEPs). These are customized, household-level plans that identify specific actions farmers can take to improve yields and farm productivity, alongside the financial management practices needed to make these improvements sustainable.

Farmers who demonstrate progress against their FEP — adopting good agricultural practices, such as pruning, and enrolling their children in school — receive conditional cash transfers. An initial payment of 60,000 FCFA (~$100 USD) is followed by further incentives tied to specific milestones, with a total value of up to $500 USD available across the full program. A dedicated school enrollment incentive, introduced in 2024, provides an additional 60,000 FCFA per household (75% at the start of the school year; 25% at year end, based on attendance).

HIAP supports VSLAs, which provide banking and financial services in communities where formal financial infrastructure is limited. Through our partnership with a humanitarian and development organization, CARE, and in close collaboration with the Ivorian Ministry of National Cohesion, Solidarity, and the Fight Against Poverty, by the end of 2025 HIAP had established and strengthened over 500 VSLAs with nearly 13,500 members to date, of whom 72% were women. In addition, just over 150 households received business management training and developed plans for building economic stability, and nearly 850 individual and collective income-generating activities, such as growing additional crops and running small retail businesses, were underway.

Resilient Farmers: Building Financial Resilience and Livelihoods continued

Engaging for Long-Term Progress

In Côte d'Ivoire, we have signed long-term agreements with nine cooperatives with the aim of strengthening the financial resilience of cooperatives and their member farmers. The program incentivizes cooperative performance by offering multi-year sourcing agreements, structured performance criteria and premiums linked to agreed results. These incentives encourage cooperatives to deliver consistent cocoa volumes; strengthen traceability, sustainability and governance; and invest in farm-level improvements that support farmers' livelihoods.

In 2025, participating cooperatives began receiving capacity-building support from our partner ESP, an Ivorian consulting firm that specializes in supporting entrepreneurs. The initial phase from September to December focused on governance, finance and accounting, kicking off with workshops and training designed to help cooperative leaders develop an entrepreneurial mindset. Other activities included tailored onboarding and financial assessments for each of the nine cooperatives, and training in governance and management.

Overall, our long-term agreements integrate commercial sourcing practices with sustainability outcomes through long-term supplier engagement.

842

individual and collective income-generating activities underway

72%

female members

500+

VSLAs

13,499

VSLA members

Scale and Growth

At the end of 2025, almost 5,500 farmers had been enrolled in HIAP. More than 5,000 had received at least one cash transfer, and almost 2,600 farmers had received a cash transfer specifically for committing to an FEP and having at least one adult household member sign off on the plan. HIAP operates through our supplier partners, ETG and Sucden, Rainforest Alliance (agricultural coaching and good agricultural practices), CARE (economic empowerment), PUR (agroforestry and reforestation) and ESP (capacity building).

What the Evidence is Showing

In 2025, Netherlands-based Wageningen Social and Economic Research (WSER) published a progress report assessing HIAP's results across the first 18 months of implementation. Initial findings are promising, with sampled data showing that incomes from cocoa, other crops and off-farm activities all increased. In addition, 68% of women in VSLAs had saved money in the previous 12 months.

The WSER report also identified real challenges: a continuing decline in cocoa productivity while program benefits take effect, labor shortages limiting adoption of practices like pruning and uneven understanding of the cash transfer system. In response, Hershey has committed to subsidizing labor crews to address the pruning challenge, strengthening cooperative engagement, improving communications with farmers and harmonizing data across partners through a shared HIAP data platform.

Resilient Farmers: Building Financial Resilience and Livelihoods continued

Child and Family Well-Being: Education, Health and Addressing the Root Causes of Child Labor

For farming families facing persistent poverty, the decision to keep children in school is often an economic calculation shaped by immediate financial need. Hershey's approach treats education and child labor as interconnected dimensions of the same underlying challenge: poverty in farming households.

School Infrastructure

Hershey has addressed the school infrastructure gap directly by funding the construction of primary schools in cocoa-growing communities in Côte d'Ivoire. As of 2025, the construction of 17 schools had been completed since 2023 (seven in 2025), in partnership with Côte d'Ivoire's National Monitoring Committee for Actions to Combat Trafficking, Exploitation and Child Labour (CNS) and the International Cocoa Initiative (ICI), with more than 10 additional schools planned for construction by the end of 2027. In line with the partnership agreements, work continues on equipping and preparing all schools for full operational use.

In one community, where Hershey piloted the provision of over 200 electronic tablets to fourth- and fifth-grade students, the student exam pass rate increased significantly in the 2024-2025 academic year compared to the previous year. This improvement reflects not just the technology itself but the surrounding investment in teacher training, electricity access and structured learning that made the tablets effective.

Hershey is also a partner in the Child Learning and Education Facility (CLEF) initiative. This sector-wide collaboration with the Jacobs Foundation, Côte d'Ivoire's Ministry of National Education, Literacy and Technical Education, UBS Optimus Foundation and 15 other cocoa companies, aims to improve literacy and numeracy for four million primary school children by 2027. By the end of 2025, CLEF had built and fully equipped three schools, with more than 25 schools under construction. Approximately 40 more schools are in the advanced planning phase and construction is expected to begin in 2026. More than 10,500 teachers received foundational learning training in 2025, while 3,100 previously out-of-school children were successfully transitioned to formal schooling. Approximately 29,300 children in 120 schools began receiving nutritious meals through CLEF's school feeding component.

In 2025, we joined a similar initiative launched by Jacobs Foundation in Ghana. The System Change Architecture for Learning Excellence (SCALE) is a multi-stakeholder initiative designed to strengthen education systems and improve learning outcomes in the country. It is being set up in partnership with the Ministry of Education of Ghana and a broad coalition of philanthropic, industry and multilateral partners.

SPOTLIGHT

Capacity Building to Drive Progress

It takes collaboration between a wide range of stakeholders to tackle systemic social and environmental challenges and create resilient supply chains. In the cocoa sector, we work closely with governments and other partners to develop strategies and frameworks that support the farmers and communities who form the most important part of the cocoa supply chain.

We also participate in numerous global platforms involving other industry members. As an illustration of the impact of multi-stakeholder collaboration in cocoa-growing countries, joint advocacy by Hershey, CNS and the ICI led to the inclusion of measures to protect children against exposure to pesticides in Côte d'Ivoire's 2025-2029 National Action Plan Against Child Trafficking, Exploitation and Child Labor. In addition, HIAP in Côte d'Ivoire receives ongoing feedback from its Learning Advisory Committee, which is chaired by the Conseil du Café-Cacao, the country's cocoa regulatory agency, and includes the Ministry of National Cohesion, Solidarity and the Fight Against Poverty, along with farmer groups and other organizations involved in on-the-ground implementation of the program.

Hershey's collaboration with other industry members is further highlighted by our Chief Procurement Officer's position as Chair of the World Cocoa Foundation, an organization comprising nearly 100 chocolate and cocoa companies that share a dedication to driving collaboration in the cocoa sector.

Resilient Farmers: Building Financial Resilience and Livelihoods continued

Health and Community Well-Being

Hershey supports health and nutrition programming in cocoa farming communities, including training on nutrition and diverse diets through the cooperatives and VSLAs connected to our programs.

In 2025, we launched a three-year health insurance program in Ghana to support financial resilience by improving access to healthcare among cocoa farming communities in our supply chain. The program is run in partnership with health experts Elucid, supplier ECOM, the National Health Insurance Authority and the Ghana Health Service. It works by encouraging farmers to enroll in Ghana's National Health Insurance Scheme, as uptake is low in rural communities. The program also provides supplemental coverage for healthcare expenses that the national scheme doesn't reimburse.

Our goal by 2028 is to enroll 1,500 households (6,000 individual people) into the program. By the end of 2025, over 1,300 households and nearly 3,850 individuals were already registered, and seven healthcare facilities had been enrolled.

Child Labor Monitoring and Remediation

Our Child Labor Monitoring and Remediation Systems (CLMRS) engage trusted community members to monitor work practices among children aged 5–17, identify cases of inappropriate work and follow up with families on remediation.

At the end of 2025, 71,667 households were covered by CLMRS in Côte d'Ivoire and Ghana, with 132,291 children being monitored. Our CLMRS identified 11,670 children doing inappropriate work who are now enrolled in CLMRS' remediation programming.

Building on What We Have Learned

Through our work with partners in Côte d'Ivoire and Ghana, Hershey is also engaged in protecting children's well-being in other areas. In Cameroon, Hershey is working with the ICI and one of our suppliers to roll out CLMRS, with the goal of integrating the system into the supplier's own operations within four years.

In Nigeria, our partnership with Save the Children is establishing community-based child protection committees — bringing together local authorities, religious leaders and community members to monitor for child labor and promote children's well-being. The program also equips young adults with vocational skills to support alternative livelihoods.

See our 2025 Statement Against Slavery and Human Trafficking for more information

Resilient Farmers: Building Financial Resilience and Livelihoods continued

Responsibly Sourced Priority Ingredients and Materials

Hershey is strengthening our approach to responsibly sourced ingredients by embedding stronger HREDD controls in our upstream ingredient supply chains in a concerted effort to enhance ingredient resiliency. The following updates highlight notable developments across some of our key supply chains in 2025.

Cocoa

We continued to invest in supplier development and traceability in our cocoa supply chain. Our suppliers are critical partners in enabling a more resilient supply chain, both for addressing upstream risks (see more on page 47) and for generating positive impact for cocoa farmers and communities.

One area of progress is the advancement of a traceable cocoa supply from Ecuador through our long-term partnership with our supplier, Ecuakao. Starting in July 2024 and continuing through 2025, our supplier development team has been supporting Ecuakao in building key sustainability capabilities, including expanding its sustainability team with dedicated traceability staff to monitor volumes from farms to their processing plant in origin.

This progress reflects our supplier's strategic shift to strengthen oversight of origin sourcing through the integration of sustainability and cocoa sourcing operations. By reinforcing continuous improvement, sharing progress transparently, investing in traceability, and embedding sustainability into sourcing practices, Ecuakao aims to drive long-lasting environmental and social impact.

Sugar

Sugar faces a combination of environmental and human rights risks across diverse origins. In 2025, we maintained our commitment to procure sugar from sources certified or verified to a recognized sustainability standard covering the farm level or covered by Bonsucro credits. All of our cane sugar volumes received certification, verification and Bonsucro credits in 2025; we continue to work towards achievement of the same in our U.S. beet sugar supply chain. We have also achieved mill-level traceability for our sugar supply chain, providing an important foundation for our HREDD and deforestation prevention work. Our updated DCF Policy now formally includes sugarcane within its scope.

Our human rights work in sugar encompasses a range of landscape and social transformation programs in Brazil, Mexico, India and other origins, including work on migration as a distinctive human rights risk dimension in seasonal cane harvesting. In 2025, Hershey supported the following projects:

- Continued engaging in the Sugar Collaboration Group with companies from the sugar supply chain to identify and address common social and environmental challenges. The group's 2025 achievements included publication of the first Universal Mill List for sugar, which supports traceability data sharing across the sector.
- Funded the Human Rights Spotlight Programme, a collaborative initiative led by Proforest and Imaflora that has created a practical model, including tools, training and guidance, to strengthen HRDD in Brazil, with a specific focus on sugarcane operations and supply chains. The initiative undertook capacity building for mills, producers and service providers in Brazil, piloting the guidance with two mills and two producer associations. Documented results include strengthened HRDD implementation capacity among over 85% of participants and the integration of human-rights clauses into supplier contracts by all participating mills.
- We co-invested with a supplier to support a strategic sugar mill in Mexico to strengthen their human rights due diligence process as well as their health and safety management systems. As part of this investment, over 400 cane cutters were provided with personal protective equipment, along with health and safety training.
- We participated in the Coalition for Responsible Sugarcane India (CRSI), which is a multi-stakeholder initiative dedicated to embedding responsible business conduct and sustainability across India's sugarcane value chain. CRSI spearheaded an initiative to develop sector-specific guidelines and a practical toolkit for the adaptation of the National Guidelines on Responsible Business Conduct for the sugarcane sector. Several partners, including Hershey, also co-funded a project in Maharashtra led by the International Organization for Migration seeking to strengthen social safeguards and support systems for migrant sugarcane farm workers, particularly women and their dependent communities, within their district of origin. The project plans to pilot various interventions including migration mapping, responsible recruitment practices, grievance redressal mechanisms, child protection and development facilities and Migrant Resource Centers for awareness and access to services.

Resilient Farmers: Building Financial Resilience and Livelihoods continued

- To better understand working conditions and human rights risks in sugar supply chains, we co-funded landscape assessments by &Wider in Brazil and India through direct surveys from workers and farmers.

  In Brazil, feedback was collected from workers across two sugar supplier sites, generating almost 600 data points over a 12-month period. Results showed generally high levels of reported satisfaction, while also highlighting heat stress and physical exhaustion as ongoing concerns, reflecting emerging climate-related labor risks.

  In India, the assessment gathered insights from 185 farmers and laborers across more than 60 farms in four major sugar-producing states (Karnataka, Maharashtra, Tamil Nadu and Uttar Pradesh), generating over 3,600 data points. Findings revealed systemic challenges, including limited rest days, insufficient wages, health and safety risks and debt-related pressures, with conditions varying significantly by state. Together, these assessments demonstrate how labor risks can differ widely by context and maturity, reinforcing the importance of targeted, locally informed approaches to improving conditions across sugar supply chains.

> **“Our collaboration with Hershey and Earthworm through the three-year NDPE capability building initiative has been an important milestone in strengthening responsible sourcing practices across Manorama’s shea, Sal, and specialty fats supply chains. The engagement has further deepened our focus on traceability, sustainability integration, and community impact, while reinforcing the value of long-term partnerships in driving meaningful change. We are proud to be part of this shared journey and look forward to continuing the progress together.”**
>
> **Manorama Industries Limited**

Palm Oil

We maintained our palm oil commitments, including sourcing all of our volumes as physically certified as Roundtable on Sustainable Palm Oil (RSPO) Mass Balance or Segregated and traced 100% to the mill. We continue to publish our palm oil grievance log. Through our suppliers, we traced 87% of our volume to the plantation level. In 2026, we are reassessing our traceability to plantation time-bound target.

In 2025, we funded the second year of Earthworm Foundation-led capability building for Manorama Industries Limited, an India-based Hershey supplier, on developing and implementing commitments and management systems related to No Deforestation, No Peatland Development and No Exploitation (NDPE). Through this engagement, the supplier has published their first-ever NDPE Policy, strengthened their traceability and supply chain mapping process and is developing a grievance and non-compliant supplier procedure. We are funding continued supplier development in 2026.

Visit our website for more information on our holistic approach to responsible sourcing

SPOTLIGHT

Resilient Products, Innovation and R&D

Hershey’s R&D teams are working on a wide range of projects. These include: research to improve the health of seedlings and mature cocoa trees through soil health interventions; work to create on-farm habitats that improve pollination; and programs to enhance flavor profiling across a growing range of global cocoa origins, enabling Hershey to maintain taste profiles our consumers expect as we diversify our sourcing. This work is being done in collaboration with suppliers, university research institutes, startup companies and research scientists in cocoa-producing countries. In 2026, the team is also creating a new research program to improve resilience of the peanut supply through development and deployment of technologies to improve soil health and quality, while also reducing pests and disease.

In addition to the current portfolio of R&D projects, our R&D strategy is oriented toward a longer-term horizon: exploring alternative ingredients, advancing novel farming models and identifying supply chain technologies that reduce single points of failure.

Looking Ahead

Building resilient ingredient supply chains is an ongoing and long-term undertaking. The investments we are making today in regenerative agriculture, large-scale ecosystem restoration and protection, farmer financial resilience and HREDD are laying the foundation for supply chains that can sustain us through periods of change and uncertainty.

By 2035, we aim to have all five enterprise ingredient resilience goals achieved. Together, they describe a sourcing strategy that delivers the supply resilience our business needs, amplifying the positive contribution of nature-based solutions and restoration projects even as we mitigate our environmental footprint and support the farming communities we depend on.

The path there will not be linear. External conditions in commodity markets, the regulatory landscape and climate impacts on agricultural systems will continue to evolve. We have built flexibility into our strategy deliberately. We also recognize that the challenges we are addressing are larger than any single company can solve. Progress at the scale required demands collaboration with industry peers, governments, civil society and farming communities themselves.

In the year ahead, our focus is on continuity and acceleration:

- Expanding HIAP and supporting school construction in Côte d'Ivoire
- Maintaining and expanding deforestation commitments and forest protection efforts in key commodities
- Further expansion of regenerative agriculture and restoration-focused programming in our peanut supply chain
- Developing financial resilience programs focused on farming communities in our sugar and palm oil supply chains
- Continuing to advance how we responsibly source our priority ingredients and materials including farm labor due diligence models

"Sourcing strategies can build resilience for farmers and their families, for ecosystems under pressure and for value chains facing uncertainty. Our strategy focuses on building ingredient supply chains that can perform and endure over the long term."

Angela Tejada Chavez
Head of Sustainable Sourcing, Cocoa

Make

Efficient Operations

At Hershey, efficiency in operations and reducing waste are both a business imperative and a sign of our continuing responsibilities to our consumers, our communities and our planet as our geographic footprint evolves and grows, and as we apply what we have learned through years of sustainability work.

In this chapter:

29 Our Goals: Measuring What Matters
30 Waste Reduction
31 Energy and Climate
33 Reducing Our Scope 3 Non-FLAG Emissions
35 Water
36 Green Teams
37 Looking Ahead

Link to UN SDGs:

Make

Our Goals: Measuring What Matters

Our Make pillar goals focus on minimizing waste as we work to decarbonize and invest in sustainable operations across an expanding and evolving geographic footprint. We have maintained many of these goals from our previous strategy, adapting as needed based on ongoing changes in our business and to integrate our sustainability ambitions more fully across the enterprise.

Energy

- Reduce Scope 1 and 2 GHG emissions **50% by 2030,** against a 2018 baseline.
- Source **100%** electricity from renewable and zero emissions sources by 2030.
- Reduce Scope 3 Non-FLAG emissions **30% by 2030,** against a 2018 baseline.

Water

- **Reduce absolute water consumption** in prioritized Hershey operations.

Waste (Internal, logistics, packaging)

- Remove **25 million pounds** of packaging by 2030.

The care with which we steward energy, water, finished goods, packaging and logistical movements across our manufacturing and supply chain network affects our costs, our planetary footprint, our regulatory exposure and our ability to deliver products that delight our consumers. We also recognize the need to be sensitive to local stressors on communities and ecosystems, such as water availability. The issues are complex, but the net implication is straightforward: waste is bad for business, and it is bad for the environment.

The goal of this pillar is to run a lean, cost-stable and future-proofed business, ready for the demands of a rapidly changing world while reducing our environmental impact. Our journey toward that goal is ongoing. We are harnessing the power of our people to transform behaviors and procedures to promote operational efficiency. We are increasing investments in new technologies and expanding our renewables and zero-emissions electricity coverage. We are also working within our supply chain network to improve efficiency and environmental performance.

Our approach spans our owned and operated manufacturing facilities, our domestic logistics network and our work with suppliers, co-manufacturers and distribution partners. Through programs like our Green Teams, we also leverage the energy and creativity of Hershey employees worldwide to identify and act on opportunities to improve within every level of our operations.

Waste Reduction

The central focus of our "Make" strategy is to embed a waste-intolerant mindset throughout the organization.

Reducing waste within each aspect of our operations enables us both to reduce costs and to operate as an environmentally responsible business.

Our opportunities for waste reduction are focused on the following areas of our operations that sit squarely within our control, allowing us to set high standards, hold ourselves accountable for progress and be confident in our ability to deliver our ambitions.

SPOTLIGHT

Reducing Energy Usage

Our Malaysia team identified an opportunity to reduce energy usage by optimizing the speed of air handling unit blower motors across multiple plant areas.

By reducing motor hertz to optimal levels — while maintaining required temperature and humidity conditions — the team achieved significant reductions in electricity use and corresponding chiller load. The result: cost savings with zero upfront capital investment, plus a reduced carbon footprint. The project also received internal recognition and the Industry Initiative Excellence Award at World of Safety & Health (WSH) Asia 2025.

Opportunities for Waste Reduction

SPOTLIGHT

Diverting Waste from Landfills

Our manufacturing facility in Monterrey, Mexico has been pursuing zero-waste-to-landfill strategies for more than 10 years. In 2025, the team achieved a landmark result: 99.5% of waste diverted from landfills.

The path to 99.5% required sustained effort and creative problem-solving: identifying increasingly difficult-to-divert waste streams, forging new partnerships with waste processors and recyclers and building a facility culture in which zero waste is a shared operating standard rather than an aspirational goal.

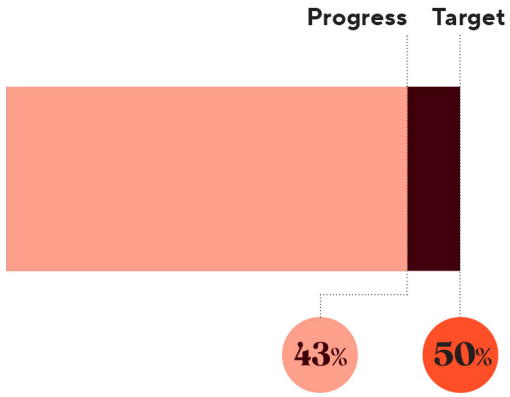
Energy and Climate

Reducing energy consumption is a direct way to deliver cost savings, reduce environmental impacts and future-proof our business.

Our SBTs help translate the best-available science into clear goals, supporting energy efficiency, resilience and long-term value creation.

In 2025, we continued to embed strategies to reduce energy use in manufacturing while sourcing more renewable and zero-emissions electricity. To date, we have achieved a 43% reduction toward our Scope 1 and 2 SBTi target.

Progressing Toward Our Scope 1 and 2 SBTi Target



Transparency to Our Carbon Footprint

81%
Sourcing Our Ingredients

Cocoa	43.0%
Dairy	20.0%
Sugar	8.0%
Peanuts	4.0%
Palm	2.0%
Other Ingredients	23.0%

11%
Manufacturing Our Products

Fuel	34.0%
Capital Goods and Other Purchased Goods & Services	28.0%
Electricity	20.0%
Co-Manufacturers and Co-Packaging	11.0%
Waste Generated in Operations	4.0%
Employee Commuting	4.0%

6%
Transporting Our Products to Customers

Truck and Rail	95.5%
Business Travel	4.1%
Ocean Freight	0.4%

5%
Packaging Our products

Plastic	44.2%
Pulp and Paper	32.7%
Metal	23.0%
Other Materials	0.03%

1%
Packaging End-of-Life

Packaging End-of-Life	100.0%

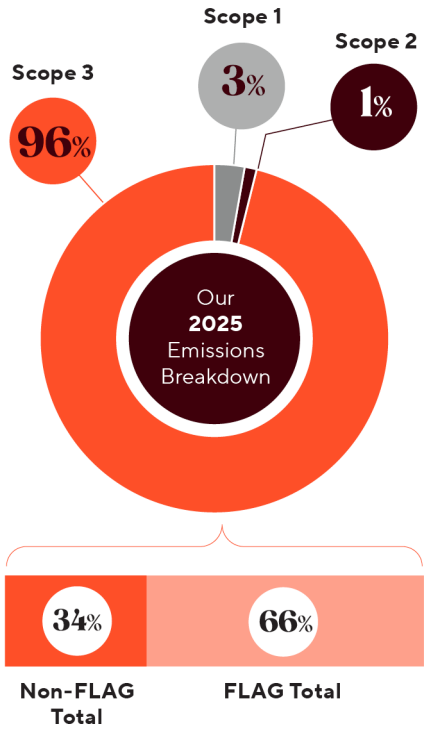
Learn more about how we are addressing climate-related risks and opportunities in our 2025 TCFD Report.

Energy and Climate continued

Energy Efficiency

Hershey focuses on identifying and delivering energy-reduction opportunities through disciplined operational practices and sustained programs. We embed energy efficiency by closely aligning sustainability and operational excellence. Our progress in 2025 reflects this integrated approach.

Emissions overview: 2025



Sustainability Lean

We integrated a "Sustainability Pillar" into our existing Hershey LEAN Production System, giving frontline teams in our facilities the tools, frameworks and mindset needed to identify energy-saving opportunities as part of their daily work. Rather than treating energy efficiency as a separate program managed by a central team, this new sustainability pillar embeds it within the same processes that already help us drive quality, yield and waste reduction. When thousands of employees at dozens of sites are able to help enhance efficiency every day, the cumulative impact compounds over time in ways that outperform even the best-conceived centralized programs.

Advanced Metering and Monitoring

We are continuing our deployment of real-time energy monitoring in our manufacturing facilities to support timely decision making about how energy is consumed, while also enabling energy reductions and cost savings.

Energy Audits and Reduction Roadmaps

In 2025, we conducted rigorous and systematic energy audits to establish an informed energy use baseline. We also built site-level roadmaps for reduction, adding a more sophisticated site-specific approach to our toolkit for energy management across our manufacturing network. Sites are held accountable through regular internal governance processes and reporting.

Renewables

We continue to expand renewable and zero-emission electricity coverage across our operations, increasing coverage from 83% in 2024 to 85% in 2025. All U.S.-based candy, mint and gum (CMG) facilities, as well as all facilities exclusively producing *Dot's Homestyle Pretzels*, are now partially or completely covered by renewable or zero-emission electricity.

In Pennsylvania, all operations, including manufacturing plants, wastewater treatment plants, distribution centers, offices and warehouses, are now covered by a combination of renewable and zero-emission electricity, with four sites transitioning from zero-emission energy to renewable energy. We also extended coverage to include the new *Sour Strips* distribution and office facility in Texas. Also, Malaysia's onsite solar project was operational for the full year, further expanding our international renewable electricity.

A new virtual Power Purchasing Agreement, executed in 2025, adds meaningful capacity to our renewable energy portfolio and contributes to the long-term cost stability of our energy supply, advancing our path toward 100% renewable and zero-emission electricity coverage by 2030.

Martin Venegas
Director, Lean Program & Manufacturing Transformation

The Hershey Sustainability Pillar defines the standard practices that guide energy and water stewardship across our manufacturing sites, aligned to the Hershey LEAN Production System. It is designed as a practical reference that helps teams consistently apply proven best practices, build capability, and deliver measurable results — while making sustainability a visible part of day-to-day operational excellence.

Our vision is to deliver year-over-year energy and water savings initiatives at every site that improve gross margin and reduce our carbon footprint. Supporting Hershey's commitment to a 50% absolute reduction in Scope 1 and Scope 2 GHG emissions by 2030 (vs. a 2018 baseline), each site builds a multi-year roadmap and an annual Sustainability Workplan that identifies at least three projects and drives continuous maturity improvement. Progress is tracked through documented savings, visual workplans and regular reviews — monthly in pillar meetings and quarterly with senior manufacturing leadership — so every team can plan, execute and sustain impact.

Reducing Our Scope 3 Non-FLAG Emissions

Reducing Scope 3 non-FLAG emissions is a key way we drive operational efficiency, future-proof our business and deliver meaningful emissions reductions across our value chain.

Our non-FLAG goal provides a consistent framework to measure these emissions and focus action where operational changes have the greatest impact. We concentrate this work in three areas: packaging materials, logistics optimization and finished goods waste, where efficiency improvements and emissions reductions most directly align. In 2025, we reduced 9% of our non-FLAG emissions, against our 2018 baseline year, from a combination of reductions spanning ingredients, packaging and capital goods.

Optimizing Packaging

Packaging is a meaningful component of Hershey's environmental footprint. We evaluate packaging decisions across their full lifecycle, considering material use, weight, recyclability and GHG impacts. This approach helps us set targets focused on our highest-impact opportunities to reduce our environmental footprint while maintaining product quality and consumer experience.

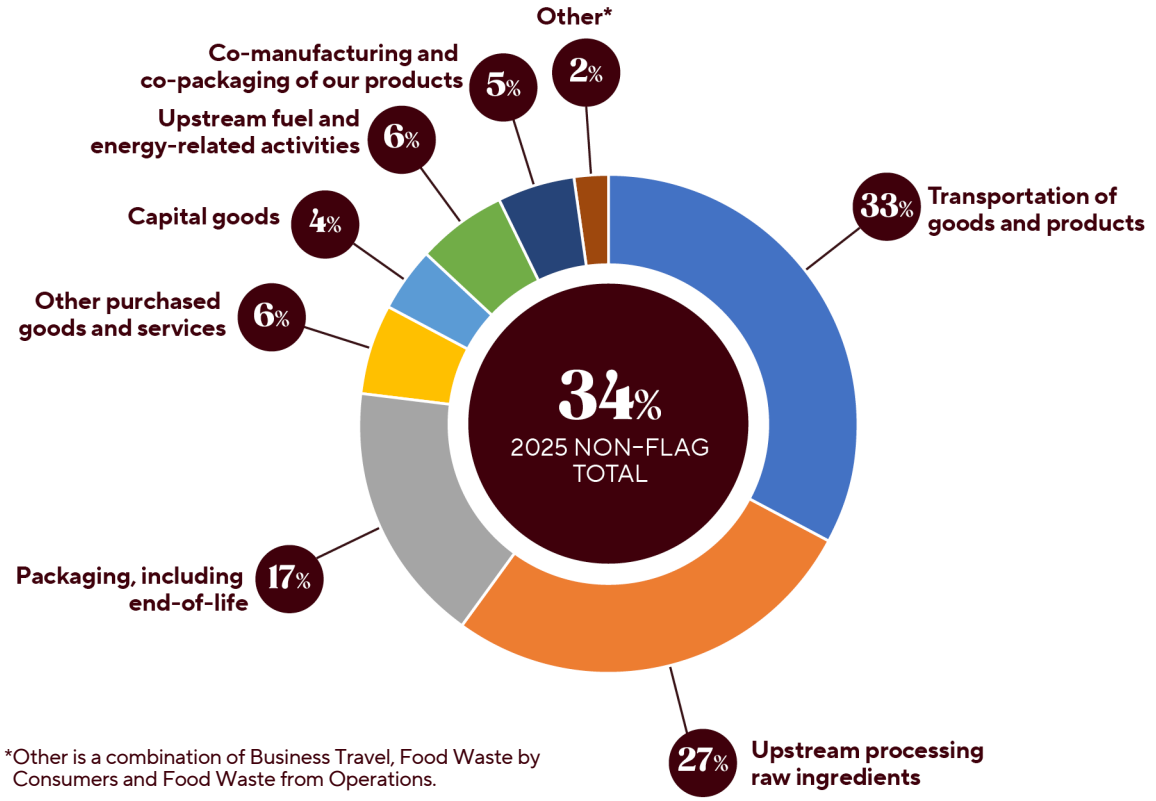
Material Reduction

Reducing packaging material is more cost efficient and lowers environmental impacts. We have eliminated 18.7 million pounds of packaging material since 2021, progressing toward our goal of 25 million pounds eliminated by 2030. We have historically delivered approximately 2 million pounds per year in reductions through continuous optimization of packaging design and material usage. Modifications include adjusting dimensions, reducing thickness, converting to lighter materials and eliminating unnecessary components. In 2025, for example, our Malaysia facility Green Team contributed approximately 47,000 pounds of packaging reduction through a project focused on carton dimension reduction, material specification changes and foil thickness optimization.

Data and Analytics

Underpinning these efforts, we have built data and analytics capabilities to better understand the relationship between packaging, plastics, end-of-life scenarios and GHG emissions. These capabilities enable detailed analysis of material composition across our packaging portfolio, supporting internal sustainability decision-making and compliance with Extended Producer Responsibility (EPR) reporting and helping us identify reduction opportunities and prioritize efforts by impact on waste.

Understanding Our Scope 3 Emissions
2025 Non-FLAG Emissions Breakdown



*Other is a combination of Business Travel, Food Waste by Consumers and Food Waste from Operations.

Reducing our Scope 3 Non-FLAG Emissions continued

Enhancing Logistics

Our North America domestic logistics network includes trucks, rail cars and carriers that move ingredients into our U.S. facilities, transfer product to our distribution centers and deliver our finished goods to customers. This network is a central component of our operations and represents both a significant share of our Scope 3 Non-FLAG emissions and a meaningful opportunity for improving network efficiency and reducing our impact on the environment.

Hershey is proud to be the #1 CleanMile client for miles hauled by SmartWay®-registered carriers. This distinction reflects our commitment to working with the highest-performing carriers in the EPA's SmartWay program. In 2025, nearly 97% of our overall network miles in the United States and Canada were hauled by SmartWay®-registered carriers, which meet rigorous standards for fuel efficiency and emissions performance.

In addition to carrier selection, we are improving how we operate our logistics network. Lane and load optimization initiatives increase truck utilization, reducing the number of movements required to deliver the same volume of product. Where feasible, we are shifting freight from road to rail through intermodal conversion, which lowers emissions per unit of product delivered due to rail's higher fuel efficiency.

We are also using decision-support tools to improve routing and load planning, enabling more efficient, real-time logistics decisions. As our data capabilities continue to improve, we expect to further quantify the environmental benefits of these efforts.

Looking ahead, we are evaluating alternative fuel options, and preparing to integrate these solutions as technology and infrastructure mature. We also plan to extend a similar efficiency-focused approach across our international logistics operations.

Finished Goods

Digital tools are also transforming how we manage internal waste. AI-driven demand planning helps prevent unnecessary production, reducing the volume of product that requires rework or disposal. Decision intelligence platforms give plant managers real-time visibility into production variables, enabling faster intervention when processes drift in ways that generate waste.

Final Waste Disposal

Finally, we remain committed to the responsible disposal of our final waste. Effective waste management is essential to protecting natural resources and helping our business. It enables us to:

- Reduce demand on landfills and limit impact from waste disposal.
- Improve reuse, and avoid the need for new resources to make new things.
- Supporting a circular economy through beneficial re-use opportunities. We understand that what we see as waste may have value for others and has the potential to be repurposed. This understanding underpins our approach to recycling and our work to extend circular economy initiatives in our operations.

Our strategy is simple: comply with applicable laws and regulations and do what we can to be less wasteful throughout our network and supply chains. Employees consistently seek new ways to reduce, reuse and recycle materials, and we work closely with our Green Teams to keep waste management front of mind. In 2025, we had the following successes:

- We improved our company-wide waste recycling and reuse rate, from 69% in 2024 to 73% in 2025.
- Our total non-hazardous waste fell significantly in 2025 by 18%, compared to 2024.

SPOTLIGHT

Digital Transformation as Key Enabler

Beginning in early 2024, and continuing through 2026, Hershey embarked on our Advancing Agility and Automation Initiative. By integrating enterprise resource planning (ERP) systems and deploying AI-driven tools across our manufacturing and supply chain operations, we are boosting visibility, streamlining processes and unlocking capacity that was previously inaccessible.

Already, these efforts are delivering operational and cost benefits at our U.S. plants, replacing manual processes with digital applications for equipment maintenance, quality checks and team communications. The results include higher product quality, better yield and stronger team performance.

While these efficiency gains are primarily measured in operational terms, they carry real environmental implications. More efficient production means less energy consumed per unit, less material wasted through defects or rework and less excess inventory requiring energy-intensive storage and eventual disposal.

As our data capabilities mature, we intend to track and report on the environmental co-benefits of our digital transformation investments alongside their operational outcomes.

Water

Conserving water is critical to our continued success as a business and to the communities and ecosystems we operate within.

Water availability can pose a material risk for manufacturing operations, particularly in regions experiencing increased stress from climate variability and competing demand. While water is not a primary ingredient in most of our finished goods, it plays a wide range of critical roles in our processes, from cooking to cleaning to cooling our facilities.

Our water strategy is deliberately focused on facilities where water risk is greatest and usage is highest, and we are building increasingly sophisticated tools to manage and reduce consumption at those sites. Water is also integrated into our Sustainability Lean Pillar.

Building on the progress achieved in 2024, we saw further absolute reductions in water consumption at our prioritized facilities in 2025. This progress stems from a combination of technology investments, process optimization and enhanced intelligence about where and how water is consumed.

Specific approaches include ultrafiltration and reverse osmosis systems for water recycling and reuse, cooling stack optimization to recapture water that would otherwise be lost and wastewater recycling for non-potable applications, such as irrigation. These measures reduce freshwater withdrawal, decrease wastewater generation and promote cost savings.

As our manufacturing footprint evolves and external water-related risk indicators change, we use site-level context indicators and risk assessment tools to maintain an up-to-date view of water risk across geographies. As a result, we have identified additional manufacturing facilities that now operate in highly water-stressed contexts.

In response, we are extending our focus on water stewardship to these sites, beginning with targeted water audits to understand local water-use profiles and identify reduction opportunities. The tailored site water assessments will inform location-specific roadmaps to guide water-reduction efforts over time.

Green Teams

Across Hershey's global locations, Green Teams help drive our sustainability commitments through projects that improve our sustainability footprint while contributing to the communities in which we work.

Employees on these teams propose and implement projects themselves, identifying opportunities for improvement in their own workplaces. The results consistently demonstrate that the team members closest to our operations are also the best positioned to find meaningful efficiencies.

In 2025, projects spanned energy optimization, waste reduction, packaging innovation, water conservation, land restoration, community education and employee engagement. A selection of projects illustrates the breadth and quality of this work.

Brazil: Turning Gloves Into Floors

At our São Roque facility in Brazil, our team tackled a waste stream with no prior solution other than sending rubber gloves for incineration. The team implemented a dedicated collection and segregation system, then established a partnership to redirect the collected gloves to a materials-upcycling process that transforms them into rubber flooring, an innovative circular-economy outcome.

In just half a year, the project diverted this waste stream away from energy recovery, achieved cost savings for the business, and reduced transportation and waste-treatment costs. It also demonstrated a replicable model for converting a common manufacturing waste stream into a recovered material.

Latin America: LATAM Sustainability Day

In October 2025, teams from Brazil (São Roque) and Mexico (El Salto) facilities came together for a joint LATAM Sustainability Day, hosted at El Salto. The event brought together all leaders from both Latin American operations to share best practices, identify energy efficiency opportunities and develop a coordinated three-year plan for environmental improvement across the two sites.

The event drew hundreds of employee participants and featured vendors showcasing energy-saving technologies, knowledge-sharing sessions and interactive demonstrations of innovations including solar generation, heat recovery systems and boiler alternatives.

Additional Projects Across Our Global Network

- **El Salto, Mexico** — Implemented autonomous LED luminaires with solar panels and lithium battery storage throughout the facility, reducing electrical energy consumption and delivering lighting that meets national standards with renewable-generated power.
- **India** — Optimized energy consumption of cooling towers, air handling units and pumping systems operating around the clock, achieving significant reductions in fixed load energy usage and associated carbon emissions.
- **Hershey Canada** — Developed and distributed a comprehensive sustainability education program for the office, covering sustainability habits, waste sorting, hazardous material handling and the sustainability features embedded in the building itself, connecting individual employee behaviors to the Company's broader sustainability commitments.

Looking Ahead

Efficient operations depend on sustained focus, continuous improvement, and the ability to raise performance as capabilities evolve.

Building on what we achieved in 2025, our focus is to apply what we have learned to drive further efficiency and reduce our environmental footprint over time. Our near-term priorities within this pillar include:

- Maintain focus on energy reduction efforts across manufacturing sites and advance water reduction efforts in both high-risk and high-use sites.
- Continue our sustainable packaging programs, including advancing recyclability work, circular packaging technical readiness and the reusable totes logistics pilot.
- Expand renewables coverage, building on the new virtual Power Purchase Agreement and continuing to develop the roadmap toward 100% renewable and zero-emissions electricity by 2030.
- Continue to deliver North America logistics efficiencies and expand learnings into our international logistics footprint.

Over the longer term, we are working to further integrate sustainability considerations into investment decisions, facility design and operating practices across our manufacturing and logistics network. This includes advancing sustainability standards in day-to-day operations, preparing for electrification and alternative fuels in logistics as infrastructure develops and supporting continuous improvement through site-level Green Teams.

“Our approach involves continuing to strengthen the integration of sustainability considerations into investment decisions, facility design and day-to-day operating practices across our manufacturing and logistics network.”

Rachel Grunberg
Director of Environmental Sustainability

Delight

Relevant Portfolio

Delighting consumers is Hershey's specialty.

For more than 130 years, we have made products people love. Along the way, we have built a business on the premise that great-tasting snacks and responsible business practices belong together.

In this chapter:

39 Our Goals: Measuring What Matters
40 Building a More Relevant Portfolio
42 Responsible Packaging
44 Looking Ahead

Link to UN SDGs:

Delight

Our Goals: Measuring What Matters

Our Delight pillar is where we ensure that sustainability helps shape how our portfolio evolves to meet changing demands, today and far into the future. It encompasses two interconnected dimensions: building an increasingly diverse, relevant and responsibly designed portfolio of products, and making smarter, more sustainable choices about our product and packaging design.

Consumer & Customer Insights

- **Strengthen understanding of evolving consumer and customer expectations,** including in "Better-For-You", health and wellness and protein segments, and how sustainability is shaping preferences and choice.

Sustainable Packaging Design

- **Advance sustainable packaging** through design choices that support circularity, recyclability and reduced reliance on virgin plastic.

Embedding Sustainability in Portfolio and Design Decisions

- Ensure **sustainability considerations are incorporated into portfolio and product and packaging decisions,** including earlier assessment of impacts and trade-offs.

The challenge of delighting consumers is not what it was a generation ago. Consumer values are evolving, particularly among younger generations. Health, wellness, environmental stewardship and social responsibility are increasingly important factors in what consumers choose to eat and which companies they trust.

Meanwhile, the retailers and channels through which our products reach consumers are looking for partners who can support their sustainability ambitions and help them meet their customers' expectations. Adding to the complexity, regulators in markets around the world are setting new requirements for our products and packaging, and increasing reporting requirements that will impact the competitive landscape for years to come.

By design, much of this work is forward-facing. We are investing in consumer insights, data capabilities and design principles that will allow us to make better decisions across our portfolio and help Hershey stay ahead of sustainability trends in the years to come.

Building a More Relevant Portfolio

Why Portfolio Relevance Is a Sustainability Issue

Sustainability is most effective when it is intentionally considered as part of how portfolios are shaped and evolve over time, reflecting how products are made, how they perform across their lifecycle and how they align with consumer expectations.

In practice, this requires integrating sustainability considerations across the dimensions that most influence portfolio-wide impact: ingredient sourcing, manufacturing, packaging performance and how products reach and engage consumers. No single attribute defines sustainability performance. Impact emerges from how these elements are aligned and managed together across the portfolio.

This integrated approach matters for long-term value creation. Retailers increasingly evaluate suppliers across these interconnected dimensions, regulators are moving toward lifecycle-based requirements and consumers continue to seek products that align with their values in meaningful and consistent ways. While our maturity varies across these areas today, we are focused on intentionally strengthening this integration over time to support portfolio relevance, growth and long-term business resilience.

Our Evolving Portfolio

Hershey's portfolio has evolved to align with changing consumer expectations around choice and accessibility. This evolution has been shaped by a combination of organic innovation and targeted acquisitions. Today, a meaningful share of our portfolio reflects the broader spectrum of consumer needs:

- Since 2017, we have acquired five brands focused on expanding our presence in protein and reduced-sugar offerings, complementing ongoing organic innovation across snacks and plant-based chocolate.
- Approximately one third of our total portfolio retail sales come from products that offer portion-controlled formats or alternatives with reduced or no sugar, reflecting a broader range of choices across occasions and preferences.
- Approximately 6% of our CMG retail sales come from products with zero grams of sugar or no added sugar, spanning brands such as ZERO SUGAR brands and LILY'S brand.
- While the broader "Better-For-You" confectionery category is at a price premium, our portfolio stands apart, grounded in our commitment to affordability and accessibility.

As part of this approach, we have committed to removing certified colors from our snacks by the end of 2027.

Together, these elements reflect where we are today: a portfolio intentionally designed to deliver choice across indulgence and alternative options, to scale a wide variety of options to meet a range of nutrition needs, and to evolve in line with consumer expectations. As we move forward under the Delight pillar, we will more systematically integrate sustainability considerations into how the portfolio continues to develop across sourcing, design, packaging and performance.

Building a More Relevant Portfolio continued

Building Our Understanding of Sustainable Product Performance

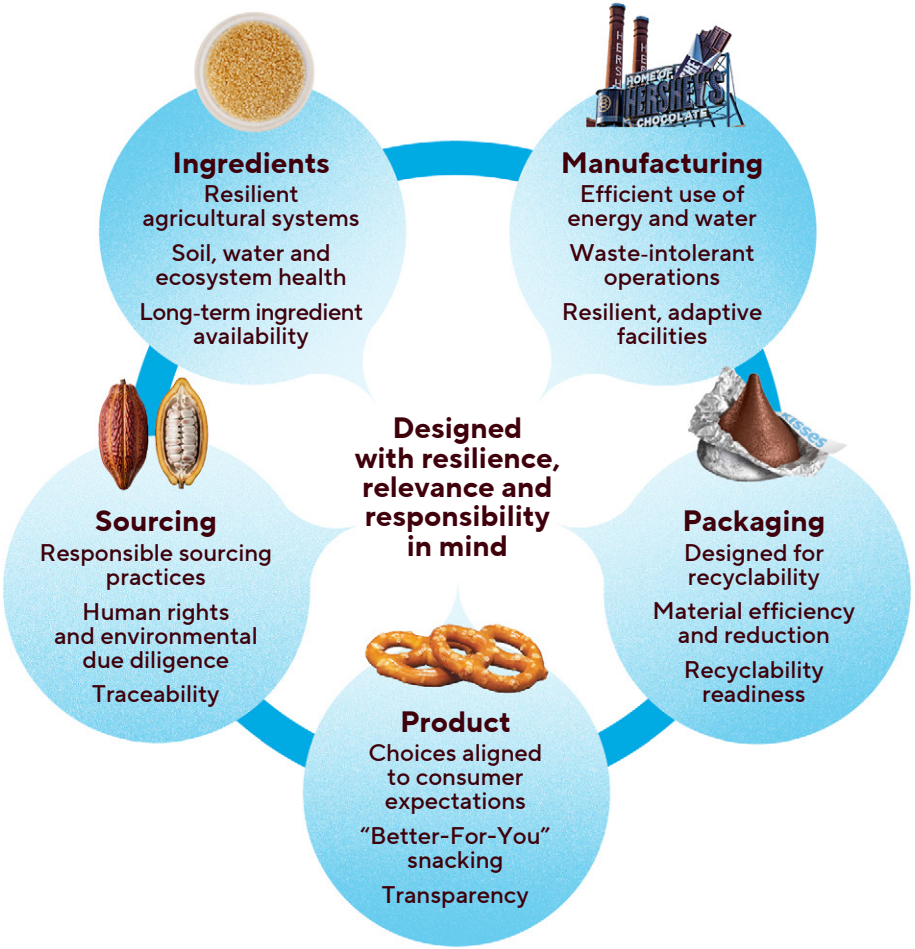
Our current focus is on strengthening how we conceptualize sustainability across our portfolio, moving beyond individual claims or certifications and toward a more integrated view of impact. This is not a simple transition. It involves building the capability to see how sourcing, manufacturing, packaging and consumer value come together across brands and categories, rather than assessing these elements in isolation.

Over time, this approach is intended to better integrate sustainability considerations into portfolio design, informing how offerings are shaped to meet consumer needs, usage occasions and choice, while balancing impacts across sourcing, manufacturing and package design. It also requires a clearer consumer and customer narrative that connects the individual elements of our work into a coherent story.

In 2025, we began developing the tools, metrics and processes needed to make that transition with three key areas of progress:

- **Sustainable Design Integration:** We are integrating sustainability considerations into upfront product and packaging design thinking, with a focus on understanding the impact of choices early in the design process. This work emphasizes material selection, recyclability, weight reduction and other relevant factors to help teams more closely consider sustainability trade-offs alongside performance, quality and consumer experience as we develop and evolve offerings.
- **Portfolio Collaboration and Decision Integration:** We are strengthening collaboration across brands and business units to improve visibility into sustainability considerations as portfolio decisions are made. This includes bringing sustainability principles and insights into discussions about innovation, renovation and investments. It also includes balancing sourcing, manufacturing and packaging design against consumer value and commercial priorities.
- **Consumer Insights:** We are expanding sustainability-focused consumer research and trend analysis with the goal of better understanding how consumer values, needs and purchasing behaviors are evolving in key global markets across our chocolate, salty, sweets and protein segments. The insights we generate are intended to inform both portfolio design and product development priorities, helping us align sustainability considerations with consumer needs, occasions and choice.

How We Think About Sustainable Products



Responsible Packaging

Delivering responsible packaging at scale involves navigating a complex and evolving landscape.

Regulations vary by region, material technologies continue to advance at different speeds and recycling and recovery infrastructure differs significantly across markets. At the same time, packaging decisions must balance food safety, product quality, shelf life, consumer occasion, material efficiency, recyclability and environmental impact, often without a single solution that works across a diverse portfolio.

As a result, real-world impact depends not only on material choice, but on the systems in which packaging is used and recovered. Our approach is to improve outcomes across these systems over time, recognizing that no single solution can address the full complexity of our portfolio. We address these challenges through transparent, well-informed decision-making, guided by a focus on material reduction, circular design and real-world recovery outcomes. This approach recognizes that progress depends on managing trade-offs responsibly while improving outcomes across a diverse portfolio over time.

How We Think About Packaging Sustainability

In addition to our work to reduce overall packaging through our waste reduction efforts, we are focusing on a set of priorities that also address packaging material use, design and recovery outcomes across the portfolio:

- **Design and material choices to reduce plastic use:** Prioritizing packaging and material choices that reduce reliance on plastics where feasible, informed by our focus on reducing emissions-intensive materials, evolving consumer expectations and regulatory requirements.
- **Material efficiency and reduction:** Reducing packaging weight, dimensions and material use where possible without compromising food safety, shelf life or product quality.
- **Design for recyclability:** Prioritizing material choices that are compatible with existing and emerging recycling infrastructure to improve real-world recovery outcomes within existing and emerging systems.
- **Recycled content:** Increasing use of post-consumer recycled (PCR) materials in appropriate applications to reduce demand for virgin materials and support recycling systems, where performance and supply allow.

These priorities reflect our intent to reduce material use, improve circular design and respond to growing regulatory and consumer expectations around packaging. As infrastructure and material solutions continue to evolve, we are applying a more integrated view of packaging sustainability, recognizing trade-offs across environmental outcomes while continuing to deliver consumer value.

To support our decision-making, we are building better data and tools to improve visibility into material use across our packaging portfolio and help prioritize areas for further exploration and solution development.

Responsible Packaging continued

Improving Circularity: Progress on Recyclability

As of December 2025, 26% of our plastic packaging portfolio was designed to be recyclable, as we continue working toward our goal of 100%. This assessment is based on an evolving definition of recyclability, and we expect to continue refining measurement and reporting as infrastructure and standards develop.

Flexible plastics remain our most significant recyclability challenge. These materials are widely used in food packaging for their performance and light weight, but they are not broadly recyclable through standard curbside collection systems, and recycling infrastructure remains limited in most markets.

We are investing in technical learning to better understand where material choices, mono-material designs and recycled content may be viable, compliant and scalable across different applications as infrastructure evolves.

The packaging data capabilities we developed in 2025 are improving visibility into our portfolio's recyclability profile, helping prioritize targeted material and design decisions that support continued progress on recyclability and plastic reduction.

Navigating the Regulatory Landscape: Extended Producer Responsibility

Extended Producer Responsibility (EPR) is a material regulatory development for businesses, shifting responsibility for product end-of-life from municipalities to producers. EPR programs require detailed packaging data, producer fee payments and compliance with material-specific requirements.

EPR is now an active compliance reality. Mandatory programs are established across multiple international markets, and adoption is accelerating in the United States, where seven states have enacted EPR laws. Hershey is meeting current reporting and fee obligations in markets where programs are in effect.

We approach EPR as both a compliance requirement and a design signal. Fee structures and reporting requirements reinforce incentives to reduce packaging volume, complexity and environmental impact, strengthening the role of up-front design and material decisions across our portfolio.

As EPR programs continue to expand and evolve, we are simultaneously expanding and enhancing our packaging data capabilities to support accurate reporting and adapt to increasing scope and complexity over time.

Looking Ahead

The decisions we are making today — about how to build and evolve our portfolio, how to embed sustainability into product development decisions and how to prepare for an expanding regulatory environment — will shape Hershey's competitive position and operational flexibility for years to come. Our commitments will also enable us to realize a vision worthy of our past, one in which Hershey is *Leading Next Generation Snacking* with sustainability at its core. We aim to be the preferred choice for consumers who care about where their snacks come from and how they are made, and the preferred supplier for customers who want a consumer packaged goods company whose sustainability ambitions match their own.

Our near-term priorities in our Delight pillar are:

- **Strengthening sustainability-focused consumer insights:** Expanding research and trend analysis to better understand evolving consumer needs, occasions and preferences; leveraging the resulting insights to better inform portfolio decisions over the medium and long term.
- **Further integrating sustainability into up-front design decisions:** Continuing to embed sustainability considerations into product and packaging design thinking so that potential impacts and trade-offs are considered early and consistently as offerings are developed and evolved.
- **Advancing recyclability and circular packaging readiness:** Building on existing portfolio visibility and technical learning to continue improving recyclability outcomes and inform future material and design choices across our packaging portfolio.
- **Maintaining and scaling EPR compliance:** Continuing to meet reporting and fee obligations as new EPR programs come into effect and existing programs progress through implementation.
- **Evolving a portfolio where sustainability considerations are integrated from inception:** Connecting sourcing, manufacturing, packaging and nutrition choices in ways that support both impact and consumer value. This includes offering a range of products that reflect diverse consumer needs and preferences, while enabling a clear understanding of how sustainability is embedded across the portfolio.

"The decisions we are making today will shape Hershey's competitive position and operational flexibility for years to come."

Andrew Taggart
Manager, Sustainable Portfolio and Packaging Strategy

Embedding Our Strategy

A sustainability strategy is only as strong as the systems behind it. Sourcing resilient ingredients, running efficient operations and building a relevant portfolio all depend on something less visible but equally essential: the human rights and environmental due diligence frameworks and risk management processes, data capabilities and governance structures that embed responsible business conduct across the enterprise.

In this chapter:

46 Human Rights and Environmental Due Diligence (HREDD)

48 Responsible Sourcing Supplier and Recruitment Programs

49 Living Wage

50 Investing in Data and Technology

51 Sustainability Policies and Governance

Link to UN SDGs:

Human Rights and Environmental Due Diligence (HREDD)

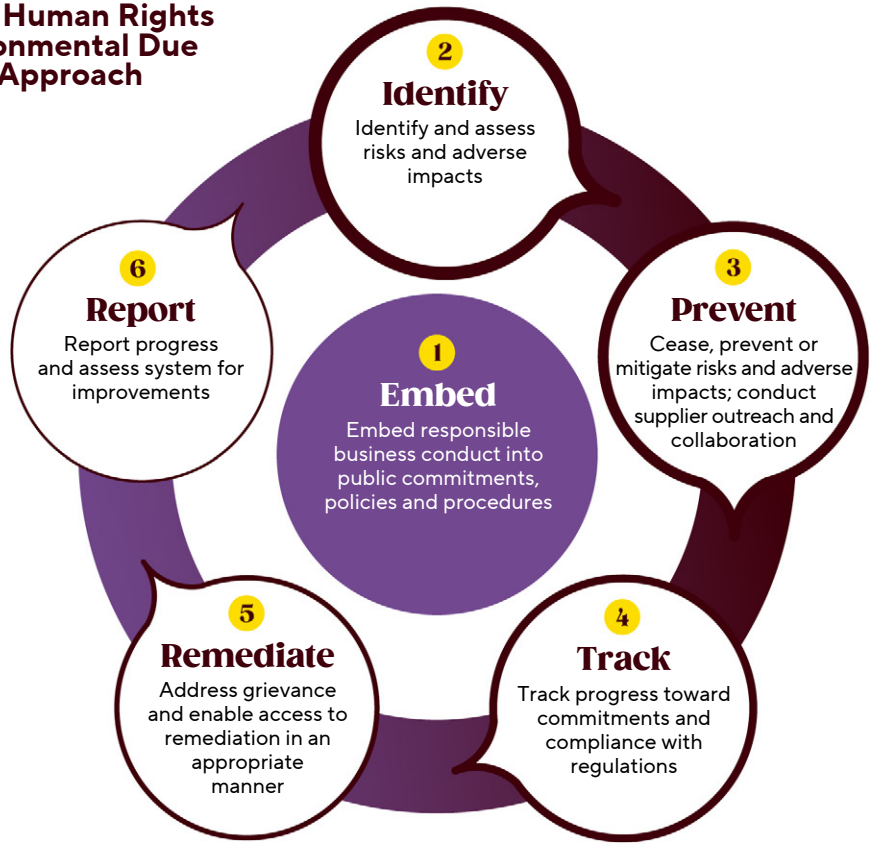
Strengthening Our Approach: A Six-Step Framework

Hershey's HREDD system is an ongoing risk-management process informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organization for Economic Co-Operation and Development Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines). It provides our framework for identifying, preventing, mitigating and accounting for human rights and environmental risks across our value chain.

Over the past two years, Hershey has collaborated with experts to further develop its HREDD system. Our expert partners worked alongside Hershey to share guidance on system and procedure development, regulatory advice and risk-assessment considerations. These collaborations have supported Hershey's continued efforts to strengthen its due diligence practices in line with international frameworks, emerging regulatory requirements and industry best practices.

As an outcome of this engagement, we updated our HREDD six-step framework. This framework and its associated internal procedure provide a common structure for how we approach HREDD across our supply chains and operations.

Hershey's Human Rights and Environmental Due Diligence Approach



Human Rights and Environmental Due Diligence (HREDD) continued

Supplier Upstream HREDD Assessments

As part of our HREDD process, we have introduced a supplier upstream HREDD assessment specific to cocoa suppliers, building on the Converged HREDD Assessment Tool developed collaboratively by AIM-Progress, the Consumer Goods Forum Human Rights Coalition, the Fair Labor Association and Proforest. We expanded the Converged Tool by increasing the focus on the human rights and environmental issues identified as most material to cocoa production. This meant including additional questions on Child Labor Monitoring and Remediation Systems (CLMRS) and deforestation, for example.

The assessment identifies where our tier-1 cocoa suppliers are currently situated in the six-step HREDD process, for example by assessing the policies, risk assessments and monitoring procedures in place. The assessment helps us identify areas for engagement with suppliers, with the aim of promoting continuous improvement and increased supply chain resilience through strengthened upstream supply chain controls.

We conduct similar upstream supplier maturity assessments in our palm oil supply chain through Earthworm Foundation's Engagement for Policy Implementation framework.

Strengthening Remediation

In 2025, Hershey continued a second phase of collaboration with Embode, a specialist human rights organization, focused on strengthening our approach to remediation. Together, we outlined a company-wide remediation framework and a Level 1 harm protocol designed to ensure that concerns are addressed in a timely, consistent and rights-aligned manner. This work supports our broader ambition to provide effective, predictable and trusted avenues for people to raise concerns and access potential remediation.

See our 2025 Statement Against Slavery and Human Trafficking for more information.

Responsible Sourcing Supplier and Recruitment Programs

Supplier Program Highlights

Our Responsible Sourcing Supplier Program (RSSP) verifies our Tier 1 suppliers'[1] compliance with our policy requirements. The program emphasizes and supports improving suppliers' management systems, capabilities and practices around the topics of human and labor rights, health and safety, environment and business ethics.

In 2025, we continued to work toward our goal of 85% of in-scope suppliers complying[2] with our Supplier Code, ending the year at 55% compliance while partnering diligently with suppliers and partners to drive continuous improvement. We invested in more direct capability building support to help suppliers close gaps in management systems, recognizing that durable improvement requires going beyond audit findings to address root causes and working to extend better practices further into and across supply chains.

Through a partnership with LRQA, Hershey invested in differentiated supplier capability building for nearly 40 suppliers across nine countries, providing one-to-one consultative support. This engagement offered access to templates, tools and practical guidance, remote training and LRQA's EiQ Learn digital trainings specific to non-compliance areas. LRQA's findings showed that:

- Suppliers generally made meaningful progress beyond closing individual audit findings, embedding stronger management systems that should support more durable, long-term improvement.
- Suppliers continued to experience challenges around working hours, subcontractor oversight and health and safety investments. These will be areas for further collaboration with suppliers and the broader industry.
- Suppliers reported that this engagement model was more valuable than a standard audit because it provided clarity on gaps alongside practical tools to address them.

Hershey also continued to support the strengthening of supplier HREDD systems through funding supplier participation in initiatives, including Embode's Ganapati Initiative for four Malaysian suppliers and one Thai licensee and AIM-Progress' supplier capability-building series in India, Malaysia and Mexico.

In 2025, we partnered with The Outcome Gap to review Responsible Sourcing Supplier Program audit data collected since 2020. The findings are informing continuous improvement of the program and helping us evaluate the role that audits play alongside other due diligence tools.

Responsible Recruitment Highlights

Our Responsible Recruitment and Employment Program verifies that contingent labor providers[3] comply with our Responsible Recruitment and Employment Policy and the Employer Pays and Priority Industry Principles.

We continue to participate in the AIM-Progress US Working Group and co-funded the development of two new resources in 2025: a Child Labor Remediation Framework for the United States, developed by the Centre for Child Rights and Business; and a third-party workforce provider vetting tool developed by LRQA, designed to support procurement teams in identifying gaps in providers' management systems.

In 2025, in partnership with Sedex, Hershey piloted the newly developed Sedex Service Provider Assessment with three providers at our facility in India. We are currently supporting those providers to develop and implement corrective actions for issues identified through the pilot, and we will continue to build on what we learn from this approach.

[1] Suppliers in-scope of RSSP are ingredient and packaging suppliers, contract manufacturers, contract packers, and licensing manufacturing sites. Details can be found in our RSSP Guidebook.
[2] Compliance is based on the number of suppliers that have a green audit result on their most recent audit out of all audits completed by suppliers enrolled between program launch in 2020 through December 31, 2023. Audit results are determined by our internal audit grading matrix which allows Hershey to assess and score the number and severity of non-compliance issues.
[3] Contingent labor providers include those providing workers for functions such as manufacturing, security, janitorial and canteen.

Living Wage

At Hershey, we believe that fair compensation is fundamental to a responsible and sustainable business.

We are proud to continue our commitment to ensure all full-time employees earn a living wage, and we use widely recognized benchmarks to guide our practices. For our U.S. workforce, we use the Living Wage for U.S. benchmark. For our international employees, we rely on WageIndicator. These benchmarks help us align with credible, transparent standards that reflect the true cost of living in the regions where our employees work.

We are pleased to share our continued progress, with nearly all full-time employees in the U.S. meeting Tier 1 Living Wage benchmarks and 100% of our full-time international workforce meeting WageIndicator benchmarks. Any identified gaps have been reviewed for remediation action.

Advancing living wages and incomes requires consistent, reliable data and shared measurement approaches. Greater access to credible benchmarks and tools is essential to understanding current conditions, tracking progress and aligning action across companies, sectors, and geographies. For Hershey, contributing to stronger data and measurement systems is a foundational step in supporting meaningful, scalable progress on living wage outcomes. In 2025, we progressed our commitment by:

- Serving as a founding member of WageMap, which works to create visibility and consistency in the living wage landscape.
- Contributing to the funding of the Living Wage for U.S. Remuneration Tool and WageIndicator's free publication of living wage data.
- Participating in the AIM-Progress Living Wage Working Group.

Investing in Data and Technology

Transparent, accurate and decision-useful data is foundational to effective sustainability management and regulatory compliance.

To support this, Hershey has embarked on a multi-year sustainability data and technology initiative designed to strengthen the systems, data foundations and automation needed to drive sustainable performance, meet evolving regulatory requirements and enable consistent external reporting. This work is intentionally sequenced, recognizing that building durable data capabilities requires time, discipline and coordination across the enterprise.

This effort is not just about solving sustainability challenges through technology. It focuses on creating reliable, auditable processes and governance that allow teams to better understand performance, support informed decision-making and generate better business insights while meeting compliance expectations with confidence. We developed the roadmap collaboratively with input from sustainability, finance and information technology teams and support from external technical partners. This cross-functional approach reflects the reality that sustainability data sits at the intersection of operational processes, systems, financial controls and sustainability expertise.

Early progress has focused on areas where regulatory urgency and data fragmentation are most acute. Key milestones include the implementation of a custom solution to support compliance with the EU Deforestation Regulation (EUDR), deployment of a carbon accounting platform to strengthen Scope 1, 2 and 3 emissions management and the initial build-out of centralized carbon data pipelines to improve consistency, auditability and integration with reporting and assurance processes. These efforts establish a stronger foundation for both compliance readiness and ongoing performance management.

Looking ahead, the roadmap continues to prioritize carbon, cocoa and packaging as data domains where improved integration, automation and governance can most meaningfully support Hershey's sustainability strategy and regulatory obligations. Work in these areas will focus on progressively centralizing data, reducing manual processes and improving the quality and comparability of information over time, while remaining aligned with broader enterprise data architecture and controls.

As data and technology capabilities evolve, Hershey is also mindful of the trade-offs associated with the expanded use of digital and analytical tools, including the increasing use of applied AI. While these tools can improve insight, efficiency and scalability in sustainability management, they also carry real environmental and ethical considerations, including increased energy and water use and the need for responsible data practices. Hershey is actively considering these factors as part of its sustainability data strategy, seeking to balance the benefits of advanced analytics with thoughtful management of their broader impacts.

Together, this phased, collaborative approach reflects Hershey's commitment to strengthening sustainability data foundations in a way that is practical, resilient and fit for purpose, supporting transparent reporting today while enabling more effective sustainability management in the years ahead.

"Our focus is on building sustainability data and technology foundations the business can rely on. Solutions must be clear, auditable and built to support real decisions. We're doing this through strong, cross-functional partnership and a practical, phased approach that balances innovation with responsibility."

Roscoe van Muylwyk
Director, Human Capital Management, Sustainability & Enterprise Products

Sustainability Policies and Governance

Hershey embeds responsible business conduct across our operations and supply chain through a suite of policies that establish foundational standards and expectations.

These include our Code of Conduct, Human Rights Policy, Supplier Code of Conduct, Responsible Recruitment and Employment Policy, Deforestation and Conversion-Free Policy and ingredient-specific sourcing policies.

These standards prohibit forced labor, child labor and other human rights abuses. They are reviewed and updated periodically against evolving international standards, salient risk assessments and regulatory requirements. They are communicated internally through training and externally to suppliers through contract agreements and purchase order terms.

We review and evolve our policies and programs to ensure they remain aligned with the UNGPs, the OECD Guidelines and other relevant international frameworks, including ILO Conventions No. 138 and 182.

Visit our website to learn more about each

Sustainability Governance
Our governance structure ensures that sustainability is not managed in isolation; rather it is embedded within the same decision forums that manage business performance as a whole, with ultimate oversight residing with our Board of Directors.

More detailed information on our sustainability governance can be found on our corporate website.

Appendix

In this chapter:

53 Our Company Data
54 Cocoa
56 Responsible Sourcing & Human Rights
61 Environment
68 Our People
74 Youth and Community
75 About This Report

Our Company Data

Board of Directors[1]	Unit	2025	2024	2023	Notes
Total Directors	#	11	10	11	–
Women on Board of Directors (Number)	#	4	4	5	–
Women on Board of Directors (Percent)	%	36%	40%	45%	–
Men on Board of Directors (Number)	#	7	6	6	–
Men on Board of Directors (Percent)	%	64%	60%	55%	–
POC on Board of Directors (Number)	#	4	4	3	–
POC on Board of Directors (Percent)	%	36%	40%	27%	–
Board of Directors – White (Number)	%	7	6	8	–
Board of Directors – White (Percent)	%	64%	60%	73%	–

[1] Board data relates to directors included in The Hershey Company's Proxy Statement for the respective year.

Financial Performance	Unit	2025	2024	2023	Notes
Countries in which our products are marketed	# of countries	65	70	80	–
Countries in which our products are manufactured (Hershey-owned facilities)	# of countries	6	6	6	–
Manufacturing facilities (Hershey wholly owned/joint ventures)	# of manufacturing facilities	16	16	16	–
Consolidated net sales	USD in millions	$11,693.0	$11,202.0	$11,165.0	–
One-year net sales growth	%	4.4%	0.3%	7.2%	–
Shareholder return	%	11.0%	(6.5)%	(18.3)%	–
Adjusted diluted earnings per share	USD	$6.31	$9.37	$9.59	–
Income taxes paid	USD in millions	$140.6	$201.8	$303.9	–
Worldwide payroll	USD in millions	$1,226.7	$1,210.8	$1,177.6	–
Investment in R&D	USD in millions	$61.7	$55.8	$50.0	–
Brands	# of brands	>85	>90	>90	–
Weight of products sold	Metric tons	895,387.7	908,329.0	909,909.0	–

Nutrition and Health	Unit	2025	2024	2023	Notes
Revenue from products labeled and/or marketed to promote health and nutrition attributes	USD in millions	$1,446.4	$1,292.6	$1,256.7	1
Revenue from products labeled non-GMO	USD in millions	$646.2	$629.6	$702.3	–

[1] These values represent revenue from our snacks portfolio, which includes ready-to-eat popcorn with no artificial ingredients, baked and trans-fat-free snacks, protein bars and other better-for-you snacks.

Food Safety	Unit	2025	2024	2023	Notes
Facilities certified against a GFSI standard	# of facilities	24	21	21	1
Food safety — Major non-conformances identified	Number	0	0	1	–
Food safety — Major non-conformances rate	Rate	0	0	0	–
Food safety — Minor non-conformances identified	Number	97	99	85	–
Food safety — Minor non-conformance rate	Rate	3.9	4.7	4.0	2
Product recalls	# of recalls	0	0	2	–
Product recalls — Total amount of food product recalled	Metric tons	0.0	0.0	90.4	–

[1] All Hershey-owned manufacturing facilities are certified against a recognized GFSI standard. As such, all facilities are audited annually to assess compliance against the provisions of the standards.
[2] This rate is calculated based on the total number of audits completed in the calendar year, and total number of minor non-conformances identified for the same time period.

Cocoa

Preventing Child Labor[1]	Unit	2025	2024	2023	Notes
Households covered by CLMRS	# of households	71,667	81,744	72,737	2
Children monitored	# of children	132,291	129,111	114,259	2
Children identified via CLMRS in Côte d'Ivoire and Ghana doing inappropriate work and in process of remediation	# of children	11,670	10,631	7,562	2
Children identified as no longer doing inappropriate work at two most recent follow-up visits	# of children	3,873	4,271	2,284	2
School kits provided	# of school kits	2,695	3,181	4,924	–
Birth certificates obtained to enable access to school	# of birth certificates	41	243	396	–
Classrooms built or renovated	# of classrooms	109	51	27	3

[1] Data reflects results as provided by Hershey suppliers and implementing partners. Hershey strives to align our KPIs to industry best practices and methodologies, including those recommended by the International Cocoa Initiative (ICI), which are constantly improving and evolving.
[2] Results are cumulative and begin with the establishment of CLMRS in each community. After the first three years of implementation, these cumulative figures may be reported on a rolling basis.
[3] This includes classrooms built or renovated under the agreement between Hershey, Côte d'Ivoire's CNS and the ICI.

Supporting Farmers in Achieving Economic Independence[1]	Unit	2025	2024	2023	Notes
VSLAs supported	# of VSLAs	908	681	384	–
VSLA members	Total # of members (% female)	24,134 (75% female)	19,196 (80% female)	11,964 (77% female)	–
Total savings and interest accrued annually	USD	$3,942,481	$1,611,198	$1,354,120	–

[1] Data reflects results as provided by Hershey suppliers and implementing partners. Hershey strives to align our KPIs to industry best practices and methodologies, including those recommended by the International Cocoa Initiative (ICI), which are constantly improving and evolving. These metrics include VSLAs supported by our suppliers and those supported directly by the Hershey Income Accelerator Program.

Lifting Up Rural Livelihoods[1]	Unit	2025	2024	2023	Notes
Cocoa For Good Commitment	USD (in millions)	$347	$304	254	2
Cocoa farmers participating in income resilience programs	Total # of farmers	33,530	–	–	3
Farmer groups supported through Cocoa For Good	# of farmer groups	129	136	149	–
Farmers supported through Cocoa For Good	Total # of farmers (% female)	111,160 (16% female)	105,099 (15% female)	119,847 (12% female)	–
Community members trained on nutrition and health	Total # of members trained	39,552	10,948	3,074	4
Community members trained in alternative income-generating activity	# of community members	4,329	4,101	2,724	4

[1] Data reflects results as provided by Hershey suppliers and implementing partners. Hershey strives to align our KPIs to industry best practices and methodologies, including those recommended by the International Cocoa Initiative (ICI), which are constantly improving and evolving.
[2] $347 million is the cumulative amount invested since 2018 as part of our Cocoa For Good commitment. This does not include our additional commitment and spending for the Hershey Income Accelerator Program.
[3] This metric is new in 2025, and includes individuals in farming communities who are receiving conditional cash incentives through the Hershey Income Accelerator Program or who are participating in alternative income-generating activities or who are participating in VSLAs. These activities can be supported by the Hershey Income Accelerator Program or by our suppliers. One individual could be counted as a participant multiple times if they are participating in multiple activities.
[4] This metric includes trainings supported by our suppliers and those supported directly by the Hershey Income Accelerator Program.

Fighting Deforestation[1]	Unit	2025	2024	2023	Notes
Non-cocoa trees distributed	Total # of trees	1,067,424	1,104,905	877,157	2
Cocoa seedlings distributed across global cocoa origins	Total # of seedlings	531,015	442,189	216,505	–
Farmers with all their farm boundaries mapped via GPS polygon mapping	Total # of farmers in Côte d'Ivoire and Ghana with all farms mapped	59,456	69,145	64,823	3
Farm area mapped in Côte d'Ivoire and Ghana	Total # hectares	203,394	189,831	204,321	4

[1] Data reflects results as provided by Hershey suppliers and implementing partners. Hershey strives to align our KPIs to industry best practices and methodologies, including those recommended by the International Cocoa Initiative (ICI), which are constantly improving and evolving.
[2] Non-cocoa trees include trees that provide environmental (cocoa companions), nutrition (e.g., fruit) or economic (e.g., timber) benefits.
[3] This metric is based on an analysis of supplier-provided polygon maps. This analysis follows World Cocoa Foundation guidelines which define a farmer as fully mapped when all farm plots managed by the farmer have polygon maps. This metric is generated by checking information provided by suppliers: the list of fully mapped farmers is compared against the files with the polygons maps.
[4] This metric is based on an analysis of supplier-provided polygon maps. This analysis follows World Cocoa Foundation guidelines which define a farmer as fully mapped when all farm plots managed by the farmer have polygon maps. This metric calculates the farm area that has been mapped in Côte d'Ivoire and Ghana, excluding any overlapping areas within each supplier database. (Some overlap is expected to occur when, for example, plots are side-by-side.)

Responsible Sourcing & Human Rights

Responsible Recruitment Program	Unit	2025	2024	2023	Notes
Labor agencies enrolled in Responsible Recruitment Program	#	102	101	84	1
Labor agency enrollment by Hershey site location					
Brazil	#	10	10	9	–
India	#	15	14	13	–
Malaysia	#	7	7	8	–
Mexico	#	14	18	5	–
U.S. and Canada	#	56	52	49	–
Labor agency enrollment by category					
Contingent labor providers (manufacturing)	#	34	27	34	–
Contract packaging	#	4	8	9	–
Labor service providers	#	64	66	41	–
Progress on Responsible Recruitment Program requirements					
Responsible Recruitment and Employment Policy Acknowledgment	% completed	98%	100%	96%	–
Self-Assessment Questionnaire (SAQ)	% completed	83%	87%	47%	–
Percent SAQ Corrective Action Plans Submitted	% submitted	60%	79%	27%	–
On-site due diligence assessments	#	17	11	23	2
On-site due diligence assessments requiring Corrective Action Plans	% required	59%	45%	91%	3
On-site due diligence assessment non-compliances corrected and closed	% corrected and closed	40%	75%	–	–

[1] The Responsible Recruitment Program applies to all contract labor providers that supply contingent labor or labor services to Hershey-owned and operated offices and manufacturing sites, as well as select strategic contract packers.
[2] Assessments conducted on labor providers may include worker surveys, Sedex's SMETA 2-Pillar audits and/or LRQA's Labor Agency Assessment Tool. Additionally, if a labor provider is identified with a noncompliance during a Hershey-owned operation SMETA 4-Pillar audit, this is categorized as the labor provider undergoing an on-site assessment. Out of the 17 assessments, three were conducted on providers at our Mandideep facility as part of the Sedex Service Provider Assessment pilot. The other assessments were conducted on Malaysia providers through direct annual SMETA 2-Pillar audits, and on providers identified as having non-compliances based on inclusion in SMETA 4-Pillar audits conducted at Hershey's owned operations.
[3] Corrective Action Plans are required of labor providers with noncompliances identified during on-site due diligence assessments. Out of 17 assessments, 10 provider assessments required Corrective Action Plans.

Responsible Sourcing Supplier Program	2025		2024		2023		Notes
Suppliers and manufacturing sites enrolled in Supplier Program		744		806		628	1
Enrollment of manufacturing sites and audits performed by location	**# of manufacturing sites enrolled and subject to audit**	**# of audits performed**	**# of manufacturing sites enrolled and subject to audit**	**# of audits performed**	**# of manufacturing sites enrolled and subject to audit**	**# of audits performed**	
Africa	7	4	6	2	4	2	–
Brazil	37	39	33	33	34	34	–
China	105	126	159	185	97	98	–
Europe	16	13	13	12	9	2	–
India	46	40	50	55	44	22	–
Malaysia	25	14	26	21	26	23	–
Mexico	43	32	41	65	34	25	–
North America (U.S. and Canada)	171	132	155	130	137	73	–
Rest of Asia & Oceania	52	44	69	59	35	33	–
Rest of Latin America	5	3	5	4	3	4	–
Enrollment of manufacturing sites and audits performed by supplier category	**# of manufacturing sites enrolled and subject to audit**	**# of audits performed**	**# of manufacturing sites enrolled and subject to audit**	**# of audits performed**	**# of manufacturing sites enrolled and subject to audit**	**# of audits performed**	
Contract manufacturing and contract packaging	78	55	68	82	72	52	–
Ingredients and raw materials	191	143	181	140	170	119	–
Licensing	161	182	225	269	98	78	–
Packaging	40	31	41	40	42	36	–
The Hershey Experience, World Travel Retail and Indirect	37	36	42	35	41	31	–

[1] Suppliers and manufacturing sites enrolled in the Responsible Sourcing Supplier Program, since 2020 program launch through end of 2025 that are subject to program requirements. The decline in supplier enrollment was due to deactivation of licensing partners for which partnership terms had expired.

People Demographics at Manufacturing Sites Where Audits Were Conducted (as Documented in the Audit Reports)	2025	2024	2023	Notes
Total workers at manufacturing sites	130,007	133,829	69,628	–
Female workers	58,922	61,935	25,722	–
Male workers	71,085	71,894	43,906	–
Domestic and international migrant workers	3,198	8,384	6,572	1

[1] Decline in domestic and international migrant workers is associated with the deactivation of China-based licensing sites from the RSSP in 2025.

Supplier Program Audit Results[1]	Unit	2025	2024	2023	Notes
Audits submitted in reporting year	#	447	566	316	–
Non-compliance results	Total # of non-compliance results	1,319	1,663	977	–
Non-compliances corrected and closed	#	508	658	327	–
Minor non-conformances					
Total findings	%	18.5%	14.6%	15.9%	–
Non-conformance rate	Rate	0.55	0.43	0.49	–
Total findings corrected and closed	%	36.9%	47.5%	38.7%	–
Moderate non-conformances					
Total findings	%	76.4%	79.2%	74.7%	–
Non-conformance rate	Rate	2.25	2.33	2.31	–
Total findings corrected and closed	%	39.3%	37.2%	31.8%	–
Major non-conformances					
Total findings	%	5.1%	6.3%	9.4%	–
Non-conformance rate	Rate	0.15	0.18	0.29	–
Total findings corrected and closed	%	32.8%	51.0%	38%	–

[1] At Hershey, major non-conformances include issues rated as critical or zero-tolerance issues.

2025 Non-Compliance Issues by Category

Non-compliance issue category (# and % of total non-compliances)	Business Ethics	Child Labor & Young Workers	Environment	Freedom of Association and Collective Bargaining	Harassment & Discrimination	Health, Safety & Hygiene	Indicators of Forced Labor	Land Rights	Management Systems	Wages & Benefits	Working Hours	Notes
	22 (2%)	24 (2%)	94 (7%)	17 (1.3%)	36 (3%)	731 (54%)	58 (4%)	1 (0.1%)	28 (2%)	122 (9%)	186 (14%)	–
Average number of non-compliance issues per audit (Non-compliance rate = number of non-compliance issues by category identified in a location's 2025 audit reports/total # of location's 2025 audit reports)												
Africa	0.0	0.0	0.3	0.0	0.5	0.8	0.3	0.0	0.0	0.3	0.0	–
Brazil	0.0	0.0	0.2	0.0	0.1	1.1	0.1	0.0	0.2	0.1	0.3	–
China	0.0	0.0	0.1	0.0	0.1	1.4	0.0	0.0	0.0	0.6	0.8	–
Europe	0.5	0.0	0.3	0.0	0.2	1.5	0.5	0.0	0.0	0.2	0.1	–
India	0.0	0.1	0.3	0.1	0.1	1.8	0.2	0.0	0.0	0.3	0.3	–
Malaysia	0.0	0.0	0.3	0.0	0.1	1.5	0.1	0.0	0.1	0.1	0.4	–
Mexico	0.0	0.0	0.3	0.0	0.1	2.0	0.2	0.0	0.1	0.2	0.5	–
North America	0.0	0.2	0.1	0.1	0.0	1.8	0.0	0.0	0.0	0.1	0.2	–
Rest of Asia	0.2	0.0	0.7	0.1	0.1	2.1	0.0	0.0	0.3	0.3	0.6	–
Rest of Latin America	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.7	–

Engagement on Human Rights	Unit	2025	2024	2023	Notes
Worker engagement surveys completed	#	1	1	2	–
Workers and farmers surveyed during worker engagement surveys	#	185	34	315	–
Hershey employees who have completed additional, optional human rights training	#	1,795	1,689	1613	1
Hershey employees who have taken required human rights training and passed	%	100%	– %	– %	2

[1] From 2021-2025, nearly 1,800 employees have cumulatively completed additional, optional human rights training.
[2] Human rights training was not required in 2024 and 2023 as the human rights module of our mandatory Code of Conduct training is included on a 3-year basis.

Responsible Sourcing Ingredient Commitments & Progress

Ingredient	Commitment	Goal	2025	2024	2023	Notes
Total food ingredients	Percentage of food ingredients sourced (by cost) certified to third-party environmental and/or social standards (e.g., Fair Trade USA, Rainforest Alliance, RSPO and Bonsucro)	N/A	35%	34%	38%	–
Cocoa	Source independently verified cocoa (by volume) through Fair Trade USA, Rainforest Alliance (UTZ) and verified supplier program standards meeting international criteria	100% by 2020	95%	100%	100%	1
	Sourcing visibility of Hershey's cocoa volume in Côte d'Ivoire and Ghana	100% by 2025	72%	88%	89%	–
Dairy	Source dairy volumes from suppliers enrolled in and assessed through the SDP	100% by 2024	98%	98%	73%	–
Sugar	Achieve traceability to the mill (by volume)	100% by 2025	100%	100%	100%	–
	Procure sugar (by volume) from sources certified or verified to a recognized sustainability standard covering the farm level	100% by 2025	100%	90%	82%	–
Palm	Source RSPO-certified mass balance palm oil (by volume)	100% by 2020	100%	100%	100%	2
	Achieve 100% traceability to the mill	100% by 2020	100%	100%	100%	3
	Achieve traceability to plantation	100% by 2025	87%	85%	98%	4
	Achieve a verified deforestation-free palm supply chain	100% by 2025	91%	69%	63%	5
Pulp and Paper	Trace virgin pulp and paper packaging sourced globally back to the country of harvest	100% by 2025	100%	76%	64%	6
	Source pulp and paper packaging (by volume) from recycled or certified sources globally	100% by 2025	98%	88%	87%	6
Coconut	Source certified coconut (by volume) through Fair Trade USA	100% by 2020	100%	100%	100%	–
Eggs	Source certified cage-free eggs (by volume) for the U.S. and Canadian markets from cage-free farms that are in accordance with the American Humane Certified program	100% by 2020	100%	100%	100%	–
	Source certified cage-free eggs (by volume) globally	100% by 2025	No eggs or egg products were sourced from international regions in 2025.	No eggs or egg products were sourced from international regions in 2024.	No eggs or egg products were sourced from international regions in 2023.	–

[1] Data reflects results as provided by Hershey suppliers and implementing partners. Hershey strives to align our KPIs to industry best practices and methodologies, including those recommended by the International Cocoa Initiative (ICI), which are constantly improving and evolving.
[2] Volumes are based on goods received during the reporting period.
[3] Traceability to mill results are based on supplier-reported scores. Due to delays in suppliers reporting their H2-2025 results, reported traceability to mill results are only based on H1-2025 volumes. Full year 2025 data will be published in our 2026 report.
[4] In 2024, Hershey strengthened our traceability to plantation criteria, no longer accepting supplier-reported scores, and now requiring GPS coordinates or polygon maps of the plantation. Due to delays in suppliers reporting their H2-2025 results, reported traceability to plantation results are only based on H1-2025 volumes. Full year 2025 data will be published in our 2026 report.
[5] The deforestation and conversion-free (DCF) palm oil supply chain results are based on mill lists from mid-year 2024 to mid-year 2025. Volumes were assessed as DCF based on the deforestation cut-off date of December 31, 2015. In line with our DCF Implementation Approach, in partnership with Earthworm Foundation, we assess our palm as DCF via field-level monitoring through remote sending with the Starling satellite, certification via RSPO Segregated supply chain standard, volumes traceable to negligible or low-risk sourcing areas and sourcing from suppliers with robust DCF control mechanisms in place.
[6] Results are based on supplier-reported information for full year 2025 data.

Environment

GHG Emissions	Unit	2025	2024	2023	Notes
Total GHG footprint	$MTCO_2e$	5,821,245	6,623,403	7,503,635	1, 2, 3
Direct (Scope 1) emissions	$MTCO_2e$	190,815	190,984	178,001	2
Change in Scope 1 emissions (against a 2018 baseline)	%	6.00%	6.30%	-0.90%	–
Indirect (Scope 2): market-based emissions	$MTCO_2e$	49,210	53,000	61,592	2
Change in Scope 2: market-based emissions (against a 2018 baseline)	%	(80.00)%	(78.18)%	(74.60)%	–
Indirect (Scope 2): location-based emissions	$MTCO_2e$	223,564	220,505	224,083	2
Total value chain (Scope 3) emissions	$MTCO_2e$	5,581,219	6,379,418	7,264,041	3
Total Scope 3 emissions reductions	%	(34.00)%	(25.10)%	(14.70)%	–
Biogenic carbon dioxide emissions	$MTCO_2$	7,898	7,815	7,214	4

[1] The Sour Strips brand was acquired in 2024 and is included in Hershey's inventory beginning in 2025.
[2] Hershey's 2025 Scope 1 and Scope 2 emissions received limited assurance by EY. The corresponding limited assurance statement is found on our corporate website.
[3] Hershey's 2025 Scope 3 emissions has been independently verified by Quantis. The corresponding letter is available on our corporate website.
[4] This metric includes carbon emissions from biofuel and water treatment processes, such as biomass and biogas.

Scope
Hershey's 2025 GHG emissions data includes all brands in Hershey's portfolio, except for LesserEvil, which will be added to the inventory beginning in 2026.

Methodology
Hershey's total GHG footprint is calculated based on Scope 1, Scope 2 (market-based) and Scope 3 emissions.
Scope 1, 2 and 3 GHG emissions are disclosed in aggregate as CO_2e. Individual gases are identified though not independently disclosed, with the majority of CO_2e consisting of CO_2.
All calculations include relevant GHG emissions as specified by the Greenhouse Gas Reporting Protocol.

Emission factor sources include:
Scope 1: UK Department for Environment, Food and Rural Affairs (Defra) Greenhouse Gas Reporting conversion factors (2025).
Scope 2 (market-based): Emissions & Generation Resource Integrated Database (eGRID 2023), ecoinvent version 3.11, Canadian Government Emission Factors and References Values Version 3.0 (2025), Edison Electric Institute (EEI) Electric Company Carbon Emissions and Electricity Mix Reporting Database for Corporate Customers, Mexico Emission Factor of the National Electrical System, Malaysia Sustainable Energy Development Authority, Central Electricity Authority of India, other specific emissions rates from our electricity providers and Green-e® Energy Residual Mix Emissions Rate.
The Green-e residual mix emission factor applied to electricity consumption in the U.S. is an adjusted grid-average emission factor that accounts for all unique Green-e Energy certified sales.

GHG Emissions - Scope 3[1]	Unit	2025	2024	2023	Notes
Scope 3: Category 1 — Purchased Goods and Services	$MTCO_2e$	4,650,715	5,333,992	6,224,489	—
Scope 3: Category 2 — Capital Goods	$MTCO_2e$	68,481	127,600	203,526	—
Scope 3: Category 3 — Fuel and Energy-Related Activities	$MTCO_2e$	111,930	109,186	131,901	—
Scope 3: Category 4 — Upstream Transportation and Distribution	$MTCO_2e$	291,530	320,793	299,367	—
Scope 3: Category 5 — Waste Generated in Operations	$MTCO_2e$	23,010	31,539	12,922	—
Scope 3: Category 6 — Business Travel	$MTCO_2e$	14,195	25,445	14,303	—
Scope 3: Category 7 — Employee Commuting	$MTCO_2e$	22,910	25,898	51,154	—
Scope 3: Category 8 — Upstream Leased Assets	$MTCO_2e$	Not Applicable	Not Applicable	Not Applicable	—
Scope 3: Category 9 — Downstream Transportation and Distribution	$MTCO_2e$	331,693	317,855	206,654	—
Scope 3: Category 10 — Processing of Sold Products	$MTCO_2e$	Not Applicable	Not Applicable	Not Applicable	—
Scope 3: Category 11 — Use of Sold Products	$MTCO_2e$	Not Applicable	Not Applicable	Not Applicable	—
Scope 3: Category 12 — End-of-Life Treatment of Sold Products	$MTCO_2e$	66,757	87,111	119,725	—
Scope 3: Category 13 — Downstream Leased Assets	$MTCO_2e$	Not Applicable	Not Applicable	Not Applicable	—
Scope 3: Category 14 — Franchises	$MTCO_2e$	Not Applicable	Not Applicable	Not Applicable	—
Scope 3: Category 15 — Investments	$MTCO_2e$	Not Applicable	Not Applicable	Not Applicable	—

[1] Hershey's 2025 Scope 3 data has been independently verified by Quantis. The corresponding letter is available on our corporate website.

Scope
Hershey's 2025 GHG emissions data includes all brands in Hershey's portfolio, except for LesserEvil, which will be added to the inventory beginning in 2026.

Methodology
All calculations include relevant GHG emissions as specified by the Greenhouse Gas Reporting Protocol and follow the Operational Control methodology. Scope 3 emission factor sources include: Ecoinvent (3.7.1 and 3.9.1), World Food LCA Database (WFLDB versions 3.8), EPA's 2025 Emission Factors Hub, Defra Conversion Factors 2025, EPA's EEIO Supply Chain Emission Factors version 1.3, The Department of Energy GREET (Greenhouse gases, Regulated Emissions, and Energy use in Technologies), and supplier-specific emission factors.

Emissions Intensity[1]	Unit	2025	2024	2023	Notes
Direct (Scope 1) emissions intensity	$MTCO_2e$ per metric ton of product produced	0.20	0.19	0.17	—
Indirect (Scope 2): market-based emissions intensity	$MTCO_2e$ per metric ton of product produced	0.05	0.05	0.06	—
Scope 1 and Scope 2 (market-based) emissions intensity	$MTCO_2e$ per metric ton of product produced	0.25	0.24	0.22	2
Value chain (Scope 3) emissions intensity	$MTCO_2e$ per metric ton of product produced	5.84	6.29	6.04	3

[1] The Sour Strips brand was acquired in 2024 and is included in Hershey's inventory beginning in 2025.
[2] Hershey's 2025 Scope 1 and Scope 2 data received limited assurance by EY. The corresponding limited assurance statement is found on our corporate website.
[3] Hershey's 2025 Scope 3 emissions has been independently verified by Quantis. The corresponding letter is available on our corporate website.

Energy Consumption[1]	Unit	2025	2024	2023	Notes
Biogas	Gigajoules (GJ)	61,478	69,015	58,231	0
Biomass	Gigajoules (GJ)	42,352	37,618	Not applicable	2
Coal	Gigajoules (GJ)	1,761	7,696	2,933	2
Diesel	Gigajoules (GJ)	6,713	7,972	Not applicable	–
Distillate fuel oil no. 2	Gigajoules (GJ)	17,440	10,412	9,932	3
Electricity consumed	Gigajoules (GJ)	2,369,677	2,336,131	2,249,874	4
Fuel oil no. 6	Gigajoules (GJ)	–	–	–	–
Jet fuel	Gigajoules (GJ)	45,928	43,765	57,978	–
Gasoline	Gigajoules (GJ)	100,707	88,525	77,833	5
Natural gas	Gigajoules (GJ)	3,124,434	3,106,972	3,103,913	–
Propane	Gigajoules (GJ)	664	1,398	2,344	–
Energy consumption within the organization	Gigajoules (GJ)	5,771,154	5,709,534	5,613,559	–
Energy intensity	GJ per metric ton of product produced	6.03	5.63	5.26	6

1 The Sour Strips brand was acquired in 2024 and is included in Hershey's inventory beginning in 2025.
2 Mandideep's fuel mix normalized in 2025 as the husk boiler returned to regular operation, following 2024 maintenance that temporarily reduced biomass use and increased coal consumption.
3 Fuel Oil No. 2 consumption increases are due to the temporary use of backup generators during maintenance or replacement activities, as well as during power disruptions to maintain site operations.
4 Sources include hydroelectric, renewable electricity, contractual instruments, zero-emissions contractual instruments, on-site solar and traditional grid electricity.
5 In 2024, US sales fleet had about 7% fewer miles driven compared to 2023, driving a decrease in gasoline usage.
6 Represents total energy usage related to fuels (e.g., natural gas and gasoline) and electricity per total production volumes at operationally controlled manufacturing plants.

Electricity Mix	Unit	2025	2024	2023	Notes
Percent of total electricity consumption that is supplied as grid electricity	%	15.0%	16.9%	20.2%	–
Percent of total electricity consumption that is identifiable as renewable electricity	%	52.7%	32.3%	26.6%	1, 2,3
Percent of total electricity consumption that is covered by the purchase of a zero-emissions energy-based contractual instrument	%	32.4%	50.8%	53.2%	1
Percent of total electricity consumption that is identified as renewable electricity and percentage of total electricity consumption that is covered by the purchase of a zero-emissions energy-based contractual instrument	%	85.0%	83.1%	79.8%	4
Number of renewable energy certificates (RECs) instruments	# of RECs	318,411	181,067	130,400	1, 2, 5

1 The increase in renewable electricity reflects a shift from zero-emission credits (ZECs) to RECs, supported by a growing volume of RECs generated through PPAs.
2 Hershey has invested in three solar farm projects, going into service in 2021, 2022 and 2024.
3 Hershey calculates this percentage as the total renewable electricity purchased divided by total electricity consumption.
4 Hershey calculates this percentage as the sum of percent of total electricity consumption that is identified as renewable electricity and percent of total electricity consumption that is covered by the purchase of a zero-emissions energy based contractual instrument.
5 This calculation includes RECs and purchased unbundled RECs.

Air Quality	Unit	2025	2024	2023	Notes
NOx emissions	Metric tons	144.2	148.3	205.6	–
SOx emissions	Metric tons	10.44	10.75	28.95	–
VOC emissions	Metric tons	230.1	233.4	174.7	–
CO emissions	Metric tons	116.5	118.0	109.7	–
Particulate emissions	Metric tons	36.3	45.6	73.2	1

[1] The decrease in particulate emissions is due to Hershey's transition away from coal in Mandideep, India.

Packaging[1]	Unit	2025	2024	2023	Notes
Percent of hard-to-recycle PVC eliminated	%	100%	100%	100%	–
Total packaging sourced globally	Metric Tons	143,868	169,460	176,157	–
Percentage of all packaging that is recyclable	%	82%	85%	84%	–
Percentage of packaging made from recycled and/or renewable materials	%	82%	78%	76%	–
Packaging in North America that is post-consumer recycled material	%	31%	31%	30%	–
Percentage of plastic packaging designed to be recyclable	%	26%	34 %	32%	–

[1] Packaging data includes candy, mint and gum products only. It excludes all other product packaging and any non-Hershey purchased packaging materials, including our Salty segment.

Waste Management[1]	Unit	2025	2024	2023	Notes
Total non-hazardous waste generated	Metric tons	97,990	119,405	106,734	–
Total waste reused and recycled	Metric tons	71,748	82,245	70,964	–
Total waste: Composted	Metric tons	42	149	215	2
Total waste: Recycled	Metric tons	31,725	35,886	34,086	–
Total waste: Stock Feed	Metric tons	39,982	46,210	36,664	–
Waste to energy (incineration)	Metric tons	7,105	11,439	11,089	–
Waste to landfill	Metric tons	19,137	25,721	24,681	–
Company-wide waste recycling and reuse rate	%	73%	69%	66%	–
Hazardous waste	Metric tons	180	182	166	–
Waste intensity	Metric tons of waste generated/Metric tons of product produced	0.10	0.12	0.10	–

[1] Waste management data within this table represents data available at sites operationally controlled by Hershey. Many of these metrics are directly correlated with increases or decreases in production volumes and improvements in waste management practices.
[2] Total composted waste significantly decreased in 2025 due to operating system updates that reduced our need to remove sludge previously composted offsite.

Water Impact[1]	Unit	2025	2024	2023	Notes
Total water use	Millions of liters	5,187	4,679	4,520	2
Groundwater	% of total water use	45%	42%	43%	2, 3
Purchased water	% of total water use	55%	58%	57%	2
Total water discharged	Millions of liters	4,074	3,612	3,230	–
Total water consumption	Millions of liters	1,113	1,067	1,290	4
Total water withdrawn in region of extremely high baseline water stress	%	4.4%	5.2%	14.4%	5
Total water withdrawn in region of high baseline water stress	%	6.3%	7.4%	0.9%	5
Total water consumed in region of extremely high baseline water stress	%	9.3%	11%	33%	5
Total water consumed in region of high baseline water stress	%	22.3%	23.5%	1.7%	5
Total water intensity	Liters per kilogram of product produced	3.36	3.06	2.85	–

1 Select water metrics increased in 2025 due to an aging cooling system at our Hershey, PA corporate office, evolving business operations and the inclusion of additional facilities in our water inventory.
2 Represents manufacturing sites and select non-manufacturing and office locations where water use is assessed as material and within the company's operational control.
3 Groundwater may include other aspects of raw water, such as surface water.
4 Water consumption is calculated as water withdrawal less water discharge.
5 Water withdrawn and water consumed in water-stressed regions represent data from manufacturing facilities.

Contextual Water Risk by Facility[1]	Water Stress Score per WRI Aqueduct 4.0	Notes
Bethlehem, PA	Medium-high (20–40%)	–
Bluffton, IN	Medium-high (20–40%)	–
Edgerton, KS	Low-medium (10–20%)	–
Goodyear, AZ	Extremely high (>80%)	–
Granby, Quebec, Canada	Low-medium (10–20%)	–
Guadalajara, Jalisco, Mexico	Extremely high (>80%)	–
Hazleton, PA	Low (<10%)	–
Hershey, PA	Low (<10%)	2
Johor, Malaysia	Low (<10%)	–
Lancaster, PA	Low (<10%)	–
Lawrence, KS	Low (<10%)	–

Contextual Water Risk by Facility[1]	Water Stress Score per WRI Aqueduct 4.0	Notes
Lenexa, KS	Low-medium (10–20%)	–
Mandideep, Madhya Pradesh, India	Extremely high (>80%)	–
Memphis, TN	Low (<10%)	–
Monterrey, Nuevo León, Mexico	High (40–80%)	–
Plymouth, IN	High (40–80%)	–
Robinson, IL	Medium-high (20–40%)	–
São Roque, São Paulo, Brazil	Medium-high (20–40%)	–
St. Hyacinthe, Quebec, Canada	Low-medium (10–20%)	–
Stuarts Draft, VA	Medium-high (20–40%)	–
Whitestown, IN	Medium-high (20–40%)	–

1 This data represents manufacturing sites under Hershey's operational control.
2 Hershey, PA includes three manufacturing sites: Reese Chocolate Processing Facility, Reese Manufacturing Facility and West Hershey Manufacturing Facility.

Biodiversity[1]	Unit	2025	2024	2023	Notes
Bethlehem, PA	%	–%	–%	6.00%	–
Bluffton, IN	%	1.00%	1.00%	0.33%	–
Brantford, Ontario, Canada	%	–%	–%	Not Applicable	–
Edgerton, KS	%	–%	–%	0.82%	–
Edwardsville, IL	%	1.00%	1.00%	1.23%	–
Goodyear, AZ	%	–%	–%	8.66%	–
Granby, Quebec, Canada	%	2.00%	2.00%	3.09%	–
Guadalajara, Jalisco, Mexico	%	–%	–%	15.33%	2
Hazleton, PA	%	–%	–%	3.61%	–
Hershey, PA	%	–%	–%	0.96%	–
Johor, Malaysia	%	–%	–%	5.67%	–
Lancaster, PA	%	–%	–%	0.58%	–
Lawrence, KS	%	3.00%	3.00%	0.76%	–
Lenexa, KS	%	–%	–%	0.66%	–
Mandideep, Madhya Pradesh, India	%	–%	–%	0.41%	–
Memphis, TN	%	5.00%	5.00%	2.69%	–
Monterrey, Nuevo León, Mexico	%	6.00%	13.00%	27.37%	3
Ogden, UT	%	–%	–%	8.17%	–
Plymouth, IN	%	1.00%	2.00%	1.65%	–
Robinson, IL	%	–%	–%	4.11%	–
São Roque, São Paulo, Brazil	%	3.00%	9.00%	26.85%	3
St. Hyacinthe, Quebec, Canada	%	–%	–%	2.81%	–
Sugar Land, TX	%	–%	Not Applicable	Not Applicable	–
Stuarts Draft, VA	%	19.00%	18.80%	7.61 %	–
Whitestown, IN	%	–%	–%	25.00%	–

[1] The data in the table above represents Hershey's owned and leased manufacturing facilities and distributions centers, specifically the percentage of nearby landscapes considered under protection in 2025 and 2024 within 5 kilometers according to the World Database on Protected Areas (WDPA) and the International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats within 50 kilometers by level of extinction risk. The results reflected in this table are up to date as of March 2026. A 50km reporting boundary was previously used for 2023 percentage of nearby landscapes considered under protection.

[2] Prior reports included our Santa Ana Plastic Production Plant in Zapopan, Jalisco, Mexico as a separate location. This site is now included in our biodiversity reporting on Guadalajara, Jalisco, Mexico.

[3] The IUCN and WDPA are the most comprehensive global databases on terrestrial and marine protected areas and species. They are updated on a monthly basis to track the dynamics of changes to the world's protected areas and the species that depend on them.

IUCN Red List Species[1]	2025					2024					Notes
Location	Critically Endangered	Endangered	Vulnerable	Near Threatened	Least Concerned	Critically Endangered	Endangered	Vulnerable	Near Threatened	Least Concerned	
Arizona, USA	1	3	18	21	717	1	3	16	20	616	–
Illinois, USA	9	12	35	35	906	9	12	35	31	876	–
Indiana, USA	4	14	30	38	793	7	12	30	33	702	–
Jalisco, Mexico	6	23	40	50	1,136	9	24	42	43	1,141	–
Johor, Malaysia	47	280	217	201	3,539	43	284	208	199	3,500	–
Kansas, USA	5	12	26	31	748	5	12	26	28	732	–
Madhya Prades, India	5	13	26	33	748	5	12	24	29	743	–
Nuevo León, Mexico	4	13	28	34	920	4	13	29	35	881	–
Pennsylvania, USA	2	3	30	34	818	4	10	33	31	778	–
Ontario, Canada	6	11	26	40	805	5	11	26	36	768	–
Quebec, Canada	6	11	30	33	663	5	11	30	28	601	–
São Paulo, Brazil	8	29	52	57	1,962	8	23	48	60	1,929	–
Tennessee, USA	7	10	32	31	823	7	9	32	28	796	–
Texas, USA	4	8	18	30	880	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	–
Utah, USA	1	2	16	21	543	1	2	15	19	533	–
Virginia, USA	4	7	30	33	759	3	7	31	30	717	–

[1] The data in the table above shows the IUCN Red List species and national conservation list species with habitats within 50 kilometers of Hershey-owned manufacturing facilities and distribution centers, by level of extinction risk.

Hershey Green Teams	Unit	2025	2024	2023	Notes
Hershey Green Team chapters (globally)	#	10	11	12	1
Hershey Green Team members	#	>350	>350	>350	–
Employees who attended a Green Teams event	#	3,799	–	–	2
Total number of trees planted and tree seedlings distributed	#	49,984	126,685	214,272	3

[1] Represents active Green Teams globally.
[2] Data on the number of Employees attending Green Teams Events was not collected prior to 2025.
[2] The total trees planted represented by this metric includes activities of Hershey Green Teams and ongoing partnerships like the Arbor Day Foundation and Sustainable Dairy PA. It does not include tree planting related to cocoa. This number declined in 2025 compared to 2024. This is not reflective of a change in overall commitment, rather a shift in program timing, the stage of project implementation and planting schedules, with a significant portion of planned activities deferred to 2026.

Our People

Employees	Unit	2025	2024	2023	Notes
Global Employees: Total	# of employees	19,595	20,030	20,505	1
Global Employees: Full-time	# of employees	17,550	18,540	18,650	1
Global Employees: Part-time	# of employees	2,045	1,490	1,855	1
Union representation Collective Bargaining Employees	%	29%	33%	31 %	2

[1] Data in the table above represents approximate total global, full-time and part-time employees and is consistent with employee headcount data as reported in Hershey's 2025 Form 10-K.
[2] This value represents the percentage of employees covered by collective bargaining agreements and includes employees worldwide

	2025			2024			2023			Notes
Employees[1]	Total	Female	Male	Total	Female	Male	Total	Female	Male	
Global Employees	19,032	8,905	10,118	20,035	9,470	10,558	20,507	9,878	10,626	–
Full-time	17,495	8,058	9,435	18,543	8,631	9,909	18,650	8,866	9,784	–
Part-time	1,537	847	683	1,492	839	649	1,857	1,012	842	–
Regular	18,172	8,373	9,798	19,345	9,080	10,262	19,393	9,243	10,150	–
Temporary	860	532	320	690	390	296	1,113	635	475	–

[1] Race/ethnicity and gender data in this table are based on employee self-identification in Hershey's HR data system as of December 31, 2025, excluding LesserEvil employees. Totals may not add up exactly as this data is not required.

	2025		2024		2023		Notes
Employees by Type and Region[1]	Regular	Temporary	Regular	Temporary	Regular	Temporary	
Globally	18,172	860	19,345	690	19,393	1,112	–
United States (including Puerto Rico)	11,108	569	11,408	562	11657	593	–
Non-U.S.	7,064	291	7,937	128	7737	519	–
Asia	1,313	70	1,268	61	1216	105	–
Africa	0	0	0	0	0	0	–
North America	991	0	986	0	989	1	–
Europe	57	1	52	2	55	1	–
Latin America	4,703	220	5,631	65	5477	412	–

[1] Data in this table is based on information from Hershey's HR data system as of December 31, 2025. Totals may not add up exactly as some information is not required.

Global Workforce by Age[1,2]	2025			2024			2023			Notes
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old	
Total workforce	22.5%	49.3%	28.2%	24.5%	47.7%	27.8%	24.8%	47.1%	28.2%	–
Non-management	25.1%	46.1%	28.8%	27.3%	44.5%	28.3%	27.6%	43.9%	28.4%	–
Management	6.5%	69.2%	24.3%	6.5%	68.4%	25.0%	7.4%	66.2%	26.4%	–
Senior Leader	0.0%	63.1%	36.9%	0.0%	60.1%	39.9%	0.0%	57.4%	42.6%	–
Executive team	0.0%	33.3%	66.7%	0.0%	44.4%	55.6%	0.0%	36.4%	63.6%	–

1 Select data in the global workforce by age table received limited assurance by EY and the corresponding limited assurance statement is found on our corporate website.
2 Data may not equal 100% due to rounding. Employees include both full-time and part-time employees.

U.S. Workforce by Hershey Internal Job Category[1,2]	2025				2024				2023				Notes
	Female	Male	POC	White	Female	Male	POC	White	Female	Male	POC	White	
Executives/senior leaders	37.9%	62.1%	16.6%	79.4%	34.8%	65.2%	18.2%	81.0%	34.4%	65.6%	19.4%	80.6%	–
Entry-level professional employees	47.1%	52.9%	19.7%	77.0%	46.8%	53.2%	19.1%	80.0%	47.6%	52.4%	19.0%	81.0%	–
Leaders in commercial functions	36.3%	63.7%	14.8%	82.7%	34.8%	65.2%	15.7%	84.3%	34.6%	65.4%	15.4%	84.6%	–
Sales employees	46.4%	53.6%	18.4%	78.8%	47.3%	52.7%	17.1%	82.9%	46.7%	53.3%	16.6%	83.4%	–
Hourly manufacturing employees	35.6%	64.4%	38.5%	59.2%	37.6%	62.4%	35.9%	64.1%	38.7%	61.3%	34.8%	65.2%	–

1 Data in this table represents Hershey internal HR job category data and does not directly correlate to EEOC job category data. Data in this table is based on employee self-identification in Hershey's HR data system as of December 31, 2025.
2 Employee gender and race/ethnicity are based upon employee self-identification data as of December 31, 2025. Other indicators of diversity are defined as POC. POC includes U.S. employees identified as Black, African American, Hispanic/Latino, Asian/Asian Pacific Islander, Hawaiian Pacific Islander and those who identify as two or more races. However, we only disclose Asian, Black and Hispanic/Latino in the table above, so totals may not add up to 100%.

U.S. Workforce by Employee Category	2025	2024	2023	Notes
Senior leader as percentage of total workforce	1.7%	1.7%	2.0%	1
Management as percentage of total workforce	13.8%	13.6%	14.1%	–
Non-management as percentage of total workforce	84.4%	86.4%	85.9%	–
Proportion of senior management hired from the local community	50.0%	50.0%	79.3%	2

1 Senior leader-level data includes Hershey people leaders or employees at an internal pay band level of 3B or higher. This data is not mutually exclusive and overlaps with some headcount also included in the Management level data, which includes employees at an internal pay band level of 2B or higher. Race/ethnicity and gender percentages are based on employee self-identification in Hershey's HR data system as of December 31, 2025.
2 "Senior management" is defined as individuals hired as Senior Manager and above (up to Senior Vice President within the C-Suite). "Local" is defined as a permanent resident at time of hire in one of the following locations in the USA: Pennsylvania, New Jersey, New York, Ohio, West Virginia, Virginia, Maryland, District of Columbia and Delaware. "Significant locations of operation" is defined as the following locations: 19 East Office, Amplify 19 East Office, Annville Fulfillment Center, Hazleton Plant, Hbg Intl Airport Flt Ops, HCW Visitors Center, LicensingCo 19 East Office, Reese Plant, Sales Co HCW Visitors Center, Sales Co Office Northeast, SalesCo 19 East Office, Sourcing Co 19 East Office, Sourcing Co Tech Center, Stuarts Draft Plant, Technical Center, West Hershey Plant and Y&S Lancaster Plant.

	Workforce Representation[1,2,3]	Total Hershey			Senior Leader			Management			Non-Management			Notes
		2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	
Global	Female	46.8%	47.3%	48.2%	37.8%	34.8%	34.4%	41.6%	40.5%	39.4%	47.6%	48.3%	49.6%	–
Global	Male	53.2%	52.7%	51.8%	62.2%	65.2%	65.6%	58.4%	59.5%	60.6%	52.3%	51.6%	50.4%	–
U.S.	Total POC	31.2%	30.3%	28.5%	18.7%	18.2%	19.4%	18.6%	18.0%	17.7%	33.5%	32.6%	30.7%	–
U.S.	Asian	4.1%	4.2%	4.3%	6.8%	8.6%	9.0%	5.4%	5.5%	5.7%	3.9%	3.9%	4.0%	–
U.S.	Black	13.9%	13.4%	12.4%	2.5%	2.3%	2.9%	5.0%	5.0%	4.9%	15.6%	15.0%	13.9%	–
U.S.	Hispanic/Latino	10.6%	10.2%	9.6%	9.0%	6.6%	6.6%	6.9%	6.4%	6.2%	11.3%	10.9%	10.3%	–
U.S.	White	67.4%	69.7%	71.5%	80.2%	81.8%	80.6%	80.6%	82.0%	82.3%	65.0%	67.4%	69.3%	–

1 Select data in the workforce representation table received limited assurance by EY and the corresponding limited assurance statement is found on our corporate website.
2 Employees include both full-time and part-time employees. Management-level data includes Hershey people leaders or employees at an internal pay band level of 2B or higher. This data is not mutually exclusive and overlaps with some headcount also included in the Senior Leader level data, which includes employees at an internal pay band level of 3B or higher.
3 Employee gender and race/ethnicity are based upon employee self-identification data as of December 31, 2025. Other indicators of diversity are defined as POC. POC includes U.S. employees identified as Black, African American, Hispanic/Latino, Asian/Asian Pacific Islander, Hawaiian Pacific Islander and those who identify as two of more races. However, we only disclose Asian, Black and Hispanic/Latino. Thus, totals will not add up to 100%.

Executive Team[1,2,3]	Unit	2025	2024	2023	Notes
Executive Team Members	#	12	9	11	–
Total Executive Team	% of total workforce	0.1%	0.1%	0.1%	–
Executive Team — Female	# (%)	4 (33.3%)	2 (22.2%)	2 (18.2%)	–
Executive Team — Male	# (%)	8 (66.7%)	7 (77.8%)	9 (81.8%)	–
Executive Team — POC	# (%)	4 (33.3%)	3 (33.3%)	4 (36.4%)	–
Executive Team — Asian	# (%)	2 (16.7%)	2 (22%)	2 (18.2%)	–
Executive Team — Black	# (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	–
Executive Team — Hispanic/Latino	# (%)	1 (8.3%)	0 (0.0%)	1 (9.1%)	–
Executive Team — White	# (%)	8 (66.7%)	6 (66.7%)	7 (63.6%)	–

1 Select data in the executive team data table received limited assurance by EY and the corresponding limited assurance statement is found on our corporate website.
2 The executive team includes employees who report to Hershey's CEO, including the CEO.
3 Employee gender and race/ethnicity are based upon employee self-identification data as of December 31, 2025. Where self-identification data is unavailable, certain demographic data may be estimated. Other indicators of diversity are defined as POC. POC includes U.S. employees identified as Black, African American, Hispanic/Latino, Asian/Asian Pacific Islander, Hawaiian Pacific Islander and those who identify as two of more races.

2025 Q4 Global Employee Engagement Results[1]	Global Enterprise	Age/Generation				Gender (Global)		Notes
		Boomer	Gen X	Gen Y	Gen Z	Male	Female	
Employee engagement (eNPS)	30	36	30	29	47	31	30	2
Intent to stay	78%	81%	79%	78%	82%	78%	79%	–
Expectations (meet/exceed)	88%	86%	88%	87%	90%	88%	88%	–

[1] This employee engagement data represents results from The Hershey Company's 2025 Q4 Continuous Listening Survey, which included both salaried and hourly Hershey employees. Data by race/ethnicity reflects U.S. salaried employees only.
[2] Employee Net Promoter Score (eNPS) is a measure of engagement.

2025 Q4 U.S. Employee Engagement Results by Race/Ethnicity[1]	Asian	Black	Latino	2 or More Races/ Ethnicities	White	Notes
Employee engagement (eNPS)	16	27	29	16	8	2
Intent to stay	75%	76%	77%	76%	75%	–
Expectations (meet/exceed)	86%	78%	88%	76%	75%	–

[1] This employee engagement data represents results from The Hershey Company's 2025 Q4 Continuous Listening Survey, which included both salaried and hourly Hershey employees. Data by race/ethnicity reflects U.S. salaried employees only.
[2] Employee Net Promoter Score (eNPS) is a measure of engagement.

Parental Leave[1]	2025			2024			2023			Notes
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Entitled to parental leave	112	225	337	104	177	281	66	124	190	–
Took intermittent leave	0	5	5	1	3	4	0	0	5	–
Took continuous leave	64	136	200	68	158	226	57	105	162	–
Employees who did not elect	48	84	132	35	16	51	9	14	23	2
Returned to work	110	224	334	102	176	278	54	105	159	–
Return to work rate	98%	100%	99%	98%	99%	99%	95%	100%	98%	–

[1] We adhere to all relevant laws and regulations for maternity and paternity leave globally. Outside of the U.S., individual instances of parental leave are monitored; however, they are not aggregated. There are no specific plans to aggregate this data.
[2] Employees have one year from the date of birth to use parental leave. "Did Not Elect" metrics include employees who did not elect to use their parental leave until 2026 due to the timing of the birth late in the year in 2025.

Talent Development	Unit	2025	2024	2023	Notes
Business Resource Groups (BRGs)	# of BRGs	8	8	8	–
Online and classroom training courses available for employees	# of courses	40,000	20,000	40,000	1

[1] The GetAbstract courses in our SuccessFactors LMS learning library were not renewed in 2024, resulting in fewer online training courses available in the library. In 2025, the number of courses available returned to our 2023 number when we integrated Skillsoft development learning into our SuccessFactors LMS learning library.

Average Hours of Training Per Year Per Employee[1]		2025			2024			2023			Notes
	Unit	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Total	# of hours	8.8	13.9	11.6	8.8	14.8	13.3	9.4	14.4	12.0	–
Full-time	# of hours	8.9	14.1	11.8	9.4	15.4	12.6	9.9	15.1	12.7	–
Part-time	# of hours	6.0	5.5	5.8	3.6	4.7	4.1	4.4	5.4	4.9	–

[1] The average hours of training shown above are based only on training hours logged through Hershey's Learning and Development Program. These hours do not account for outside team or individual training programs not offered through Hershey's centralized system.

New Employees Hired[1]		2025		2024		2023		Notes
		# employees	Rate (%)	# employees	Rate (%)	# employees	Rate (%)	
New employees hired		4,662	–	6,892	–	9,362	–	–
Veteran hires		–	2.5%	–	5.2%	–	5.5%	2
Age group	<18	80	1.7%	55	94.8%	102	177.6%	–
	18-24	1,254	26.9%	2,302	113.2%	2,976	132.3%	–
	25-34	1,593	34.2%	2,157	40.8%	3,145	58.1%	–
	35-44	924	19.8%	1,334	27.8%	1,746	37.5%	–
	45-54	513	11.0%	680	16.6%	895	21.8%	–
	55+	298	6.4%	364	9.5%	498	12.7%	–
Gender	Male	2,346	50.3%	3,262	31.0%	4,109	38.7%	–
	Female	2,309	49.5%	3,618	37.7%	5,247	53.9%	–
Region	Asia	322	6.9%	269	20.4%	365	27.8%	–
	North America	2,779	59.6%	3,064	23.3%	3,881	29.3%	–
	Europe	17	0.4%	11	19.8%	19	38.4%	–
	Latin America and the Caribbean	1,544	33.1%	3,546	62.8%	5,097	88.0%	–

[1] Data is reliant upon employee self-identification in Hershey's HR data systems. Totals may not add up exactly as this data is not required. In some instances, the hire rate may be more than 100%. This is largely attributed to seasonal part-time employment. New employee hire and turnover data for Mexico is included in the Latin America and Caribbean region.

[2] Represents U.S. Veteran hires.

Employee Turnover[1]		2025 # employees	2025 Rate (%)	2024 # employees	2024 Rate (%)	2023 # employees	2023 Rate (%)	Notes
Employee turnover		5,520	–	7,281	–	7,883	–	–
Age group	<18	26	0.5%	28	48.3%	33	56.9%	–
	18–24	1,267	23.0%	1,939	95.3%	2,438	108.4%	–
	25–34	1,677	30.4%	2,206	41.7%	2,601	48.1%	–
	34–44	1,099	19.9%	1,416	29.5%	1,414	30.3%	–
	45–55	678	12.3%	797	19.5%	705	17.2%	–
	55+	773	14.0%	891	23.2%	692	17.7%	–
Gender	Male	2,700	48.9%	3,334	31.6%	3,367	31.7%	–
	Female	2,815	51.0%	3,940	41.1%	4,514	46.4%	–
Region	Asia	237	4.3%	235	17.8%	265	20.2%	–
	North America	2,980	54.0%	3,327	25.3%	2,855	21.6%	–
	Europe	13	0.2%	14	25.2%	3	6.1%	–
	Latin America and the Caribbean	2,290	41.5%	3,701	65.6%	4,760	82.2%	–

[1] Data is reliant upon employee self-identification in Hershey's HR data systems. Totals may not add up exactly as this data is not required. In some instances, the turnover rate may be more than 100%. This is largely attributed to seasonal part-time employment. New employee hire and turnover data for Mexico is included in the Latin America and Caribbean region.

Safety[1]	Unit	2025	2024	2023	Notes
Total Recordable Incident Rate (TRIR)	Rate	1.08	1.18	1.18	–
Days Away, Restricted, Transferred (DART)	#	0.93	0.90	0.91	–
Lost Workday Incident Rate (LWIR)	Rate	0.46	0.48	0.40	–
Fatalities (work-related)	#	0	0	0	–

[1] Our rates have been calculated on a per 200,000-hours-worked basis. We meet all regulatory record-keeping and reporting requirements for work-related injuries. Our statistics include all workers who are not employees but whose work is controlled by our organizations. We do not track metrics for contractors. Each contractor company is responsible for gathering this information and reporting it according to local requirements.

Youth and Community

The Heartwarming Project	Unit	2025	2024	2023	Notes
Children reached through The Heartwarming Project (HWP) partnerships	# of children	4,817,000	4,431,975	7,552,577	1
Youth directly benefiting from HWP investments	# of youth	528,925	649,759	679,066	–
Youth taking part in Heartwarming actions	# of youth	63,875	73,392	42,895	–

[1] In 2024, we made the strategic decision to discontinue support for one of the Heartwarming Project's national partners, resulting in a significant reduction of overall service population reached via partnerships.

Community Giving and Volunteering	Unit	2025	2024	2023	Notes
Cash donations	USD (in millions)	$16,309,848	$11,924,180	$12,923,684	–
In-kind/product donations	USD (in millions)	$28,621,456	$14,494,625	$17,356,092	1
Percent annual net sales directed to community philanthropic endeavors	%	0.38%	0.24%	0.27%	–
Employee volunteer hours	# of hours	136,100	101,502	127,440	–
Total employee volunteers during Good to Give Back Month	# of employees	433	650	1,400	–
Total organizations supported globally during Good to Give Back Month	# of organizations	65	35	45	2
Total volunteer hours during Good to Give Back Month	# of hours	2,280	1,550	3,500	

[1] Product donations doubled in 2025, compared to 2024, due to a higher amount of unsellable product being available from varying circumstances with customer orders.
[2] The company continues to partner with non-profit organizations to offer in-person and virtual volunteer events.

About This Report

Hershey's 2025 Responsible Business Report covers our most material sustainability topics and the issues where we can have the greatest impact.

This report covers the 2025 calendar year, which is also our fiscal year, unless otherwise stated.

All financial figures are reported in U.S. dollars, unless otherwise stated.

Where noted, select environmental data within this Responsible Business Report has been verified by Quantis, an independent verifier. Additional environmental and people data has received limited assurance by EY.

- 2025 EY Limited Assurance Statement
- 2025 Quantis data verification statement

Disclosure transparency is essential to living our values and operating responsibly, which is why we seek to provide meaningful disclosures in our reports. To support our commitment, we align to the following frameworks and standards:

- GRI Universal Standards
- UN Guiding Principles Reporting Framework
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Global Compact (UNGC)
- UN Sustainable Development Goals (SDGs)

All sustainability-related disclosures, policies and resources can be found on our Sustainability Reports, Policies and Resources website as they become available.

Materiality

Hershey's 2025 Responsible Business Report contains references to "material" topics and "materiality." These terms should not be confused with the term "material," as defined by and in accordance with securities or other laws or used in the context of financial statements and reports required by securities and other laws and regulations.

Forward-looking Statements

Hershey's 2025 Responsible Business Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Many of these forward-looking statements can be identified by the use of words such as "anticipate," "assume," "believe," "continue," "estimate," "expect," "forecast," "future," "intend," "plan," "potential," "predict," "project," "strategy," "target" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would," among others.

These forward-looking statements reflect our current assumptions and expectations, including statements regarding our environmental, social and governance targets, goals, commitments and programs and other business plans, initiatives and objectives. We are subject to changing economic, competitive, regulatory and technological risks and uncertainties that could have a material impact on our actual future results.

For information on factors that could cause our actual results to differ materially from the forward-looking statements, please see The Hershey Company's filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K.

The Hershey Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect actual results, changes in expectations or events or circumstances after the date of this Responsible Business Report.

Our Company

The Hershey Company is an industry-leading snacks company with a purpose to make more moments of goodness through its iconic brands. With more than 19,000 remarkable employees worldwide, Hershey delivers delicious, high-quality products across approximately 65 countries, generating over $11.6 billion in annual revenues. The company's portfolio includes beloved chocolate and confectionery brands such as Hershey's, Reese's, Kisses, Kit Kat®, Jolly Rancher, Ice Breakers and Shaq-A-Licious, alongside popular salty snacks including SkinnyPop and Dot's Homestyle Pretzels.

For more than 130 years, Hershey has been committed to operating responsibly and supporting its people and communities. The candy and snack maker's founder, Milton Hershey, created Milton Hershey School in 1909, and since then, the company has focused on helping children succeed through access to education.

To learn more, visit **www.thehersheycompany.com**

We welcome any feedback you may have on our sustainability disclosures.

Please direct inquiries to **sustainability@hersheys.com**

The Hershey Company

2025 Responsible Business Report