

HERSHEY 



GOODNESS IN ACTION

2020 SASB REPORT

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Topic	Accounting Metric	Category	Unit of Measure	Code	2020 Hershey Response
Energy Management	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-PF-130a.1	(1) 4,487,498 GJ (2) 43% grid electricity (3) 0.78% is renewable energy and 16.38% is zero emissions energy that we contracted through our utility providers which may include renewable energy Note for 2020: Compared to last year, data now represents usage information from Hershey's global manufacturing facilities and owned U.S. distribution centers and corporate offices, except for Amplify Snack Brands, Inc. and ONE Brands LLC.
Water Management	(1) Total water withdrawn (2) Total water consumed Percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	FB-PF-140a.1	(1) 5,444,712 m ³ water withdrawn in 2020 (2.9% in regions of extremely high baseline water stress, 9.6% in areas of high baseline water stress) (2) 872,597 m ³ water consumed in 2020 (10.6% in regions of extremely high baseline water stress, 38.4% in areas of high baseline water stress) Note for 2020: Compared to last year, data now represents usage information from Hershey's global manufacturing facilities and owned U.S. distribution centers and corporate offices, except for Amplify Snack Brands, Inc. and ONE Brands LLC.
	Number of incidents of non-compliance	Quantitative	Number	FB-PF-140a.2	During the reporting period, we did not identify any non-compliance with environmental laws and/or regulations that would give rise to significant fines or sanctions.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	FB-PF-140a.3	Environmental Impact: Protecting Water Supplies page 49
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Number	FB-PF-250a.1	All Hershey-owned manufacturing facilities were certified against a recognized GFSI standard. As such, all facilities are audited annually to assess compliance against the provisions of the standards. In all, 14 facilities, including seven in the U.S., two each in Canada and Mexico, and one each in Brazil, India and Malaysia, were certified against a GFSI standard. There were no major non-conformances identified at any of the 14 manufacturing facilities. This translated to a major non-conformance rate of 0.0. There were 57 minor non-conformances identified across the 14 facilities, resulting in a minor non-conformance rate of just under 4.1. Corrective actions were implemented for 100% of the minor non-conformances identified, and submitted to and accepted by the GFSI certifying body for confirmation.
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	Percentage (%) by cost	FB-PF-250a.2	Globally, 99.1% of our ingredients were procured from GFSI certified Tier 1 suppliers (by spend).
	(1) Total number of notices of food safety violation received (2) Percentage corrected	Quantitative	Number, Percentage (%)	FB-PF-250a.3	On a global basis, Hershey received no notices of food safety violations during 2020. Since there were no notices of food safety violations received, none needed to be corrected.
	(1) Number of recalls issued (2) Total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-PF-250a.4	On a global basis, Hershey conducted no recalls of its products during 2020 (zero metric tons of products were recalled).

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Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting currency	FB-PF-260a.1	Hershey received \$520.79 million in net 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. Additionally, the company also offers a variety of sugar-free confection products, which are included within our confectionery and confectionery-based portfolio and represented less than 1% of our consolidated net revenue in 2020.
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	n/a	FB-PF-260a.2	We maintain a Food Claims Review Council in the U.S. that acts as a collaborative, cross-functional team of regulatory, nutrition and legal partners. The council provides guidance with regard to product claims, labeling, marketing and advertising early in the innovation process to ensure products are compliant and address consumer needs. In providing guidance, the council touches upon a wide variety of topics, including nutrition, ingredients, sustainability, responsible sourcing and product certifications.
Product Labeling & Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)	FB-PF-270a.1	Responsible Growth: Marketing Responsibly page 22
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting currency	FB-PF-270a.2	Net revenue from products labeled as non-GMO certified: \$76.5 million
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Quantitative	Number	FB-PF-270a.3	In calendar year 2020, there was one incident involving a local government agency's assessment of a nominal penalty for an alleged violation of the country's advertising law.
	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	Quantitative	Reporting currency	FB-PF-270a.4	In calendar year 2020, the company resolved three legal proceedings associated with marketing and/or labeling practices for a total of \$59,205. Two of the proceedings were resolved through settlements in which there was no finding of liability against the company. The third matter involved a local government agency's assessment of a nominal penalty for an alleged violation of the country's advertising law. In all three matters, specific corrective actions by the company were unnecessary.
Packaging Lifecycle Management	1) Total weight of packaging (2) Percentage made from recycled and/or renewable materials (3) Percentage that is recyclable, reusable and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-PF-410a.1	(1) 156,617 t packaging sourced globally (2) 70.2% of our packaging was made from renewable materials (3) 77.5% of our packaging by weight was recyclable Note for 2020: Metrics now encompass the global scope of Hershey Packaging (prior metrics only included North America).
	Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle	Discussion and Analysis	n/a	FB-PF-410a.2	Environmental Impact: A New Era of Hershey Packaging page 48

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Environmental & Social Impacts of Ingredient Supply Chain	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Quantitative	Percentage (%) by cost	FB-PF-430a.1	In 2020, 61% of food ingredients sourced (by cost) were certified to third-party environmental and/or social standards. Representative standards included: Fair Trade USA, Rainforest Alliance, Roundtable on Sustainable Palm Oil and Bonsucro. More details on Hershey's sourcing certification achievements by ingredient are available on page 30 of the 2020 Sustainability Report .
	Suppliers' social and environmental responsibility audit: (1) Non-conformance rate (2) Associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-430a.2	In 2020, 82 audits were conducted on Hershey Tier 1 supplier facilities and 297 non-compliances were found: – 92.3% were minor non-conformances or a 3.34 non-conformance rate – 7.7% were major non-conformances or a 0.28 non-conformance rate Of the major non-conformances found, 13 were related to working hours, six were related to fire door safety, three were related to labor agencies and one was related to wages and benefits. No instances of forced or child labor have been found to date. As of the 2020 calendar year: – For major non-conformances, 39% have been corrected and closed – For minor non-conformances, 27% have been corrected and closed We continue to work with suppliers to develop corrective action plans to close non-conformances. Suppliers were assessed for compliance with Hershey's Supplier Code of Conduct . Hershey requires a 4-Pillar Sedex Members Ethical Trade Audit (SMETA), which is an independent third-party social compliance audit, or equivalent as part of our mutual recognition program.
Ingredient Sourcing	Percentage of food ingredients sourced from regions with high or extremely high baseline water stress	Quantitative	Percentage (%) by cost	FB-PF-440a.1	Hershey has not yet conducted a water risk analysis of our supply chain but doing so is part of our corporate efforts to re-evaluate our sustainability goals to be in line with the best available science and data as per our Environmental Policy . We will be conducting supply chain water risk foot-printing and mapping this year (2021) and believe there will be more to share on this topic next year.
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Discussion and Analysis	n/a	FB-PF-440a.2	In 2020, Hershey analyzed the global environmental and social risks of our ingredients and raw materials alongside spend data to identify priority supply chains for future responsible sourcing investments and programming. We identified five priorities: cocoa, dairy, sugar, palm oil, and pulp and paper. This prioritization helps us target where we can make the biggest impact while best reducing risks in our supply chain. Environmental and social sourcing risks associated with these ingredients as well as details on our programs to mitigate these risks are available on page 30–32 of the 2020 Sustainability Report and our Priority Ingredients and Materials web landing page.

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Activity Metric	Category	Unit of Measure	Code	Data	
Weight of products sold	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Quantitative	Metric tons (t)	FB-PF-000.A	1,027,447 t Note for 2020: Compared to last year, data now reflects weight of products sold and not the weight of products produced.
Number of production facilities	Suppliers' social and environmental responsibility audit: (1) Non-conformance rate (2) Associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Number	FB-PF-000.B	14 Note for 2020: Compared to last year, Hershey's total number of production facilities decreased by one as a result of the 2020 divestiture of the <i>Scharffen Berger</i> and <i>DAGOBA</i> brands.