GOODNESS IN ACTION
2020 SUSTAINABLE DEVELOPMENT GOALS FOOTPRINT
2020 SUSTAINABLE DEVELOPMENT GOALS FOOTPRINT

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

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

This is our second gap analysis, which stands as a comprehensive inventory of where we are today. Our approach is one of continuous improvement, where we seek to maximize our positive impacts while minimizing or eliminating negative impacts. In the past year, we moved beyond simply mapping our work to the goals and have actively established new programs and targets that align our work with the global goals and better integrate their ambitions into our business.
In January 2020, the SDG Ambition Benchmarks were launched at Davos by UN Secretary-General António Guterres and represent a new call to action by the UN Global Compact for companies “to set ambitious goals and targets in 14 areas that will have the greatest impacts on the SDGs.” Three of our corporate ambitions developed in this past year align with the new SDG Ambition Benchmarks and we have active workstreams related to several more. As UN Global Compact members, we believe it is important to work with global initiatives that amplify our impact.

**SDG Ambition Benchmark**

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

**Goal addressed by**

Hershey’s new science-based target (SBT) to reduce Scope 1 & Scope 2 absolute emissions by 50% and Scope 3 emissions by 25% by 2030 compared to 2018.

**SDG Ambition Benchmark**

“Seeking to have gender balance across all levels of management”

**Hershey action**

Hershey set 2025 goals seeking gender balance across our total workforce and for women to hold 40 to 42% of people leader roles by 2025. To help achieve these goals, we have tied leader pay to representation goals, established mentoring programs, and strengthened career planning and early-in-career/mid-career development and training.

**SDG Ambition Benchmark**

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

**Hershey action**

In the past year, Hershey used the BSR benchmark to assess full-time employees in our global locations to ensure that the lowest paid employees’ base salaries exceed the living wage for that location. We found that all Hershey full-time employees meet the living wage benchmark in their respective locations. We will conduct this analysis again in 2021 and are also evaluating additional benchmarks and measurement criteria as methodologies evolve. We are also starting to gather household income information on Cocoa For Good farms in Côte d’Ivoire and Ghana that supply cocoa to Hershey through our suppliers, to gain insight that will guide investments aimed at closing the gap between current income and a living income.

**SDG Ambition Benchmark**

“Land degradation neutrality including zero deforestation”

**Goal addressed by**

Hershey’s new zero deforestation across commodity supply chains by 2030 commitment, which built upon our earlier commitment to no new deforestation in our cocoa supply chain.

**SDG Ambition Benchmark**

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

**Goal addressed by**

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

**SDG Ambition Benchmark**

“Zero incidences of bribery”

**Hershey action**

Intolerance for bribery is an established principle of our Code of Conduct. Hershey provides annual training to reinforce this expectation.
## No Poverty

### Potential Impact

| Improve farmer livelihoods | • Continuous expanding efforts through our Cocoa For Good program to improve farmer livelihoods and disrupt the cycle of poverty in cocoa growing communities. Efforts include increasing farm productivity, providing coaching to diversify income, supporting female empowerment, enabling youth education, promoting and assisting affordable land titling, and developing Village Savings and Loan Associations |
| Drive affordable land-rights documentation | • Developed a Living Wage and Income position statement, joined the Living Income Community of Practice (LICOP), and are supporting research to update income benchmarks in seven cocoa origin countries. Re-iterated our commitment to paying the Living Income Differential for our ongoing cocoa purchases in Côte d’Ivoire and Ghana |
| Provide access to a living wage/ income | • Maintaining our existing commitments to 100% certified and sustainable cocoa and paying certification premiums to farmer groups and farmers who successfully meet internationally recognized environmental and labor standards |
| Exert a direct or indirect impact on ecosystems and land use in our supply chain that may affect local residents’ livelihoods | See also: Human Rights, Responsible Sourcing and Cocoa For Good, SDG 13 and SDG 15 |

### Key SDG Sub-targets & Cross linkages

| 1.1, 1.4, 1.5, 2.3, 2.4, 5.A, 8.10, 11.5, 13 |

## Zero Hunger

### Potential Impact

| Increase access to nutrition | • Providing fortified snacks to school children including ViVi in Côte d’Ivoire and Ghana, and Softi Plus in India |
| Improve the resilience and sustainability of small-scale food producers | • Training local community members on healthy eating and diversifying crops to support better nutrition through Cocoa For Good in Côte d’Ivoire and Ghana |
| | • Partnering with food banks to help children get adequate nutrition when school lunch programs are not in session as part of our philanthropic giving priority to alleviate hunger |

### Key SDG Sub-targets & Cross linkages

| 2.1, 2.3, 2.4, 1.5, 13 |

See also: Cocoa For Good, Children and Youth, and Communities
## Good Health and Well-Being

<table>
<thead>
<tr>
<th>Potential Impact</th>
<th>Where We Are</th>
<th>Who Is Impacted</th>
<th>Key SDG Sub-targets &amp; Cross linkages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve mental health by promoting social connection, social emotional development, and access to mental wellbeing resources for youth</td>
<td>• Providing resources and education to suppliers and communities within our supply chain and around our operations to slow the spread of COVID-19, and adopted a precautionary approach to keep our own employees safe, also expanded health benefits specific to mental health and wellbeing in 2020</td>
<td><img src="194x476" alt="Icon" /> Providing resources and education to suppliers and communities within our supply chain and around our operations to slow the spread of COVID-19, and adopted a precautionary approach to keep our own employees safe, also expanded health benefits specific to mental health and wellbeing in 2020</td>
<td><img src="38x501" alt="Icon" /> 3.3, 3.4, 3.9</td>
</tr>
<tr>
<td>Acted responsibly to keep our employees, supply chain partners, and communities safe and protected from the spread of COVID-19</td>
<td>• Manufacturing disposable face masks when PPE was in short supply during the pandemic and increasing philanthropic investment by more than 30% to support no-cost community health care agencies, food banks and other NGOs providing basic needs and health care to vulnerable community members</td>
<td><img src="48x475" alt="Icon" /> Manufacturing disposable face masks when PPE was in short supply during the pandemic and increasing philanthropic investment by more than 30% to support no-cost community health care agencies, food banks and other NGOs providing basic needs and health care to vulnerable community members</td>
<td><img src="38x501" alt="Icon" /> 3.3, 3.4, 3.9</td>
</tr>
<tr>
<td>Overconsumption of our products may have negative health outcomes</td>
<td>• Enabling youth to connect with one another, caring adults, and their communities to improve social emotional development and mental health through our Heartwarming Project and corresponding Heartwarming Action Grants program</td>
<td><img src="194x476" alt="Icon" /> Enabling youth to connect with one another, caring adults, and their communities to improve social emotional development and mental health through our Heartwarming Project and corresponding Heartwarming Action Grants program</td>
<td><img src="38x501" alt="Icon" /> 3.3, 3.4, 3.9</td>
</tr>
<tr>
<td>Value chain operations may exert a direct or indirect impact on ecosystems and environments that could impact human health</td>
<td>• Using our position as a founding member of The Children’s Food and Beverage Advertising Initiative to shift the focus of advertising to children under 12 toward healthier dietary choices and lifestyles</td>
<td><img src="194x476" alt="Icon" /> Using our position as a founding member of The Children’s Food and Beverage Advertising Initiative to shift the focus of advertising to children under 12 toward healthier dietary choices and lifestyles</td>
<td><img src="38x501" alt="Icon" /> 3.3, 3.4, 3.9</td>
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See also: Governance and Approach, Responsible Marketing, Our People, Children and Youth, SDG 13 and SDG 15

## Quality Education

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Increase access to education for children within our supply chains and to disadvantaged youth within the United States</td>
<td>• Increasing access to youth education is among Hershey’s philanthropic giving priorities. Investing in education and youth empowerment programs in cocoa growing communities is an integral part of our sustainable sourcing strategy. Our success directly benefits 2,100 children who attend Milton Hershey School, a cost-free, residential pre-K through 12th grade private boarding school for children of low-income backgrounds</td>
<td><img src="194x476" alt="Icon" /> Increasing access to youth education is among Hershey’s philanthropic giving priorities. Investing in education and youth empowerment programs in cocoa growing communities is an integral part of our sustainable sourcing strategy. Our success directly benefits 2,100 children who attend Milton Hershey School, a cost-free, residential pre-K through 12th grade private boarding school for children of low-income backgrounds</td>
<td><img src="38x501" alt="Icon" /> 4.1, 4.4, 4.A, 4.C, 16.9</td>
</tr>
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</table>

See also: Cocoa For Good and Children & Youth

### Key
- **Positive impact on the SDGs**
- **Negative impact on the SDGs**
- **Individuals and communities in our supply chain**
- **Individuals and communities where we operate**
- **Our consumers**
- **Our employees**
- **Regulators and policy makers**
- **The natural world**
# Gender Equality

## Potential Impact
- Expand female leadership and opportunities across our organization
- Support women-owned businesses
- Train farmer communities on gender sensitivity, and train and assist women in our supply chains

## Where We Are
- Tracking above average gender representation on our board
- Publicly disclosing our gender wage gap to ensure equal pay for work of equal value, achieved a 1:1 aggregate gender wage ratio for salaried employees in the U.S.
- Offering work benefits and mentoring programs to advance women’s careers
- Providing business-skills training, savings education and other female-focused economic development tools through Cocoa For Good
- Actively supporting an inclusive marketplace by maintaining a robust supplier diversity program

See also: Responsible Sourcing, Cocoa For Good and Our People

## Key SDG Sub-targets & Cross linkages

4.1, 5.5, 5.8, 8.6

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# Clean Water and Sanitation

## Potential Impact
- Ensure sustainable water use and management to protect water quality and quantity
- Indirectly impact water availability and quality through our ingredient supply chain

## Where We Are
- Managing water usage in our operations and monitoring the quality of effluent
- Initiating measurement of our value chain water footprint to create a water risk map. We also joined the Science Based Targets Network’s Corporate Engagement Program to stay aligned with the emerging best practices for companies to set science-based goals on freshwater
- Launching a program in 2021 focused on energy and water efficiency/conservation at our manufacturing plants

## Key SDG Sub-targets & Cross linkages

3.9, 6.3, 6.4, 6.6, 12.4, 14.1, 15.1

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**Key**

- Potential positive impact on the SDGs
- Potential negative impact on the SDGs

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

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1. https://www.catalyst.org/research/women-on-corporate-boards/
## Affordable and Clean Energy

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Increase the share of renewable energy in the grids in which we operate</td>
<td>- Working with developers to add more renewable energy to our fuel mix to power our manufacturing, distribution and office properties. In 2020, we signed a power purchase agreement (PPA) that will enable the construction of a new utility-scale solar farm, expected to come online in 2021. A separate solar power PPA was also signed in early 2021</td>
<td></td>
<td>7.2, 7.3, 9.4, 13</td>
</tr>
<tr>
<td>Improving energy efficiency in our facilities</td>
<td>- Joined the U.S. Environmental Protection Agency’s ENERGY STAR® Program. Our manufacturing plants will be entering the ENERGY STAR Challenge for Industry and will be seeking to reduce the energy intensity of our manufacturing by 10% within five years</td>
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See also: Environmental Impact

## Decent Work and Economic Growth

<table>
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<tr>
<td>Assist in economic development of local communities</td>
<td>- Providing over 11,000 manufacturing jobs globally, and 16,880 jobs overall</td>
<td></td>
<td>8.4, 8.5, 8.6, 8.7, 8.8, 16.2</td>
</tr>
<tr>
<td>Promote safe and secure working environments for all workers</td>
<td>- Achieved a 1:1 aggregate pay ratio in the United States for salaried women to men in 2020 and for salaried people of color (POC) to non-POC in early 2021</td>
<td></td>
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</tr>
<tr>
<td>Promote equal pay for equal work</td>
<td>- New science-based target seeks to decouple our business growth from growing greenhouse gas emissions</td>
<td></td>
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</tr>
<tr>
<td>Seeking to decouple our economic growth from environmental degradation</td>
<td>- Maintaining our policy commitment and due diligence work to protect human rights in our operations and supply chain. Our Cocoa For Good program also represents a suite of programs that seek to address systemic issues within our cocoa supply chain, including poverty and risks of child labor. In addition, we launched new programs in 2020 to monitor and impose corrective actions for any human rights infractions found at Tier 1 suppliers and to ensure that no worker in our supply chain is coerced to work</td>
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<tr>
<td>Industry-wide risk of human rights infringements, including child labor, occurring within agriculture supply chains</td>
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</tbody>
</table>

See also: Responsible Sourcing Supplier Program, Responsible Recruitment Program, Our People and Responsible Growth, SDG 13 and SDG 15

### Key
- Potential positive impact on the SDGs
- Potential negative impact on the SDGs
- Communities and individuals in our supply chain
- Our consumers
- Our employees
- Regulators and policy makers
- The natural world
## Reduced Inequalities

<table>
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| Empower and promote the social and economic inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status | • Recognized employer of choice for women, people with disabilities, veterans and LGBTQ employees  
• Launched robust diversity, equity and inclusion goals to better recruit, develop and retain Black and Latinx talent and create more inclusive communities  
• Investing up to $3 million over the next decade to endow a scholarship fund for students pursuing food science degrees at Historically Black Colleges and Universities (HBCUs) and Predominantly Black Institutions (PBIs), the first time a company has ever committed to endow a Thurgood Marshall College Fund scholarship  
• Ongoing partnerships to provide employment and internship experience to students from Milton Hershey School, which provides quality education to children from low-income backgrounds |  | 10.2 |

See also: [Our People](#) and [Children and Youth](#)

## Responsible Consumption and Production

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| Support programs focused on improving the sustainable management and efficient use of natural resources | • Met many of our 2020 responsible sourcing commitments and set new ambitions for 2025 around responsibly sourcing cocoa, dairy, palm oil, sugar, and pulp and paper  
• Averaging >80% recycle rate at our manufacturing plants for the past three years  
• Producing an annual sustainability report and including key sustainability disclosures on our website  
• Launched new packaging ambitions to help keep our packaging out of nature |  | 12.2, 12.3, 12.4, 12.5, 12.6, 6.3 |
| Transparently and regularly report sustainability information |  |  |  |
| Generate waste in our operations and indirectly affect food waste within our ingredient supply chain and at the consumer level |  |  |  |

See also: [Goodness in Action](#), [Responsible Sourcing](#) and [Environmental Impact](#)

### Key
- + Potential positive impact on the SDGs
- − Potential negative impact on the SDGs
- Individuals and communities in our supply chain
- Individuals and communities where we operate
- Our consumers
- Our employees
- Regulators and policy makers
- The natural world
## Climate Action

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<tbody>
<tr>
<td>Reduce CO₂ emissions generated throughout our value chain</td>
<td>• Adopted a science-based emissions reduction goal in line with 1.5°C Pathways and now working to deliver the goal by 2030</td>
<td></td>
<td>8.4, 7.2, 7.3, 14.3</td>
</tr>
<tr>
<td>Strengthen suppliers’ resilience to climate-related hazards</td>
<td>• Improving energy efficiency in our workplaces</td>
<td></td>
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</tr>
<tr>
<td>Support the objectives of the Paris Climate Agreement</td>
<td>• Supporting the Cocoa Forest Initiative’s (CFI) zero-deforestation commitment, along with agroforestry programs and Climate Smart education for growing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directly and indirectly add greenhouse gases to the atmosphere throughout our value chain</td>
<td>See also: Environmental Impact and Cocoa For Good</td>
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</table>

See also: Environmental Impact and Cocoa For Good

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## Life on Land

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<tbody>
<tr>
<td>Protect and restore ecosystems in our supply chain and ensure their sustainable management</td>
<td>• Adopted a zero-deforestation commitment across our supply chain. We are prioritizing achieving independent compliance verification for commodities that present the greatest deforestation risk: cocoa, palm oil, pulp and paper, and soy</td>
<td></td>
<td>6.6. 15.1, 15.2, 15.5, 15.B</td>
</tr>
<tr>
<td>Increased demand for food commodities (including some of our ingredients) puts pressure on global forest land</td>
<td>• Promoting agroforestry and shade-grown cocoa in cocoa growing regions. Aiding reforestation by providing cocoa seedlings and shade trees</td>
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<tr>
<td></td>
<td>• Driving greater traceability and transparency in our cocoa, palm, and pulp and paper sourcing</td>
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</tbody>
</table>

See also: Environmental Impact and Cocoa For Good

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### Key

- **+** Potential positive impact on the SDGs
- **-** Potential negative impact on the SDGs
- **🌳** Individuals and communities in our supply chain
- **🔸** Individuals and communities where we operate
- **👨‍💼** Our employees
- **👩‍💼** Regulators and policy makers
- **🌳** The natural world
### Peace, Justice and Strong Institutions

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| • Risk of directly or indirectly influencing unethical practices, including improper relations between business and government | • Systematically managing our compliance and ethical risks based on Hershey’s Ethical Code of Conduct and through our Supplier Code of Conduct  
• Disclosing our lobbying expenditures and trade association dues on our Corporate Governance external website  
• Monitoring and addressing human rights risks throughout our supply chain and regularly disclosing the findings of our Responsible Sourcing Supplier Program and the Child Labor Monitoring and Remediation System implemented by our suppliers |                                | 16.2, 16.5, 16.6, 8.7, 8.8 |
| • Risks of infringements on human rights including child or forced labor in our supply chain |                                                                                                           |                                |                                      |

See also: Governance and Accountability, Cocoa For Good, Responsible Growth and UNGPRF Report

### Partnerships for the Goals

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</table>
| • Provide demand for developing countries’ commodities                           | • Sourcing cocoa, sugar, coconut and other ingredients from countries on the World Bank’s developing countries list (Côte d’Ivoire, Ghana, India, Indonesia, Philippines, Vietnam)²  
• Maintaining partnerships that promote the SDGs’ core objectives to end poverty and hunger, reduce inequalities, and preserve the natural environment in communities where we operate  
• Upholding partnerships with governments in West Africa, e.g., memorandum of understanding between Côte d’Ivoire and Ghana around providing childhood nutrition through ViVi |                                | 17.11, 17.17 |
| • Encourage and promote effective public–private and civil society group partnerships |                                                                                                           |                                |                                      |

See also: Responsible Growth and GRI index

### Key
- **+** Potential positive impact on the SDGs
- **-** Potential negative impact on the SDGs
- 🌍 Individuals and communities in our supply chain
- 🏡 Our employees
- 🌖 Individuals and communities where we operate
- 🍯 Our consumers
- 🗟 Regulators and policy makers
- 🌍 The natural world

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