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2021 SUSTAINABLE DEVELOPMENT GOALS REPORT
In September 2015, the United Nations General Assembly unanimously approved the Sustainable Development Goals (SDGs). These 17 goals and their 169 sub-targets define the global framework for sustainable development through 2030. The UN appealed to businesses and the private sector to share responsibility in helping realize these goals.

As a global business, our work at Hershey touches upon many of the objectives of the SDGs including throughout our global supply chain, in how we treat employees, how we manage our environmental impacts and how we engage with communities where we operate. This report stands as an inventory of where we are today, and how Hershey’s work aligns to the SDGs. Our approach is one of continuous improvement, where we seek to maximize our positive impacts while minimizing or eliminating potential negative impacts.
In January 2020, the SDG Ambition Benchmarks were launched at Davos representing a new call to action by the UN Global Compact for companies “to set ambitious goals and targets in 14 areas that will have the greatest impacts on the SDGs.”

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

**SDG Ambition Benchmarks where Hershey’s Commitments are aligned**

**SDG Ambition Benchmark**
“100% sustainable material inputs that are renewable, recyclable or reusable”

Goal addressed by:
Hershey’s goal for 100% of plastic packaging to be recyclable, reusable or compostable by 2030.
For more information on Hershey’s packaging goals and related KPIs, see pages 53 and 60 of the 2021 ESG Report.

**SDG Ambition Benchmark**
“Science-based emissions reduction in line with a 1.5°C pathway”

Goal addressed by:
Hershey’s science-based greenhouse gas (GHG) reduction goals to cut our Scope 1 and Scope 2 absolute emissions by 50% and Scope 3 absolute emissions by 25% by 2030 against a 2018 baseline.
For more information about Hershey’s GHG emissions reduction goals and related KPIs, see pages 49 – 51 and 57 – 58 of the 2021 ESG Report.

**SDG Ambition Benchmark**
“Land degradation neutrality including zero deforestation”

Goal addressed by:
Hershey’s commitment to eliminate commodity-driven deforestation from all our ingredient supply chains by 2030.
For more information, see Hershey’s No Deforestation Policy.

**SDG Ambition Benchmarks where Hershey has workstreams for business integration**

**SDG Ambition Benchmark**
“Gender balance at all levels of management”

Hershey action:
Hershey 2021 ESG Report:
• Accelerating DEI Efforts at Hershey and 2021: Living DEI at Hershey, pages 67 – 68

**SDG Ambition Benchmark**
“100% of employees across the organization earn a living wage”

Hershey action:
Hershey 2021 ESG Report:
• Responsible Sourcing and Human Rights: Human Rights Across Our Value Chain, pages 34 – 37
See also:
• Living Wage and Income Position Statement

**SDG Ambition Benchmark**
“Zero incidences of bribery”

Hershey action:
Intolerance for bribery is an established principle of our Code of Conduct and Supplier Code of Conduct
### No Poverty

<table>
<thead>
<tr>
<th>POTENTIAL IMPACT</th>
<th>WHERE WE ARE</th>
<th>WHO IS IMPACTED</th>
<th>KEY SDG SUB-TARGETS AND CROSS LINKAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Drive affordable land-rights documentation</td>
<td>Hershey 2021 ESG Report:</td>
<td>☜ ☞</td>
<td>1.1, 1.4, 1.5, 2.3, 2.4, 5.A, 8.10, 11.5, 13</td>
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<tr>
<td>☑ Improve farmer livelihoods</td>
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<tr>
<td>☑ Provide access to a living wage/income</td>
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<td>☑ Exert a direct or indirect impact on ecosystems and land use in our supply chain</td>
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<td>☜ ☞</td>
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<tr>
<td>❌ Exert a direct or indirect impact on ecosystems and land use in our supply chain</td>
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**See also:**
- Living Wage and Income Position Statement

### Zero Hunger

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<tr>
<td>☑ Increase access to nutrition</td>
<td>Hershey 2021 ESG Report:</td>
<td>☜ ☞</td>
<td>1.5, 2.1, 2.3, 2.4, 13</td>
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<td>☑ Improve the resilience and sustainability of small-scale food producers</td>
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**See also:**
- Cocoa: Addressing Child Labor Through School-Based Nutrition, page 26
- Community: A Culture of Giving Back, page 90
- Community: Showing up for Our Communities, page 88
- Community: Tackling Hunger Head On, page 90
- Responsible Sourcing and Human Rights, pages 33 – 47
- Youth: Supporting Connections / Heartwarming Young Heroes Award Winner Nourishes Others, page 82

**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
- ☞ Regulators and policy makers
- ☜ Our consumers
- ❌ The natural world
- ☞ The natural world
### Good Health and Well-being

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<tr>
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<tbody>
<tr>
<td>Improve mental health by promoting social connection, social emotional development and access to mental well-being resources for youth</td>
<td>Hershey 2021 ESG Report:</td>
<td></td>
<td>3.3, 3.4, 3.9</td>
</tr>
<tr>
<td>☀️ Act responsibly to keep our employees, supply chain partners and communities safe and protected from the spread of COVID-19</td>
<td>Hershey 2021 ESG Report:</td>
<td></td>
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<tr>
<td>☠️ Value chain operations may exert a direct or indirect impact on ecosystems and environments that could impact human health</td>
<td>Hershey 2021 ESG Report:</td>
<td></td>
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<tr>
<td>☠️ Overconsumption of our products may have negative health outcomes</td>
<td>Hershey 2021 ESG Report:</td>
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### Quality Education

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<tr>
<td>☀️ Increase access to education for children within our supply chains and to disadvantaged youth within the United States</td>
<td>Hershey 2021 ESG Report:</td>
<td></td>
<td>4.1, 4.4, 4.A, 4.C, 16.9</td>
</tr>
</tbody>
</table>

**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
### Gender Equality

**Potential Impact**

1. Expand female leadership and opportunities across our organization
2. Support women-owned businesses
3. Train farmer communities on gender sensitivity and train and assist women in our supply chains

**Where We Are**

- **Hershey 2021 ESG Report:**
  - Cocoa: Supporting Women in Achieving Economic Independence, page 28
  - Community: A Culture of Giving Back, pages 90 – 92
  - Our Company: Corporate Governance, pages 11 – 12
  - Our People: Leading the Way for Women, page 68
  - Our People: Providing a Caring Employee Experience, pages 65 – 66
  - Responsible Sourcing and Human Rights: Human Rights Across Our Value Chain, pages 34 – 37

**Who is Impacted**

- Individuals and communities in our supply chain
- Individuals and communities where we operate
- Our consumers

**Key SDG Sub-targets and Cross Linkages**

- 4.1, 5.5, 5.B, 8.6

**See also:**

- Fostering Diversity, Equity and Inclusion
- Supplier Diversity

### Clean Water and Sanitation

**Potential Impact**

1. Ensure sustainable water use and management to protect water quality and quantity
2. Directly and indirectly impact water availability and quality through our operations and ingredient supply chain

**Where We Are**

- **Hershey 2021 ESG Report:**
  - Environment: Our Journey to Understand Our Water Impact, page 55
  - Environment: Protecting Water Supplies, page 54
  - Environment: Water, page 61

**Who is Impacted**

- Individuals and communities in our supply chain
- Individuals and communities where we operate
- Our consumers

**Key SDG Sub-targets and Cross Linkages**

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

**See also:**

- Fostering Diversity, Equity and Inclusion
- Supplier Diversity

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**Key**

- Potential positive impact on the SDGs
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## Affordable and Clean Energy

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<tbody>
<tr>
<td>Increase the share of renewable energy supported and sourced in the grid</td>
<td><strong>Hershey 2021 ESG Report:</strong></td>
<td>• Environment: Acting on Climate Change, pages 49 – 51</td>
<td>7.2, 7.3, 9.4, 13</td>
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<tr>
<td>Improve energy efficiency in our facilities</td>
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## Decent Work and Economic Growth

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<tr>
<td>Assist in economic development of local communities</td>
<td><strong>Hershey 2021 ESG Report:</strong></td>
<td></td>
<td>8.4, 8.5, 8.6, 8.7, 8.8, 16.2</td>
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<td>Promote safe and secure working environments for all workers</td>
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<td>Promote equal pay for equal work</td>
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<td>Seek to decouple our economic growth from environmental degradation</td>
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<td>Industry-wide risk of human rights infringements, including child labor, occurring within agriculture supply chains</td>
<td><strong>Hershey 2021 ESG Report:</strong></td>
<td>• Cocoa: Lifting up Rural Livelihoods, pages 27 – 28</td>
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<td>• Our People: Keeping People Safe, page 64</td>
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<td>• Our People: Leading the Way for Women, page 68</td>
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<td>• Our People: Safety, page 79</td>
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<td>• Responsible Sourcing and Human Rights: Human Rights Across Our Value Chain, pages 34 – 37</td>
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<td>• Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42</td>
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<td>See also:</td>
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<td>• 2021 Form 10-K, pages 6 – 7</td>
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<tr>
<td></td>
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<td>• Responsible Sourcing Supplier Program</td>
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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
### Reduced Inequalities

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</table>
| Empower and promote the social and economic inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status | Hershey 2021 ESG Report:  
  - Cocoa: Lifting up Rural Livelihoods, pages 27 – 28  
  - Community, pages 86 – 92  
  - Our People: 2021: Living DEI at Hershey, page 68  
  - Our People: Accelerating DEI Efforts at Hershey, page 67  
  - Our People: Providing a Caring Employee Experience, pages 65 – 66  
  - Youth: Our Shared Goodness Legacy — Milton Hershey School, page 84 | ✨ | 10.2  

See also:  
- Fostering Diversity, Equity and Inclusion  
- Supplier Diversity

### Responsible Consumption and Production

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</table>
| Ensure ingredients and materials are sourced responsibly                         | Hershey 2021 ESG Report:  
  - Cocoa: Fighting Deforestation, pages 29 – 30  
  - Environment: Making Progress on Packaging, page 53  
  - Environment: Packaging, page 60  
  - Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42 | ✨ | 6.3, 12.2, 12.3, 12.4, 12.5, 12.6  

See also:  
- Environment  
- Priority Ingredients and Raw Materials  
- Responsible Sourcing Supplier Program

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

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</table>
| Reduce absolute GHG emissions across our direct operations (Scope 1 and Scope 2) and our value chain (Scope 3) in alignment with the Paris Climate Agreement | Hershey 2021 ESG Report:  
- Cocoa: Fighting Deforestation, pages 29 – 30  
- Environment: Acting on Climate Change, pages 49 – 51  
- Environment: Our Progress, pages 57 – 61  
- Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42  
- Responsible Sourcing and Human Rights: Responsible Sourcing Supplier Program, pages 44 – 46 | 7.2, 7.3, 8.4, 14.3 |
| Advance sustainable packaging solutions and work to eliminate deforestation from our ingredient supply chains | See also:  
- Environment |
| Directly and indirectly add GHG emissions to the atmosphere as part of our carbon footprint | |

### Life on Land

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</table>
| Protect and restore ecosystems in our supply chain and ensure their sustainable management | Hershey 2021 ESG Report:  
- Cocoa: Fighting Deforestation, pages 29 – 30  
- Cocoa: Our Progress, pages 31 – 32  
- Environment, pages 48 – 56  
- Environment: Our Progress, pages 57 – 61  
- Responsible Sourcing and Human Rights: Responsible Sourcing, pages 39 – 42  
- Responsible Sourcing and Human Rights: Responsible Sourcing Ingredient Commitments and Progress, page 47 | 6.6, 15.1, 15.2, 15.5, 15.B |
| Increased demand for food commodities (including some of our ingredients) puts pressure on global forest land | See also:  
- Environment  
- Priority Ingredients and Raw Materials  
- Responsible Sourcing Supplier Program |

**Key**
- Green bullet: Potential positive impact on the SDGs
- Red bullet: Potential negative impact on the SDGs

**Key SDGs**
- 7.2: Climate action
- 7.3: Life on land
- 8.4: Responsible business practices
- 14.3: Life below water
- 6.6: Responsible consumption and production
- 15.1: Land use
- 15.2: Biodiversity
- 15.5: Life on land
- 15.B: Integrate SDG principles into national policies and strategies
### Peace, Justice and Strong Institutions

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</table>
| Risk of directly or indirectly influencing unethical practices, including improper relations between business and government | Hershey 2021 ESG Report:  
  - Cocoa: Cocoa For Good, page 21  
  - Our Company: Corporate Governance, pages 11 - 12  
  - Responsible Sourcing and Human Rights, pages 33 - 47 |  
| Risks of infringements on human rights including child or forced labor in our supply chain |  
| See also:  
  - 2021 UNGPRF Report  
  - Advocacy Expenditures  
  - Child Labor Monitoring and Remediation System (CLMRS)  
  - Hershey’s Commitment to Human Rights  
  - Supplier Code of Conduct |  

### Partnerships for the Goals

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| Provide demand for developing countries’ commodities | Hershey 2021 ESG Report:  
  - Cocoa: Cocoa For Good, page 21  
  - Community, pages 86 - 92  
  - Environment, pages 48 - 61  
  - Our People, pages 62 - 79  
  - Responsible Sourcing and Human Rights, pages 33 - 47 |  
| Encourage and promote effective public-private and civil society group partnerships |  
| Strategic partnerships and alignments to implement meaningful actions towards shared targets |  
| See also:  
  - 2021 GRI: GRI 102-12; 102-13, page 3 |  

**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