

The Hershey logo, featuring the word "HERSHEY" in a bold, white, sans-serif font, followed by a small, stylized white Hershey's Kiss icon.A large, bold, white, sans-serif title "HERSHEY 2020 INVESTOR ESG OVERVIEW" is centered across the bottom of the image. The text is split across the two panels of the background image. A white, stylized Hershey's Kiss icon is positioned between the two panels, partially overlapping the title text.

HERSHEY 2020 INVESTOR ESG OVERVIEW



Shared *Goodness*. That's our promise.

At The Hershey Company, our people, planet and communities have always mattered.
As one of America's first companies built with purpose, we've always focused on "doing well by doing good."

While we have a comprehensive plan and track record for Environmental, Social and Governance (ESG) outlined in our 2020 Sustainability Report, this Overview highlights our strategy and commitments across four material topics for current and future shareholders.



"There is not a person alive who should not plant a tree, not for the shade that you'll enjoy, but for those who are coming after."

.....
Milton Hershey,
Founder

"The enormity of climate change is daunting, but there have been rays of hope that prove reducing our impact on the planet is possible. We are ready to do our part."

.....
Michele Buck,
Chairman of the Board,
President & CEO



What's Inside?

3 Cocoa & Labor Practices



Benefit:

Improving livelihoods of cocoa farmers and addressing labor issues safeguards the supply of cocoa, the primary ingredient of our products

Strategy:

Drive systemic change in cocoa growing communities

4 Responsible & Sustainable Sourcing



Benefit:

Resilient supply chain ensures continuity of supply for agricultural ingredients

Strategy:

Source ingredients to protect our planet, people and business

5 Environment



Benefit:

Minimizing environmental impact preserves resources for long-term sustainability

Strategy:

Reduce our environmental impact via a science-first approach

6 Human Capital



Benefit:

Pipeline of diverse and equitable talent drives more opportunity and superior ideas

Strategy:

Accelerate diversity, equity, and inclusion efforts across our business and communities

Cocoa & Labor Practices

Drive systemic change in cocoa growing communities



SEE ALSO:

- [2020 Sustainability Report](#) (page 33-44)
- [Cocoa For Good](#)
- [Innovative Ways we're addressing the root causes of Child Labor](#)
- [What Cocoa Sustainability Means at Hershey](#)

PROGRAMS

Cocoa for Good is a commitment to invest \$500 million by 2030 to holistically address systemic social and environmental challenges in cocoa communities and safeguard our business



Improve Farmer Livelihoods

Invest in opportunities to increase and diversify incomes and build economic resilience, including helping farmers obtain sustainable sourcing certification providing for direct cash payments



Eliminate and prevent child labor

Monitor for and remediate instances of child labor through our suppliers

Increase access to education by securing birth certificates and school kits so children can attend school

Improve the quality of nutrition by producing and distributing high-protein sachets to children



Protect the environment

Commit to no new deforestation in cocoa communities

Provide resources and education on sustainable farming

Help farmers acquire affordable land titles to enable forest and farm rejuvenation

2025 COMMITMENTS

in Cote D'Ivoire and Ghana

Farmers

Direct source 100% of cocoa purchased from known farmer groups

Children

Scale Child Monitoring and Remediation System (CLMRS) to cover 100% of direct source cocoa

Ecosystem

Map 100% of Hershey supplying farms

2020 PROGRESS

in Cote D'Ivoire and Ghana



60%

Goal: 100% by 2025

83,783 farmers received direct support



58%

Goal: 100% by 2025

No children identified in force labor in 2018-2020

~10% of children monitored are identified as doing inappropriate work, and are all in the process of remediation



50%

Goal: 100% by 2025

10 million cocoa seedlings and shade trees distribution between 2013 and 2020

Over 1 million hectares of landscape programs supported and satellite monitored

Responsible & Sustainable Sourcing

Source ingredients responsibly to protect our planet, people and business



SEE ALSO:

- [2020 Sustainability Report](#) (page 27-32)
- [Sustainable Sourcing](#)
- [Human Rights](#)

PROGRAMS

Guided by our Supplier Code of Conduct, Human Rights Policy and Environmental Policy



Promote transparency in sourcing and foster sustainable agricultural communities

Map and increase supply chain traceability to better enable investments in farmers and ecosystems

Partner via on-the-ground programs and industry-wide initiatives to promote sustainable agricultural communities



Source goods and services responsibly

Responsible Sourcing

Support high-risk suppliers in their responsible sourcing journeys by engaging them in our Responsible Sourcing Supplier Program, which includes self-assessment questionnaires, independent third-party audits, capability building, and continuous improvement

Human Rights

Combat forced labor in our supply chain by requiring labor service providers to uphold the global standard for responsibly recruiting workers outlined in the Responsible Recruitment & Employment Program

2025 COMMITMENTS

Ingredients

100% of our priority ingredients and materials to be responsibly and sustainably sourced

Responsible Sourcing

Enroll 100% of our high-risk suppliers and manufacturing sites by 2021 (total = 450 suppliers)

85% of in scope supplier sites meet Hershey's Responsible Sourcing Supplier Program requirements

Human Rights

Enroll 100% of labor service providers by 2021

2020 PROGRESS

First progress on this overall goal will be reported in the 2021 Report

Details on the five priority ingredients and materials provided on page 30 in the 2020 Sustainability Report



75%

Goal: 100% by 2021

100% of those enrolled have acknowledged our Supplier Code of Conduct

First progress on this overall goal will be reported in the 2021 Report



91%

Goal: 100% by 2021

Environment

Reduce our environmental impact via a science-first approach



SEE ALSO:

- [2020 Sustainability Report](#) (page 46-50)
- [2020 TCFD Report](#)
- [Making Commitments is Easy, Delivering is Where the Real Work Begins](#)
- [From Nuts to Clean Energy: Renewable Energy is Just Another Way to Bring Goodness to the World](#)

PROGRAMS



Science-based Targets for Greenhouse Gas Emissions

Cut Direct and Indirect Emissions

Invest in renewable energy through power purchase agreements, enabling construction of utility scale solar farms

Reduce energy intensity by 10% within five years through the ENERGY STAR® Challenge for Industry

Reduce Value Chain Emissions

Cocoa: See “Protecting the environment” under Cocoa & Labor Practices

Sugar: Strengthen on-farm sustainability by partnering with Bonsucro and Sustainable Agriculture Initiative (SAI)

Dairy: Enhance sustainable agricultural practices to reduce emissions and improve waterways through a pilot partnership with Land O’Lakes and the Alliance for the Chesapeake Bay



Deliver on Sustainable Packaging

Invest in R&D on recyclable, reusable, and compostable materials that will ensure product safety, shelf-life protection and manufacturing flexibility

2030 COMMITMENTS

Direct and Indirect Emissions

50% absolute reduction in Direct and Indirect Emissions against 2018

Value Chain Emissions

25% absolute reduction in Value Chain Emissions against 2018

Packaging

100% plastic packaging to be reusable, recyclable and compostable

Eliminate an additional 25 million pounds of packaging

2020 PROGRESS



24%
Goal: 50% by 2030



13%
Goal: 25% by 2030



77%
Goal: 100% by 2030

First progress on incremental reduction to be reported in the 2021 Report

Human Capital

Accelerate diversity, equity, and inclusion efforts across our business and communities



SEE ALSO:

- [2020 Sustainability Report](#) (page 54-65)
- [Empowered by Pathways](#)
- [A Hershey Food Scientist on Being a Foodie, Creating Candy and on Representation in the Food Industry](#)

PROGRAMS

The Pathways Project is a five-year plan to make us more diverse and inclusive



JOIN

Bring in a wider range of talent and perspectives

New hiring policies for 50% diverse slates of candidates and interviewers

New goals for diverse suppliers and service providers



GROW

Recognize and develop talent that was unrepresented in the past

Early and mid-career development and training to retain and promote Black and Brown talent

Frequent unconscious bias discussions to strengthen culture and business results



REACH OUT

Advance Equity by showing up in new ways for consumers and communities

Improve access to education for Black and Brown communities through new partnerships

2025 COMMITMENTS

Equitable Compensation¹

Achieve 1:1 non-adjusted pay equity for salaried employees worldwide

Inclusive Representation

FEMALE GLOBAL REP.

47-50% female representation

PEOPLE OF COLOR U.S. REP.

30-40% people of color representation

FEMALE LEADERS GLOBAL REP.

40-42% of leadership roles occupied by women

PEOPLE OF COLOR LEADERS U.S. REP.

15-22% of leadership roles occupied by people of color

Safety and Health

50% hazard reduction for job functions with ergonomic risks

2020 PROGRESS

ON TRACK

Achieved 1:1 aggregate gender and people of color pay equity for salaried employees in the U.S.



48%

Goal: 47-50%



21%

Goal: 30-40%



37%

Goal: 40-42%



14%

Goal: 15-22%

Goal mid-point charted for each progress chart

First progress on this goal will be reported in 2021.

¹As a part of our commitment to equitable compensation, we remained committed to paying full-time employees a **living wage** across our global locations: [Living Wage & Income Position Statement](#).



Addressing Child Labor Through School-Based Nutrition



What? Hershey developed ViVi, a peanut-based forfeited snack with our partner, Project Peanut Butter, and has been distributing it to children in Ghana since 2015.

Why? Knowing that children will be fed at school is a reason to ensure they go to class rather than to work, making it an important preventative tool in the fight against child labor. Our research shows that providing ViVi increases school enrollment, regular attendance, and academic performance. [Learn More](#)

Making a Difference where it Matters Most

Improving the Livelihood of Sugarcane Workers through Sustainable Agricultural Practices



What? Hershey has implemented a “learn to grow” program in Belize and Mexico through its partnership with American Sugar Refining. This program helps farmers learn and implement sustainable growing practices and access cutting-edge technology that determines the optimal time for harvesting, which cannot be determined when looking at the cane from the outside.

Why? By providing this technology, along with training to sugarcane farmers, we help them to improve sugar cane quality and yields and ultimately their revenue and livelihood while also reducing the environmental impact. [Learn more](#)



Combatting Climate Change by Increasing Our Use of Renewable Energy



What? Hershey announced two power purchase agreements (PPAs), which will see the development of the first solar farm in Camden, North Carolina and a new renewable energy generation facility in Denton County, Texas.

Why? These projects will create local jobs and generate significant power for these communities. They will also offset Hershey’s carbon emissions and increase our ability to rely on clean and renewable energy. Our new renewable energy projects look different than our original power plant built in Hershey, PA in 1921, but they still represent Milton Hershey’s legacy and regard for our communities. [Learn more](#)

A Hershey Food Scientist on Representation in the Food Industry



What? Hershey announced a \$1.5 million investment in the Thurgood Marshall College Fund (TMCf) to establish a scholarship endowment, with the goal to increase that to \$3 million over the next ten years.

Why? This is an investment that will continue to help the future of the food industry, create change for underrepresented populations, and ultimately create better products for consumers. As a Historically Black College and Universities (HBCU) graduate, I have experienced firsthand the talent that HBCU’s produce and I am so happy to work for a company that is invested in the futures of all. [Learn more](#)



About This Overview

The Hershey 2020 ESG Overview is not intended to be comprehensive report of the company's ESG priorities and programs but highlights key elements, commitments and achievements in its ongoing ESG work.

We have not sought any external assurance for this report, our GRI Index or any of the other reports below.

For stakeholders who want more detail, please see our separate reports for:



[Sustainability Report](#)



[GRI](#)



[UN Global Compact](#)



[SASB](#)



[UN SDGs](#)



[TCFD](#)



[UNGPRF](#)

We welcome any feedback you have on this overview, our company's ESG priorities and programs, or investing in Hershey. Please direct inquiries to investorrelations@hersheys.com

