

**HERSHEY** 



# GOODNESS IN ACTION

2020 GRI REPORT



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The data in this report relates to the period from January to December 2020, unless otherwise stated. For a detailed explanation of the indicators, visit the GRI website: [globalreporting.org](https://www.globalreporting.org). This content report accompanies our [2020 Sustainability Report](#) and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Comprehensive option. All standards are the 2016 version unless otherwise noted. Based on the revised 2020 materiality assessment, Hershey's is now reporting on GRI 304: Biodiversity 2016.



GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>General Disclosures</b>			
Organizational Profile	102-1	Name of the organization	The Hershey Company
	102-2	Activities, brands, products, and services	The Big Picture p. 8 Responsible Growth p. 14 2020 Form 10-K PDF pp. 3-6 We are not aware of any of our products being banned in any markets where we operate and distribute.
	102-3	Location of headquarters	19 East Chocolate Avenue, Hershey, PA 17033
	102-4	Location of operations	2020 Form 10-K PDF pp. 4, 5, 7, 17, 115 Responsible Growth: Where We Source Our Ingredients p. 27
	102-5	Ownership and legal form	2020 Form 10-K PDF p. 4
	102-6	Markets served	2020 Form 10-K PDF pp. 4-8
	102-7	Scale of the organization	Our Performance pp. 8-12 2020 Form 10-K PDF pp. 4, 8, 21, 25, 54
	102-8	Information on employees and other workers	Our Performance pp. 8-12 2020 Form 10-K PDF p. 8 See GRI Appendix 102-8 p. 39 We do not have a significant portion of activities performed by workers who are not employees. There are not significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b and 102-8-c. Our Human Resources analytics team manages employment data and is able to calculate these metrics.
	102-9	Supply chain	2020 Form 10-K PDF pp. 5-6 Responsible Growth pp. 18-44
	102-10	Significant changes to the organization and its supply chain	2020 Form 10-K PDF pp. 4-5, 23-25, 63-64
	102-11	Precautionary Principle or approach	2020 Proxy Statement: Board Role in Risk Oversight p. 21
	102-12	External initiatives	Hershey is part of the following sustainability-related initiatives: AIM-PROGRESS, Bonsucro, CEO Action for Diversity & Inclusion™, Paradigm for Parity, Ceres Company Network, Cocoa & Forests Initiative, Cocoa Livelihoods Program, Dairy Sustainability Framework, Fair Trade USA, Innovation Center for U.S. Dairy's Sustainability Alliance, International Cocoa Initiative, National Organization on Disability's Look Closer national hiring campaign, People + Work Connect platform, Rainforest Alliance, Responsible Labor Initiative, Roundtable on Sustainable Palm Oil (RSPO), Sustainable Agriculture Initiative (SAI) Platform, United Nations Global Compact and the World Cocoa Foundation.
102-13	Membership of associations	See GRI Appendix 102-13 p. 40	
Strategy	102-14	Statement from senior decision-maker	The Big Picture: A Message from Michele Buck p. 5
	102-15	Key impacts, risks, and opportunities	The Big Picture: A Message from Michele Buck p. 5 The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6 Governance and Approach: Materiality p. 15 2020 Form 10-K PDF pp. 10-16

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	<a href="#">Hershey Code of Conduct</a> <a href="#">Hershey Supplier Code of Conduct</a> Governance and Approach: Being a Responsible and Ethical Business p. 14
	102-17	Mechanisms for advice and concerns about ethics	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Hershey Code of Conduct</a> p. 8 <a href="#">Hershey Concern Line</a> <a href="#">Compliance Complaints</a> <a href="#">Corporate Governance</a>
Governance	102-18	Governance structure	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">2020 Proxy Statement</a> p. 19 <a href="#">Corporate Governance</a> <a href="#">Board of Directors</a> <a href="#">Committees &amp; Charters</a>
	102-19	Delegating authority	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Corporate Governance</a>
	102-20	Executive-level responsibility for economic, environmental, and social topics	Governance and Approach: Being a Responsible and Ethical Business p. 14 The Chief Supply Chain Officer has overall responsibility for the Sustainability program and is supported by the Vice President of Corporate Communications and Global Sustainability. The Chief Supply Chain Officer reports to the CEO and provides updates to the Board on our sustainability programs.
	102-21	Consulting stakeholders on economic, environmental, and social topics	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Proxy Statement, Stockholder and Interested Party Communications with Directors</a> , PDF pp. 16–17 Our Board of Directors hears from external stakeholders through our executive management team, or specific stakeholders brief the Board directly. The Sustainability Team, led by the Vice President of Corporate Communications and Global Sustainability, briefs the full Board on ESG issues at minimum once per year and as other topical discussions are needed. Other ESG issues such as discussing our employee engagement survey findings and sourcing activities in West Africa are also separate yearly topics for the full Board.
	102-22	Composition of the highest governance body and its committees	<a href="#">Proxy Statement, Our Director Nominees Matrix and Governance Highlights</a> PDF p. 2–5 Governance and Approach p. 10 Our Performance pp. 8–12 <a href="#">Board of Directors</a>
	102-23	Chair of the highest governance body	Michele Buck is the Chairman of the Board, President and Chief Executive Officer for The Hershey Company. Ms. Buck is responsible for all day-to-day global operations and commercial activities of the Company. Having served at the Company for more than 15 years and as an executive in the consumer-packaged goods industry for more than 30 years, Ms. Buck is a valuable contributor to the Board in the areas of marketing, consumer products, strategy, supply chain management and mergers and acquisitions. Her presence in the boardroom also ensures efficient communication between the Board and Company management. <a href="#">Board of Directors</a>
	102-24	Nominating and selecting the highest governance body	<a href="#">Governance Committee Charter</a> <a href="#">Corporate Governance Guidelines</a> pp. 2–5 <a href="#">Proxy Statement, Experience, Skills and Qualifications</a>
102-25	Conflicts of interest	<a href="#">Corporate Governance Guidelines</a> pp. 10 <a href="#">Code of Conduct</a> PDF p. 26 <a href="#">Related Person Transaction Policy</a>	

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
Governance	102-26	Role of highest governance body in setting purpose, values, and strategy	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Corporate Governance Guidelines</a> pp. 2, 6, 8
	102-27	Collective knowledge of highest governance body	<a href="#">Corporate Governance Guidelines p. 8, Ongoing Education</a> Governance and Approach: Being a Responsible and Ethical Business p. 14.
	102-28	Evaluating the highest governance body's performance	Members of our Board of Directors were not evaluated with respect to the Shared Goodness Promise strategy in 2020.
	102-29	Identifying and managing economic, environmental, and social impacts	Governance and Approach: Being a Responsible and Ethical Business p. 14 Our materiality and saliency assessments inform our Shared Goodness Promise strategy and include input from external stakeholders. In 2020, we also conducted an ESG Investor Perception study, the results of which were shared with the Executive Committee and Board. <a href="#">Corporate Governance Guidelines</a> <a href="#">TCFD Report</a>
	102-30	Effectiveness of risk management processes	The Finance & Risk Management Committee reviews Hershey's management of all types of risks including economic, social and environmental. <a href="#">Corporate Governance Guidelines</a> <a href="#">Finance and Risk Management Committee Charter</a>
	102-31	Review of economic, environmental, and social topics	Governance and Approach: Being a Responsible and Ethical Business p. 14
	102-32	Highest governance body's role in sustainability reporting	Michele Buck reviews and approves the Shared Goodness Promise Report and the material topics covered.
	102-33	Communicating critical concerns	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Proxy Statement, Stockholder and Interested Party Communications with Directors</a> p. 17
	102-34	Nature and total number of critical concerns	In 2020, Hershey recorded four cases that were deemed significant or "critical." The four "critical" concerns were reported to the Ethical Business Practices Committee (EBPC) and the Audit Committee pursuant to our policies and procedures. Compliance concerns are reported through various channels, including but not limited to: Hershey's Concern Line, business partners, HR, Ethics and Compliance, and other parties who have access to either the Concern Line or the Ethics and Compliance department. All concerns are managed and followed closely by the Ethics and Compliance department. Hershey applies severity codes to cases depending on certain parameters such as violation, potential fines and/or involvement of senior leaders. All concerns given a severity code of Red or Orange are considered "critical." Concerns given a Yellow or Green code are considered "not significant." Red and Orange matters are reported to the EBPC and Audit Committee for visibility. Issues reported to the Concern Line cover a wide array of topics, including conflicts of interest, general labor practices, employment-related concerns, potential fraud, security and requests for general advice.
102-35	Remuneration policies	<a href="#">Corporate Governance Guidelines</a> p. 9 <a href="#">Proxy Statement, Executive Compensation Highlights</a> p. 6, <a href="#">Non-Employee Director Compensation</a> pp. 34-38, <a href="#">Compensation Discussion and Analysis</a> pp. 46-84 The performance criteria in our remuneration policies for the Board of Directors does not currently include objectives for environmental or social topics. Hershey's CEO's yearly performance and compensation encompasses overall Company results, with sustainability-specific KPIs focused on Hershey's climate/greenhouse gas (GHG) metrics and our Packaging Sustainability and Cocoa Sustainability programs.	

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
Governance	102-36	Process for determining remuneration	<a href="#">2020 Proxy Statement</a> Compensation Discussion and Analysis pp. 46–84
	102-37	Stakeholders' involvement in remuneration	<a href="#">2020 Proxy Statement</a> Compensation Discussion and Analysis pp. 46–84
	102-38	Annual total compensation ratio	<a href="#">2020 Proxy Statement</a> , CEO Pay Ratio Disclosure, PDF p. 83
	102-39	Percentage increase in annual total compensation ratio	<a href="#">2020 Proxy Statement</a> Compensation Discussion and Analysis pp. 46–84 Omission: Salaries for the highest-paid individual in each country of significant operations outside of US. Reason for Omission: Confidentiality constraints. Explanation of Omission: The salary of the highest-paid individual in each country is confidential. The Hershey Company does not track or measure the highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.
Stakeholder Engagement	102-40	List of stakeholder groups	Governance and Approach: Materiality p. 15 Employees Consumers Investors Retailers Suppliers and business partners NGOs Communities where we operate Government and policymakers
	102-41	Collective bargaining agreements	<a href="#">2020 Form 10-K</a> PDF p. 8 Our People: Supporting Balance & Wellbeing p. 58
	102-42	Identifying and selecting stakeholders	Governance and Approach: Materiality p. 15 Responsible Growth: Human Rights Across Our Value Chain p. 23 We engage directly and indirectly with many of our stakeholders. We engage with those stakeholders who either have influence or control over our business and/or are impacted by our operations across our value chain either directly or indirectly.
	102-43	Approach to stakeholder engagement	Governance and Approach: Materiality p. 15 Responsible Growth: Responsible Sourcing p. 28 Responsible Growth: Human Rights Across Our Value Chain p. 23 Examples of stakeholder engagement can be found throughout our 2020 Sustainability Report. We engage with stakeholders including partner nonprofit organizations, the Milton Hershey School, customers, investors and member organizations in the development of the report preparation process. This includes collaborating on content and review of materials by partners. External stakeholders are also engaged as part of our materiality and saliency assessments.
	102-44	Key topics and concerns raised	The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6 Responsible Growth: Human Rights Across Our Value Chain p. 23 Governance and Approach: Materiality p.15



GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
Reporting practice	102-45	Entities included in the consolidated financial statements	<a href="#">2020 Form 10-K PDF</a> pp. 4-7
	102-46	Defining report content and topic Boundaries	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	102-47	List of material topics	Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	102-48	Restatements of information	During 2020, there have been no corrections or restatements of information given in any of our previous financial reports. Some environmental indicators across our Sustainability Report have been restated from past years as we expand our data-collection abilities to cover more facilities. We have provided footnotes across our disclosures where this occurs.
	102-49	Changes in reporting	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35  Hershey conducts its materiality assessment every few years. Our most recent materiality assessment was conducted in 2020. Compared to our 2018 materiality assessment, the 11 most material issues experienced a slight shift; new issues coming into the list included: business operations and supply chain resilience, deforestation and forced labor. Items coming off the top 11 include consumer engagement on sustainability, ecosystems, nutrition ingredients and product transparency. There were also slight modifications to the boundaries of packaging as a material issue – this became packaging and plastics in the 2020 materiality assessment.
	102-50	Reporting period	This report covers the 2020 calendar year.
	102-51	Date of most recent report	June 1, 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	<a href="mailto:sustainability@hersheys.com">sustainability@hersheys.com</a>
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report, back cover of Sustainability Report.
	102-55	GRI content Report	Hershey 2020 GRI Content Report (this PDF)
	102-56	External assurance	We did not receive any external assurance for this report.

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Economic Performance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Continued global competitiveness and profitability ensure that we are economically sustainable in the long term. This allows us to continue to pay the salaries of our employees, pay taxes, pay suppliers and support the Milton Hershey School and other social investments.</p> <p>Our Board of Directors, CEO and management teams are directly responsible for the economic performance and global competitiveness of the Company.</p> <p>The Big Picture pp. 4–7            Governance and Approach: Materiality p. 15            GRI Report: Material Issues Across Our Value Chain p. 35  <a href="#">2020 Form 10-K</a></p>
	103-2	The management approach and its components	<a href="#">Corporate Governance Guidelines</a> p. 2 <a href="#">2020 Form 10-K</a>
	103-3	Evaluation of the management approach	<a href="#">Corporate Governance Guidelines</a> p. 2 <a href="#">2020 Form 10-K</a>
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<a href="#">2020 Form 10-K</a> pp. 19–42 Our Performance pp. 8–12
	201-2	Financial implications and other risks and opportunities due to climate change	The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6 Environmental Impact: Acting on Climate Change p. 46 <a href="#">Environmental Policy</a> <a href="#">TCFD Report</a>
	201-3	Defined benefit plan obligations and other retirement plans	<p><a href="#">2020 Form 10-K</a> PDF pp. 34, 40–41, 61, 82, 83</p> <p>For Hershey’s 401(k) Plan, the Company match is 100 percent on the first one percent contributed by employees and 70 percent on the next five percent contributed by employees. In total, Hershey provides a 4.5 percent company match on six percent employee contributions.</p> <p>We also have a defined benefit plan which is closed to new hires but still accrues a benefit for eligible participants.</p> <p>a) estimated value of plan liabilities: \$1.043 Billion.</p> <p>b) The Hershey Company has a Master Retirement Plan Trust that holds the investment funds for our Pension Plan.</p> <p>i. As of December 31, 2020, our Plan has a 99 percent funded status</p> <p>ii. This estimate was derived from actuarial valuation reports from consulting actuaries that are members of the Society of Actuaries and meet the Qualification Standards of Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans.</p> <p>iii. Actuarial Certification is performed annually. Sept 2020 was the most recent.</p> <p>c) The Hershey Company has a Master Retirement Plan Trust that holds the investment funds for our Pension Plan. We have an investment strategy that is governed by our Retirement Plan Investment Committee. The investment strategy of this committee is to minimize funded status volatility and contributions and reduce level of investment risk and exposure to market drawdowns, with a time horizon of 10 years.</p> <p>d) Hershey’s Pension Plan is not funded based on salary contributed by employee or employer. All funds in the Master Trust are 100 percent employers’ funds to cover the liabilities of the Plan.</p> <p>e) Hershey’s Pension Plan is closed to new hires but still accrues a benefit for eligible participants.</p>



## Economic Disclosures

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	<p><u>2020 Form 10-K</u> pp. 28, 35, 57, 81, 82</p> <p>Government financial assistance received in 2020 was in relation to equity investments qualifying for federal historic and energy tax credits and the federal research and development credit (\$131.3 million in U.S.), state film tax credits (\$276,000 in state of IL) and state historic credits (\$1.4 million in state of NY).</p> <p>The Company also received the following grants and incentives for our Stuarts Draft facility in Virginia: \$600,000 Commonwealth Opportunity Fund Grant from the Virginia Economic Development Partnership; \$300,000 August County, Virginia Tax Rebate.</p> <p>We do not receive any other material governmental financial assistance. No government owns Hershey shares.</p>
<b>Market Presence</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p><u>2020 Form 10-K</u> PDF pp. 4-8</p> <p>The Big Picture pp. 4-7</p> <p>Governance and Approach: Materiality p. 15</p> <p>GRI Report: Material Issues Across Our Value Chain p. 35</p>
	103-2	The management approach and its components	<u>2020 Form 10-K</u> PDF pp. 4-8, 20-98
	103-3	Evaluation of the management approach	<u>Corporate Governance Guidelines</u> pp. 2, 6, 8
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>Omission: Entire disclosure</p> <p>Reason for Omission: Information unavailable.</p> <p>Explanation of Omission: Hershey does not currently monitor or report on employee wages relative to local minimum wage, and there is no established timeline to do so.</p>
	202-2	Proportion of senior management hired from the local community	<p>53.85 percent (14 local employees/26 total external hires at significant locations).</p> <p>“Senior management” is defined as individuals hired as Senior Manager and above (up to Senior Vice President within the C-Suite).</p> <p>“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.</p> <p>“Significant locations of operation” is defined as the following locations: 19 East Chocolate Ave, 19 East Office, Amplify 19 East Office, Hazleton Plant, HCW Visitors Center, Loveland (Kroger), Reese Plant, Sales Co 19E Office, Sales Co Loveland (Kroger), Sales Co Office Northeast, Stuarts Draft Plant, Technical Center, West Hershey Plant and Y&amp;S Lancaster Plant.</p>
<b>Indirect Economic Impacts</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>The Big Picture pp. 4-7</p> <p>Governance and Approach: Materiality p. 15</p> <p>Responsible Growth: Responsible Sourcing, Cocoa For Good pp. 33-44</p> <p>Communities pp. 64-69</p> <p><u>SDG Report</u></p> <p>GRI Report: Material Issues Across Our Value Chain p. 35</p>
	103-2	The management approach and its components	<p>Responsible Growth pp. 18-44</p> <p>Environmental Impact pp. 45-50</p> <p>Communities pp. 64-69</p> <p>Governance and Approach: Being a Responsible and Ethical Business p. 14</p>
	103-3	Evaluation of the management approach	<p>Responsible Growth pp. 18-44</p> <p>Environmental Impact pp. 45-50</p> <p>Communities pp. 64-69</p> <p>Governance and Approach: Being a Responsible and Ethical Business p. 14</p> <p><u>SDG Report</u></p>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	<p>Responsible Growth: Cocoa For Good pp. 33–44 Communities p. 64</p> <p>Hershey supports the development of community infrastructure projects in many of the communities where our employees live and work. In Hershey, PA, the Company contributed \$1 million to support the expansion of the Penn State Children’s Hospital, the only level 1 trauma center between Philadelphia and Pittsburgh. We completed our pledge totaling \$1 million in 2020. We also completed payment on our \$1 million pledge to support the construction of the Hershey Community Center in Derry Township (Hershey, PA), which provides much needed programming for children, teens and senior citizens in the community. Hershey also completed its pledge of \$250,000 for the Crawford County Community Center construction, for a new facility that will provide educational and recreation programs for the Robinson, IL community where we operate.</p> <p>In our supply chain, Hershey supports infrastructure projects in the cocoa communities that support our business; in 2020 our funding supported the construction of a new school in Côte d’Ivoire that includes six classrooms, two bathroom blocks, one canteen, two handwashing taps, six teacher residences, a hydraulic pump and water tower villagers can access and a solar energy system powering the whole school. In 2020, our spending also went toward funding a new factory in Côte d’Ivoire to manufacture ViVi – a peanut-based fortified snack for school children in the region. Due to COVID-19, construction continued at a slowed pace and the factory did not open before the conclusion of 2020.</p> <p>We also support community infrastructure development through our employee volunteerism programs. In 2020 our employees supported building and maintenance of recreational trails and parks across central Pennsylvania, logged hundreds of hours with community food banks supporting COVID-19-relief food-distribution efforts, served as volunteer crisis counselors (supporting mental health care infrastructure) with Crisis Text Line and volunteered their expertise with Partners in Food Solutions, which provides pro bono consulting to small and growing enterprises in Africa and accelerates economic and infrastructure development and food systems stability in that region.</p> <p>In 2020, we began the construction of a new 850,000-square-foot agile fulfillment center in Annville, Pennsylvania. The fulfillment center will employ 600 employees of which 200 positions will be new hires. Concurrently we are constructing a new distribution center and co-packing facility in Brantford, Ontario, Canada. The facility will cover 550,000 square feet and the site will employ 400 employees.</p>
	203-2	Significant indirect economic impacts	<p>Children and Youth: Nourishing Young Minds p. 62 Responsible Growth: Responsible Sourcing, Cocoa For Good pp. 33–44 Communities pp. 64–69 <a href="#">SDG Report</a> See 203-1 above</p>
<b>Procurement Practice</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>Responsible Growth: Responsible Sourcing p. 28 Responsible Growth: Cocoa For Good pp. 33–44 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Responsible Sourcing</a></p>
	103-2	The management approach and its components	<p>Responsible Growth pp. 18–44 <a href="#">Responsible Sourcing</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Priority Ingredients and Raw Materials</a></p>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 103: Management Approach	103-3	Evaluation of the management approach	<p>Governance and Approach p. 13 Responsible Growth: Cocoa For Good, Accountability, Transparency and Due Diligence in Cocoa p. 35</p> <p>Our responsible sourcing practices are guided by our <a href="#">Supplier Code of Conduct</a>, our Company sustainability strategy: <a href="#">The Shared Goodness Promise</a> and cocoa, specifically the <a href="#">Cocoa For Good Strategy</a>, as well as our individual ingredient policies, Human Rights Policy, Environmental Policy and <a href="#">No Deforestation Policy</a>. Also, our overall commodity procurement programs are reviewed monthly by a committee comprised of the CEO, Chief Financial Officer, Chief Supply Chain Officer and leaders of our commercial teams.</p> <p><a href="#">Corporate Governance</a> <a href="#">Responsible Recruitment Policy</a></p>
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Of our procurement budget in 2020, 81 percent was spent on local suppliers based in the same country as the Hershey facility to which they were supplying goods or services. This includes all of Hershey's global procurement spend across all countries in which Hershey has manufacturing plants or offices.
	G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	<p>Responsible Growth: Responsible Sourcing, Our Responsible Sourcing Supplier Program. p. 29</p> <p>Of our purchased volume, 100 percent comes from suppliers who are required to adhere to the provisions of our Sourcing Policy and Supplier Code of Conduct. We did not suspend or terminate business relationships in 2020 due to non-compliances found in suppliers' audits as part of the Responsible Sourcing Supplier Program.</p>
	G4-FP2	Percentage of purchased volume, which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard	<p>Responsible Growth: Responsible Sourcing p. 28 Our Performance pp. 8-12 <a href="#">Responsible Sourcing</a></p> <p>In 2020, 61 percent of food ingredients sourced (by cost) were certified to third-party environmental and/or social standards. Representative standards include: Fair Trade USA, Rainforest Alliance, RSPO and Bonsucro. More details on Hershey's sourcing certification achievements by ingredient are available on page 30 of the 2020 Sustainability Report.</p> <p>Omission: Purchase volume by standard Reason for Omission: Confidentiality constraints Explanation of Omission: Information regarding breakdown of purchases that are verified by responsible production standards is not reported due to commercial sensitivity.</p>
<b>Anti-Corruption</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	<p>The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 Governance and Approach: Being a Responsible and Ethical Business p. 14 GRI Report: Material Issues Across Our Value Chain p. 35</p>
	103-2	The management approach and its components	<p>Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Code of Conduct</a> pp. 16-19 <a href="#">Supplier Code of Conduct</a></p>
	103-3	Evaluation of the management approach	<p><a href="#">Corporate Governance</a> <a href="#">Hershey Code of Conduct</a> <a href="#">Audit Committee Charter</a></p>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 206: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	As part of our quarterly Disclosure Committee process, we assess our business operations for risks related to corruption. Each quarter, representatives from every business function are required to certify, among other things, whether they have knowledge of, or concerns relating to, corruption or potential corruption. In 2020, the Ethics and Compliance department conducted a compliance risk assessment to ascertain compliance and corruption risks, and no significant corruption risks were identified or reported to the Ethical Business Practices Committee (EBPC) through the risk assessment or any other process.
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption training is provided to every employee, officer and Director of our Company every other year as part of our required Code of Conduct training. In years when training is not provided, every employee, officer and Director of our Company is required to certify that they have read the Code of Conduct (including the anti-corruption provisions contained therein) and that they understand and agree to abide by the requirements.  All suppliers receive our Supplier Code of Conduct and are expected to adhere to all provisions therein including provisions on business ethics and anti-corruption.
	205-3	Confirmed incidents of corruption and actions taken	There was a confirmed incident of corruption in 2020, specifically an alleged bribe paid by a Hershey supplier to a Mexican police officer. As a result of this violation, the contract with the Hershey supplier was terminated. No Hershey employee was involved in the incident and the incident was entirely limited to the third party.
<b>Anti-Competitive Behavior</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 Hershey Code of Conduct pp. 19-22 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Code of Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Compliance Complaints</a>  Our Chief Counsel for Antitrust, our Global Trade and Customs Compliance and our Ethics and Compliance departments are responsible for overseeing our management approach.
	103-3	Evaluation of the management approach	Our Global Trade and Customs Compliance department, alongside our Ethics and Compliance department and our Chief Counsel for Antitrust ensures compliance with our trade practices and reviews our approach regularly. No changes have been made as a result of the review and, in 2020, there were no instances of material non-compliance with regulations that would cause Hershey to amend its approach.  <a href="#">Corporate Governance</a>
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	No instances of material non-compliance with regulations concerning antitrust regulation occurred in 2020. Governance and Approach: Being a Responsible and Ethical Business p. 14



GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Materials</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Environmental Impact: A New Era for Hershey Packaging p. 48 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Environmental Impact: Acting on Climate Change p. 46 Environmental Impact: A New Era for Hershey Packaging p. 48 Governance and Approach: Being a Responsible and Ethical Business p. 14
	103-3	Evaluation of the management approach	Environmental Impact: Acting on Climate Change p. 46 Environmental Impact: A New Era for Hershey Packaging p. 48 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Corporate Governance</a>
GRI 301: Materials 2016	301-1	Materials used by weight or volume	See <a href="#">SASB Report</a> FB-PF-410a.1
	301-2	Recycled input materials used	In 2020, 22 percent of our packaging in North America was post-consumer recycled material. Omission: Entire disclosure outside of North America. Reason for Omission: Information unavailable. Explanation of Omission: Recycled input materials are not currently tracked outside of North America. There are no specific plans to report these data.
	301-3	Reclaimed products and their packaging materials	Hershey does not currently reclaim products or packaging.
<b>Energy</b>			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Environmental Impact: Acting on Climate Change p. 46 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Environmental Impact: Acting on Climate Change p. 46 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Environmental Policy</a> <a href="#">Code of Conduct</a> p. 27
	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">TCFD Report</a> <a href="#">Environmental Policy</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 302: Energy 2016	302-1	Energy consumption within the organization	See GRI Appendix 302-1 p. 41 U.S. Energy Information Administration conversion factors used. No heating, cooling, electricity or steam sold 35,146.8 GJ of electricity supplying our Stuarts Draft factory was covered by renewable energy credits (RECs), 734,846.4 GJ of electricity consumption was covered by zero-emissions credits that we contracted through our utility providers in Pennsylvania, which may include renewable energy.
	302-2	Energy consumption outside of the organization	See GRI 305-3 p. 18 Omission: Entire disclosure Reason for Omission: Not applicable Explanation of Omission: Given our value chain, this is not a meaningful indicator for us. Furthermore, following the recommendations of the Greenhouse Gas Protocol, our Scope 3 was predominantly measured using usage data rather than fuel information.
	302-3	Energy intensity	In 2020, our energy intensity ratio was 1.94 GJ per thousand pounds of product produced. This figure only represents energy usage at our manufacturing plants. Energy related to fuel, electricity and heating is included.
	302-4	Reduction of energy consumption	Our 2020 energy consumption numbers now encompass our most complete data available. These numbers now represent Hershey's overall energy usage across all global manufacturing facilities and owned, U.S. distribution centers and corporate offices, except for Amplify Snack Brands, Inc. and ONE Brands LLC. Among properties that were included in last year's numbers (e.g., excluding India and owned, U.S. distribution centers and corporate offices) we did see a decrease in total energy usage between 2019 and 2020. In particular, natural gas usage, electricity consumed, motor gasoline and use of distillate fuel oil all decreased. Hershey's 2020 energy consumption is available in GRI Appendix 302-1 p. 41
	302-5	Reductions in energy requirements of products and services	See 302-3 and 302-4. The energy intensity ratio of our products in 2019 was 1.73 GJ per thousand pounds of product. These 2019 numbers did not include data from our India plant. Yet even when comparing the same boundary of plants to one another we saw an increase in our energy intensity of products produced between 2019 and 2020. As 2020 was an odd year due to the pandemic we believe this is reflective of the fact that certain plants have a certain base level of energy requirements even when overall production levels decrease.
<b>Water</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Environmental Impact: Acting on Climate Change p. 46 Environmental Impact: Protecting Water Supplies p. 49 The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Environmental Impact: Acting on Climate Change p. 46 Environmental Impact: Protecting Water Supplies p. 49 Our Performance pp. 8-12 Governance and Approach: Governing Sustainability p. 14 <u>Environmental Policy</u>
	103-3	Evaluation of the management approach	Governance and Approach: Governing Sustainability p. 14 Our Performance pp. 8-12 <u>Corporate Governance</u>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 303: Water 2018	303-1	Interactions with water as a shared source	Environmental Impact: Protecting Water Supplies p. 49 Our Performance pp. 62
	303-2	Management of water discharge-related impacts	We comply with the water quality standards for the quality of effluent discharge established by law for each location where Hershey operates. The profile of the receiving water body is considered to the extent required by local laws.
	303-3	Water withdrawal	Our Performance pp. 8-12 Environmental Impact: Protecting Water Supplies p. 49 Total water use: 5,444.7 megaliters.  i., ii. Percentage water withdrawal from ground: 54 percent. iii. We do not withdraw any sea water. iv. Percentage purchased water: 46 percent. v. We do not consume third-party water.  Our El Salto, Monterrey (both Mexico) and Brazil manufacturing plants are in areas of high baseline water stress. El Salto total water consumption: 150.8 megaliters, of which approximately 100 percent was groundwater and a <i>de minimis</i> portion was purchased water. Monterrey total water consumption: 304.5 megaliters, of which 63 percent was groundwater and 39 percent was purchased water. Brazil total water consumption: 66.5 megaliters, of which approximately 100 percent was groundwater and a <i>de minimis</i> portion was purchased water.  Also, our plant in India is in an area of extreme baseline water stress. India total water consumption: 157.5 megaliters, of which 9.5 percent is groundwater and 90.5 percent is purchased water. All withdrawn water is freshwater.
	303-4	Water discharge	Our Performance pp. 8-12 Environmental Impact: Protecting Water Supplies p. 49 Total water discharge: 4,572.1 megaliters. Water discharge from water-stressed areas: 251.4 megaliters.  This is the total discharge from our El Salto, Monterrey, Brazil and India plants. All of Monterrey's water discharge is treated and used for irrigation on the operation's campus. 35 percent of El Salto's water discharge is treated and used for irrigation on the operation's campus; the remainder is discharged to the Santiago River basin. Brazil discharges the treated water to the Ribeirão do Marmeleiro. India uses the discharge water for irrigation.  Other water discharge: 4,320.7 megaliters.  This volume is sent to publicly owned treatment works.  We do not have any priority substances of concern for which discharges are treated.
	303-5	Water consumption	Our Performance pp. 8-12 Environmental Impact: Protecting Water Supplies p. 49 Total water consumption: 872.6 megaliters.  Our El Salto, Monterrey, Brazil and India plants are in water-stressed areas and consumed 428 megaliters of water in 2020. We have not identified water storage as having a significant water-related impact.  Information is calculated based on utility data from our manufacturing plants and owned, U.S. distribution centers and corporate offices.

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Biodiversity</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 Responsible Growth: Responsible Sourcing p. 28 Responsible Growth: Sourcing Our Key Ingredients and Materials, Cocoa For Good pp. 30–44
	103-2	The management approach and its components	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Environmental Policy</a> <a href="#">No Deforestation Policy</a> <a href="#">Cocoa &amp; Forest Initiative</a> <a href="#">Responsible Palm Oil Sourcing Policy</a>
	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Environmental Policy</a> <a href="#">No Deforestation Policy</a> <a href="#">Cocoa &amp; Forest Initiative</a> <a href="#">Responsible Palm Oil Sourcing Policy</a>
GRI 103: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	At the locations where Hershey has major operations, the following percentages of the nearby landscape are considered under protection by the Half-Earth Project. Hershey, PA (manufacturing, corporate offices, distribution centers) – 0.8% Hazelton, PA (manufacturing) – 6.48% Lancaster, PA (manufacturing) – 0.27% Stuarts Draft, VA (manufacturing) – 6.58% Memphis, TN (manufacturing) – 2.91% Robinson, IL (manufacturing) – 2.84% Monterrey, MX (manufacturing) – 14.12% Guadalajara, Jalisco, MX (manufacturing) – 18.67% Mandideep, IND (manufacturing) – 21% Malaysia (manufacturing) – 1.46% São Roque, Brazil (manufacturing) – 40.61% Granby and St. Hyacinthe, Quebec, Canada (manufacturing) – 0.42%  Omission: a. ii, iii, v Reason for Omission: Confidentiality constraints. Explanation of Omission: We consider the requests relating to size of Company properties to be Company confidential.
	304-2	Significant impacts of activities, products, and services on biodiversity	Responsible Growth: Cocoa For Good: Fighting Deforestation, p. 43 Omission: Entire disclosure. Reason for Omission: Information unavailable. Explanation of Omission: Hershey does not yet comprehensively track value-chain-wide biodiversity impacts.
	304-3	Habitats protected or restored	Responsible Growth: Cocoa For Good, Fighting Deforestation, p. 43
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	See GRI Appendix 304-4 p. 41



GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Emissions</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Environmental Impact: Acting on Climate Change pp. 37–42 The Big Picture pp. 4–8 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Environmental Impact: Acting on Climate Change pp. 46 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Environmental Policy</a> <a href="#">TCFD Report</a> <a href="#">Hershey Code of Conduct</a> p. 27 The Senior Vice President, Chief Supply Chain Officer is responsible for managing issues around climate change, and oversight is provided by the Board.
	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">TCFD Report</a> <a href="#">Environmental Policy</a>
GRI 103: Management Approach 2016	305-1	Direct (Scope 1) GHG emissions	Our Performance pp. 8–12 Environmental Impact p. 45 See upcoming 2020 CDP response for more information See GRI Appendix 305-1–3 p. 42 b) All relevant greenhouse gases as specified by the Greenhouse Gas Reporting Protocol included d) Base year = 2018 i. chosen as per the requirements of the Science Based Targets initiative (SBTi). iii. these numbers are different from what has been previously reported in 2018 due to us expanding our measurements to include at least 95 percent of our total baseline (as per the SBTi standards) and reframing our measurements to be in alignment with the Greenhouse Gas Reporting Protocol e) ecoinvent, DEFRA factors f) Operational control g) GHG Protocol standard used
	305-2	Energy indirect (Scope 2) GHG emissions	Our Performance pp. 8–12 Environmental Impact p. 45 See upcoming 2020 CDP response for more information See GRI Appendix 305-1–3 p. 42 c) All relevant greenhouse gases as specified by the Greenhouse Gas Reporting Protocol included d) Base year = 2018 i. chosen as per the requirements of the SBTi. iii. these numbers are different from what has been previously reported in 2018 due to us expanding our measurements to include at least 95 percent of our total baseline (as per the SBTi standards) and reframing our measurements to be in alignment with the Greenhouse Gas Reporting Protocol e) EPA Emissions and Generation Resource Integrated Database (eGRID), Quantis Scope 3 evaluator, Green e-energy Residual Mix Emissions Rate f) Operational control g) GHG Protocol standard used

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 103: Management Approach 2016	305-3	Other indirect (Scope 3) GHG emissions	Our Performance pp. 8–12 Environmental Impact p. 45 See upcoming 2020 CDP response for more information See GRI Appendix 305-1–3 p. 41  b) All relevant greenhouse gases as specified by the Greenhouse Gas Reporting Protocol included c) included in Scope 1, and/or accounted separately e) Base year = 2018 i. chosen as per the requirements of the SBTi, Quantis Scope 3 evaluator iii. N/A f)ecoinvent, Quantis Dryad tool g) GHG Protocol standard used
	305-4	GHG emissions intensity	Our Performance pp. 8–12 Environmental Impact: Acting on Climate Change pp. 37–42
	305-5	Reduction of GHG emissions	Our Performance, Our Year in Review: p. 8 Our Performance pp. 8–12 Environmental Impact: Acting on Climate Change pp. 37–42
	305-6	Emissions of ozone-depleting substances (ODS)	Omission: Entire disclosure Reason for Omission: Not applicable. Explanation of Omission: We do not emit a significant amount of ozone-depleting substances. As such, we do not consider these emissions material to our business and we therefore do not monitor or report them.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	NOx: 74.91 MT SOx: 2.53 MT VOC: 83.75 MT CO: 64.15 MT Particulate matter: 49.24 MT  Omission: a. iii, v Reason for Omission: Not applicable. Explanation of Omission: Persistent organic pollutants (POPs) and Hazardous air pollutants (HAPS) are not material to our business, and we therefore do not track them.
<b>Effluents and Waste</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Environmental Impact: Acting on Climate Change p. 37 Environmental Impact: Controlling Our Waste Impact p. 40 The Big Picture pp. 4–8 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Environmental Impact: Acting on Climate Change p. 37 Environmental Impact: Controlling Our Waste Impact p. 40 Governance and Approach: Governing Sustainability p. 10 <a href="#">Environmental Policy</a>
	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 Environmental Impact: Controlling Our Waste Impact p. 40
GRI 103: Management Approach 2016	306-1	Water discharge by quality and destination	Our Performance pp. 8–12 Environmental Impact: Protecting Water Supplies p. 39 See response to 303-4. All water discharge is planned.

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 103: Management Approach 2016	306-2	Waste by type and disposal method	<p>Our Performance pp. 8–12            Environmental Impact: Controlling Our Waste Impact p. 40            Total hazardous waste in 2020: 16.17 metric tons. (This year we are including our India site.)            All hazardous waste was transported nationally off-site to permitted treatment, storage and disposal facilities.            Total weight of non-hazardous weight in 2020 by disposal method: 62,395 metric tons</p> <ul style="list-style-type: none"> <li>• 84.4 percent of waste is recycled (22,939 MT), sent to stock feed (29,684 MT) or composted (15 MT).</li> <li>• 15.6 percent of waste is trash (9,757 MT) of which 2,736 MT is sent to landfill and 7,021 MT is sent to incineration.</li> </ul> <p>Our India and Brazil sites' trash is used to generate electricity by local utility companies.            Disposal methods were determined by a combination of regional infrastructure and the make-up of the waste stream.</p>
	306-3	Significant spills	In 2020, Hershey reported no significant spills of fuels, waste, chemicals or other materials.
	306-4	Transport of hazardous waste	All (16.17 metric tons) hazardous waste is transported off-site to permitted treatment, storage and distribution facilities. No hazardous waste is shipped abroad.
	306-5	Water bodies affected by water discharges and/or runoff	No water bodies or habitats are significantly impacted by our water discharge or runoff.
	GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts	Our sites manage the waste generated according to local regulations. Our waste-related data is collected by our Environmental Dashboard, which tracks a range of utility usage information.
	306-3	Waste generated	See 306-2
	306-4	Waste diverted from disposal	See 306-2
	306-5	Waste directed to disposal	See 306-2
<b>Environmental Compliance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>The Big Picture pp. 4–8            Governance and Approach: Materiality p. 15            GRI Report: Material Issues Across Our Value Chain p. 35            Responsible Growth: Responsible Sourcing p. 19            Responsible Growth: Sourcing Our Key Ingredients and Materials p. 24            Responsible Growth: Cocoa For Good pp. 25–35</p> <p>At Hershey, we expect all of our suppliers to comply with our Supplier Code of Conduct and global sourcing policies, which set forth compliance expectations on environmental criteria.</p>
	103-2	The management approach and its components	<p>Governance and Approach: Being a Responsible and Ethical Business p. 14            Responsible Growth: Responsible Sourcing p. 19            Responsible Growth: Sourcing Our Key Ingredients and Materials p. 24            Responsible Growth: Cocoa For Good pp. 25–35            Environmental Impact: Acting on Climate Change [pp. 37–42  <a href="#">Environmental Policy</a>  <a href="#">Supplier Code of Conduct</a></p>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 Responsible Growth pp. 13–35 Environmental Impact pp. 36–42 <a href="#">Cocoa For Good</a> <a href="#">Environmental Policy</a> <a href="#">Supplier Code of Conduct</a>
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	During 2020, we did not identify any non-compliance with environmental laws and/or regulations that would give rise to significant fines or sanctions.
<b>Supplier Environmental Assessment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–8 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 Responsible Growth: Responsible Sourcing p. 19 Responsible Growth: Sourcing Our Key Ingredients and Materials p. 24 Responsible Growth: Cocoa For Good pp. 25–35
	103-2	The management approach and its components	Governance and Approach: Being a Responsible and Ethical Business p. 14 Responsible Growth: Responsible Sourcing p. 28 Responsible Growth: Sourcing Our Key Ingredients and Materials p. 30–32 Responsible Growth: Cocoa For Good pp. 33–44 Environmental Impact: Acting on Climate Change p. 46 <a href="#">Cocoa For Good</a> <a href="#">Environmental Policy</a> <a href="#">Supplier Code of Conduct</a> <a href="#">No Deforestation Policy</a>
	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 Responsible Growth: Responsible Sourcing p. 28 Responsible Growth: Sourcing Our Key Ingredients and Materials pp. 30–32 Responsible Growth: Cocoa For Good pp. 33–44 Environmental Impact: Acting on Climate Change p. 46 <a href="#">Cocoa For Good</a> <a href="#">Environmental Policy</a> <a href="#">Supplier Code of Conduct</a>



GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	All Hershey commercial contracts include language that requires suppliers to adhere to our Supplier Code of Conduct, which outlines our expectations with respect to environmental issues. In 2020, no new suppliers were screened using environmental criteria.
	308-2	Negative environmental impacts in the supply chain and actions taken	In 2020, we launched our Responsible Sourcing Supplier Program, through which we are conducting further due diligence on a prioritized list of 450 suppliers. As of the end of 2020, 75 percent of those prioritized suppliers were enrolled in our program. Assessing environmental impact is part of the program's due diligence.  We monitor and investigate actors in our palm oil supply chain about whom we've received allegations of potential negative environmental impacts. Updates about these actors, descriptions of allegations raised and the status of the monitoring and investigation of these potential or actual environmental impacts can be reviewed in our <a href="#">Palm Oil Grievance Log</a> , updated monthly.  We are monitoring deforestation events in our cocoa and palm oil supply chains. Responsible Growth: Cocoa For Good: Fighting Deforestation p. 43 Responsible Growth: Sourcing Our Key Ingredients and Materials pp. 30–32  In our palm oil supply chain, in 2020, with Airbus and Earthworm Foundation's Starling satellite-based service, we started <a href="#">monitoring the supply chains</a> of our highest-volume direct suppliers, covering about 67 percent of our palm supply chain (based on 2019 volumes).

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Employment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our People pp. 51–58 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 14 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Our People pp. 51–58 The Big Picture: Our Sustainability Strategy p. 7 Governance and Approach pp. 13–17 <a href="#">Code of Conduct</a> We have human resources policies for each region in which we operate, based on variances in local laws and regulations.
	103-3	Evaluation of the management approach	Our People pp. 51–58 Our HR Leadership team is responsible for reviewing all HR-related policies and our management approach annually to ensure they are fit for purpose. <a href="#">Corporate Governance</a>
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	See GRI Appendix 401-1 p. 43
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People: Providing a Caring Employee Experience p. 57 <a href="#">2020 Form 10-K</a> pp. 36, 81 The benefits Hershey provides vary depending on location and are based, in part, on local requirements with which we comply. See 202-2 for our definition of significant locations of operation.
	401-3	Parental leave	See GRI Appendix 401-3 p. 43 We adhere to all relevant laws and regulations for maternity and paternity leave globally. Omission: Entire disclosure outside of the U.S. Reason for Omission: Information unavailable. Explanation of Omission; 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.
<b>Labor/Management Relations</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our People pp. 51–58 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Our People pp. 43–49 <a href="#">Hershey Code of Conduct</a> <a href="#">Human Rights site</a> <a href="#">Concern Line</a> In our unionized environments, specific grievance procedures are documented in each of the respective collective bargaining agreements. In our non-unionized environments, similar dispute resolution mechanisms are in place for employees. Specifically, in the U.S., this includes a formal peer review program where manufacturing employees can appeal certain employment decisions to the plant manager or to a panel of their peers.
	103-3	Evaluation of the management approach	Our Human Resources department and Legal department are responsible for evaluating the management of labor/management relations. <a href="#">Corporate Governance</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	We do provide notification periods for significant changes. The exact length of time varies by the significance of the change. In unionized environments, we would meet and review with the labor representatives ahead of time. Exact times are not specified in collective bargaining agreements.
	GRI-FP3	Percentage of working time lost due to industrial disputes, strikes and/or lockouts, by country	No working time was lost due to industrial disputes, strikes and/or lockouts in 2020.
<b>Occupational Health and Safety</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 Our People: Priority #1: Help Keep People Safe p. 53 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Our People: Priority #1: Help Keep People Safe p. 53 <u>Hershey Code of Conduct</u> pp. 10
	103-3	Evaluation of the management approach	Our People: Priority #1: Help Keep People Safe p. 53 <u>Corporate Governance</u>
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Our People: Priority #1: Help Keep People Safe p. 53
	403-2	Hazard identification, risk assessment and incident investigation	Hershey uses job hazard assessment and analysis tools to conduct risk assessments for employees and workers who are not employees but whose work and/or workplace is controlled by the organization. Our Environment, Health and Safety (EHS) Center of Excellence team is responsible for coordinating and overseeing the process within our manufacturing plants.  Our manufacturing employees participate and help lead the risk assessments. Results of risk assessments and corrective actions may be incorporated into Hershey's Process Operating Guidelines.  Our new EHS information management system (SAP) allows workers to report work-related hazards and hazardous situations. Workers also have access to safety work order forms and safety suggestion forms in all operations. Hazards submitted to the management system or through forms initiate the process for appropriate EHS team members to investigate the hazard, capture information and take corrective actions.  Every employee is empowered to take immediate action for people's safety regardless of role, title or responsibility.  Any incidents that occur are reported on our internal SAP database, which collects and tracks our EHS data from our sites worldwide. Incidents are reported to a supervisor and then the facility safety manager.  Once the employee has received any required treatment, the supervisor and witnesses perform a root-cause analysis so that learnings can be incorporated into our processes and improvements can be implemented into our approach. We continue to review our strategy annually and revise it based on progress and gaps identified through internal audits, surveys and investigations. <u>Hershey Code of Conduct</u>
	403-3	Occupational health services	Our manufacturing sites conduct compliance-mandated screenings and health and wellness screenings for employees. Hershey's corporate occupational health group provides guidance on occupational health screening programs to our manufacturing sites.
	403-4	Worker participation, consultation, and communication on occupational health and safety	The majority of Hershey manufacturing plants have health and safety committees that are made up of employees from across the site.  As part of our continual improvement process, we are developing guidelines for the sites to follow in order to standardize EHS committees and to maximize employee engagement on these committees.
	403-5	Worker training on occupational health and safety	Our People: Priority #1: Help Keep People Safe p. 53

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	Our People: Providing a Caring Employee Experience p. 57 Our People: Priority #1: Help Keep People Safe p. 53
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People: Priority #1: Help Keep People Safe p. 53
	403-8	Workers covered by an occupational health and safety management system	Our People: Priority #1: Help Keep People Safe p. 53
	403-9	Work-related injuries	See GRI Appendix 403-9 p. 44 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 organization. We do not track metrics for contractors; each contractor company is responsible for gathering this information and reporting it according to local requirements. Omission: a. ii, a. iv, b. c, International commercial operations Reason for Omission: Confidentiality constraints. Explanation of Omission: We consider the remaining requests of this indicator to be Company confidential.
	403-10	Work-related ill health	We had zero work-related deaths from ill health in 2020. Omission: a. ii-iii, b. ii-iii, c Reason for Omission: Confidentiality constraints. Explanation of Omission: We consider work-related ill health to be confidential information.
<b>Training and Education</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 Our People: Providing a Caring Employee Experience pp. 57 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	<u>2020 Form 10-K</u> pp. 8-9 Our People: Providing a Caring Employee Experience pp. 57 <u>Hershey Code of Conduct</u>
	103-3	Evaluation of the management approach	Our People: Providing a Caring Employee Experience pp. 57 Our Senior Vice President, Chief Human Resources Officer has strategic oversight over Hershey's human resources policies and talent management. <u>Corporate Governance</u>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Appendix 404-1 p. 44
	404-2	Programs for upgrading employee skills and transition assistance programs	<p>Hershey's Learning and Development Program provides skills and role-based training for all salaried and hourly employees. Office-based employees have access to learning from our Learning Catalog, which covers the following topical areas: leadership, professional development, finance, marketing, research and development, sales, supply chain, employment practices and workplace productivity. Each topical area is managed by a Learning Manager. In addition, role-based onboarding curricula are provided for individuals moving into key roles.</p> <p>Manufacturing-based employees are offered specific training on Lean Manufacturing, Quality, Food Safety, Environmental Health and Safety and role-based Operational Training.</p> <p>Hershey also offers a tuition-refund program to full-time U.S.-based employees in good standing who wish to pursue education that is mutually beneficial to the Company and the employee. Hershey will reimburse up to \$6,500 for allowable tuition expenses within a calendar year, less applicable federal, state and local taxes. There is no limit on the number of courses or credits within the reimbursement amount.</p> <p>Transition assistance provided for those qualified due to Job Elimination &amp; Involuntary (performance) is: severance based on years of service; OHIP or SIP payout prorated for the following year based on the month the employee exited; COBRA benefits including Company subsidy for eligible weeks of severance; six-month career transition for Director and above (Challenger Gray &amp; Christmas, Lee Hecht Harrison); three-month career transition for Senior Manager and below (Lee Hecht Harrison); 401(k); unused prorated regular vacation.</p> <p>Assistance provided to those who qualify due to Voluntary and Involuntary (conduct) is: unused prorated regular vacation; COBRA (unsubsidized); 401(k).</p> <p>Individuals who retire voluntarily do not receive outplacement assistance but will receive applicable retiree benefits, COBRA and 401(k).</p>
	404-3	Percentage of employees receiving regular performance and career development reviews	Salaried employees receive regular performance and career-development reviews.
<b>Diversity and Equal Opportunity</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our People: Diversity, Equity, and Inclusion at Hershey p. 54 The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain pp. 35
	103-2	The management approach and its components	Our People pp. 51-58 Governance and Approach: Governing Sustainability p. 14 Responsible Growth: Human Rights Across Our Value Chain p. 23 2020 Form 10-K pp. 8-9 Our Performance pp. 8-12 <a href="#">Hershey Code of Conduct</a> pp. 8-9 <a href="#">Board of Directors</a> We are an equal opportunity employer, as outlined in our <a href="#">Equal Employment Opportunity (EEO) Policy</a>
	103-3	Evaluation of the management approach	Our People pp. 51-58 Our Performance pp. 8-12 <a href="#">Equal Employment Opportunity (EEO) Policy</a> <a href="#">Board of Directors</a> <a href="#">Corporate Governance</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Governance and Approach: Being a Responsible and Ethical Business p. 14 Our Performance pp. 8-12 Appendix 405-1 p. 45
	405-2	Ratio of basic salary and remuneration of women to men	Our People: Diversity, Equity and Inclusion at Hershey p. 54 Across our U.S. salaried workforce, on an aggregate basis, women earn \$1.00 for every \$1.00 men earn. For purposes of reporting gender pay equity for GRI, we consider the U.S. to be our only significant location of operations.
<b>Non-Discrimination</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 Our People pp. 51-58 GRI Report: Material Issues Across Our Value Chain p. 35 <u>Equal Employment Opportunity (EEO) Policy</u>
	103-2	The management approach and its components	<u>Hershey Code of Conduct</u> We expect all managers to maintain a safe, respectful and inclusive climate in accordance with our Company values and behaviors. Managers are expected to promptly report any concerns or allegations of discrimination or harassment. Failure to do so may result in disciplinary action. Accordingly, all officers, Directors and employees are required to take our Discrimination and Harassment and Code of Conduct Policy training every other year. In years when the Code of Conduct training is not provided, every employee, officer and Director of our Company is required to certify that they have read the Code of Conduct and that they understand and agree to abide by its requirements. Both trainings provide in-depth information around education and awareness of, and responsiveness to, discriminatory situations. In addition, we have an Inappropriate Conduct in the Workplace Policy and other similar policies that govern behavior in the workplace, to which all employees have access. In 2020, employees took preventing workplace harassment training and new and enhanced anti-harassment and discrimination training will be launched in 2021 to all employees.
	103-3	Evaluation of the management approach	<u>Hershey Code of Conduct</u> <u>Equal Employment Opportunity (EEO) Policy</u> <u>Corporate Governance</u> We expect all employees who feel they may have experienced or witnessed discrimination to immediately report the incident(s) to their manager, another manager, HR or the Concern Line. Vendors or contractors can use the same methods for reporting. We monitor all employee issues through our compliance-reporting measures and documentation. This monitoring helps us determine any additional training or resources that may be needed.
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	During 2020, in the U.S., Hershey did not have judicial or administrative determinations that it had committed any incidents of discrimination. At our operations in countries outside of the U.S., discrimination is treated differently under legal and cultural norms. These differences create challenges in collecting specific information to constitute a response to this disclosure. Having said that, we have no record of any judicial or administrative findings of incidents of discrimination at any of our locations.



GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Freedom of Association and Collective Bargaining</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Our People pp. 51–58 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Our People: Supporting Balance & Wellbeing, Engaging with Unions p. 58 <a href="#">2020 Form 10-K</a> p. 8 Our Performance pp. 8–12
	103-3	Evaluation of the management approach	Our Human Resources department and Legal department are responsible for the evaluation of the management of freedom of association and collective bargaining. <a href="#">Corporate Governance</a>
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Hershey recognizes and respects our employees' right to freedom of association and to collective bargaining within federal and local laws and regulations. Hershey did not have operations in FY2020 in which the right to exercise freedom of association and collective bargaining were at risk. We do maintain a Supplier Code of Conduct that sets forth our expectations of suppliers and contractors in regard to key business practices, including the right of employees to freely associate. To our knowledge, Hershey did not have any suppliers in FY2020 under whom the right to exercise freedom of association and collective bargaining were at risk. <a href="#">Supplier Code of Conduct</a>
<b>Child Labor</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Responsible Growth: Responsible Sourcing p. 28 Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p. 36 The Big Picture pp. 4–7 Governance and Approach: Material Issues p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Cocoa For Good</a> <a href="#">Human Rights site</a> <a href="#">Child Labor Monitoring and Remediation System</a>
	103-2	The management approach and its components	Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p.36 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">UNGPRF Report</a> <a href="#">Child Labor Monitoring and Remediation System</a> <a href="#">Human Rights site</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Cocoa For Good</a>
	103-3	Evaluation of the management approach	Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p. 36 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">UNGPRF Report</a> <a href="#">Child Labor Monitoring and Remediation System</a> <a href="#">Human Rights site</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Cocoa For Good</a> <a href="#">Corporate Governance</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6 Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p.36 <a href="#">Child Labor Monitoring and Remediation System</a> <a href="#">Human Rights site</a> <a href="#">Cocoa For Good</a>
<b>Forced or Compulsory Labor</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	Responsible Growth: Human Rights Across Our Value Chain p. 23 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Responsible Recruitment Policy</a> <a href="#">Statement Against Slavery and Human Trafficking</a> <a href="#">Embedding Responsible Recruitment &amp; Employment</a> <a href="#">Human Rights site</a>
	103-2	The management approach and its components	Responsible Growth: Human Rights Across Our Value Chain p. 23 The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">UNGPRF Report</a> <a href="#">Responsible Recruitment Policy</a> <a href="#">Statement Against Slavery and Human Trafficking</a> <a href="#">Embedding Responsible Recruitment &amp; Employment</a> <a href="#">Human Rights site</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Cocoa For Good</a> <a href="#">Hershey’s Commitment to Responsibly Sourced Palm Oil Concern Line</a> <a href="#">Child Labor Monitoring and Remediation System</a> <a href="#">Palm Oil Grievance Mechanism</a> <a href="#">Responsible Sourcing Supplier Guidebook</a>
	103-3	Evaluation of the management approach	Responsible Growth pp. 18–44 <a href="#">Human Rights site</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Statement Against Slavery and Human Trafficking</a> <a href="#">Cocoa For Good</a> <a href="#">Hershey’s Commitment to Responsibly Sourced Palm Oil</a>
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Stepping Up in 2020—Our Response to a Unique Year p. 6 Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Responsible Sourcing p. 28 <a href="#">Child Labor Monitoring and Remediation System</a> <a href="#">Human Rights site</a> <a href="#">Cocoa For Good</a> <a href="#">Hershey’s Commitment to Responsibly Sourced Palm Oil</a> <a href="#">Statement Against Slavery and Human Trafficking</a> <a href="#">Responsible Recruitment &amp; Employment Policy &amp; Program</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Rights of Indigenous Peoples</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Responsible Growth: Human Rights Across Our Value Chain p. 23 The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Human Rights site</a>
	103-2	The management approach and its components	Responsible Growth: Human Rights Across Our Value Chain p. 23 The Big Picture pp. 4-7 <a href="#">Human Rights site</a>
	103-3	Evaluation of the management approach	Responsible Growth: Human Rights Across Our Value Chain p. 23 <a href="#">Human Rights site</a> <a href="#">Corporate Governance</a>
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	The Hershey Company did not identify any incidents of violations involving rights of indigenous peoples in FY2020.
<b>Human Rights Assessment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4-7 Governance and Approach: Materiality p. 15 Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Responsible Sourcing p. 28 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Human Rights site</a> <a href="#">Responsible Sourcing Supplier Program</a> <a href="#">Human Rights Due Diligence</a> <a href="#">UNGPRF Report</a>
	103-2	The management approach and its components	Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Responsible Sourcing p. 28 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Human Rights site</a> <a href="#">Hershey Code of Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Corporate Governance</a> <a href="#">Responsible Sourcing Supplier Program</a> <a href="#">Human Rights Due Diligence</a> <a href="#">Compliance Complaints</a> <a href="#">Concern Line</a>  Our first Human Rights Saliency Assessment was in 2018 and was conducted in line with the UN Guiding Principles Reporting Framework (UNGPRF) with the assistance of an independent third party. It included the desk-based research and review of relevant internal policies and procedures across all of the manufacturing operations of Hershey in the U.S., Canada, Mexico, Brazil, India, China and Malaysia. <a href="#">UNGPRF Report</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Responsible Sourcing p. 28 <a href="#">Human Rights site</a> <a href="#">Responsible Sourcing Supplier Program</a> <a href="#">Human Rights Due Diligence</a> <a href="#">Corporate Governance</a> <a href="#">Joining Forces to Protect Human Rights</a>
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Responsible Sourcing p. 28 <a href="#">Human Rights site</a>
	412-2	Employee training on human rights policies or procedures	Responsible Growth: Human Rights Across Our Value Chain p. 23 <a href="#">Code of Conduct: Upholding Human Rights</a> p. 11 <a href="#">Human Rights site</a>
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All Hershey commercial contracts include language that requires suppliers to adhere to our Supplier Code of Conduct, which outlines our expectations with respect to our salient human rights issues. In addition, our Responsible Sourcing Supplier Program requires enrolled suppliers' formal review and acknowledgment of and alignment with the code.  We also updated our Master Licensing Agreements and Chocolate World Agreements to explicitly prohibit forced labor and include a declaration and certification that cotton goods are not made with forced labor. <a href="#">Supplier Code of Conduct</a> <a href="#">Human Rights site</a> <a href="#">Corporate Governance</a>
<b>Local Communities</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Children and Youth pp. 59–63 Responsible Growth: Responsible Sourcing p. 28 Communities pp. 64–69 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Governance and Approach: Being a Responsible and Ethical Business p. 14 Children and Youth pp. 59–63 Responsible Growth pp. 18–44 Communities pp. 64–69
	103-3	Evaluation of the management approach	Governance and Approach: Being a Responsible and Ethical Business p. 14 Children and Youth pp. 59–63 Responsible Growth p. 28 Communities pp. 64–69 <a href="#">Corporate Governance</a>

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	All Hershey operations have implemented local community engagement and development programs based on local communities' needs. In 2020, we continued to work closely within each of our local communities to identify key focus areas for our philanthropy and key volunteering opportunities for employees. Examples of local community engagement and development programs across Hershey operations and in our supply chain communities can be seen throughout our Sustainability Report.
	413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">SDG Report</a> Hershey does not have any operations that have had an actual negative impact on local communities. We aim to mitigate any potential negative impacts from our operations on local communities. For example, our manufacturing plants in El Salto and Monterrey (Mexico), Brazil and India have been rated by the World Resources Institute's Aqueduct tool to have high risk for future water stress. More details of how we have managed these risks can be found at Environmental Impact: Protecting Water Supplies p. 49
<b>Supplier Social Assessment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Responsible Growth: Sourcing Our Key Ingredients and Materials p. 30 Responsible Growth: Human Rights Across Our Value Chain p. 23 Responsible Growth: Cocoa For Good pp. 33–44 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Responsible Growth p. 28 Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Responsible Sourcing</a> <a href="#">Responsible Sourcing Supplier Program</a> <a href="#">Human Rights Due Diligence</a> <a href="#">Supplier Code of Conduct</a>
	103-3	Evaluation of the management approach	Responsible Growth pp. 18–44 <a href="#">Corporate Governance</a> <a href="#">Responsible Sourcing</a> <a href="#">Responsible Sourcing Supplier Program</a> <a href="#">Human Rights Due Diligence</a> <a href="#">Supplier Code of Conduct</a>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	All Hershey commercial contracts include language that requires suppliers to adhere to our Supplier Code of Conduct, which outlines our expectations with respect to our salient human rights issues. In 2020, no new suppliers were screened using social criteria.
	414-2	Negative social impacts in the supply chain and actions taken	Responsible Growth: Responsible Sourcing p. 28 SASB FB-PF-430a.2 We monitor and investigate actors in our palm oil supply chain about whom we've received allegations of potential negative social impacts. Updates about these actors, descriptions of allegations raised and the status of the monitoring and investigation of these potential or actual social impacts can be reviewed on our <a href="#">Palm Oil Grievance Log</a> , updated monthly. More details available on page 31 of the Sustainability Report.

GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Public Policy</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Governance and Approach pp. 13–17 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Political Action Committee Annual Report 2020</a>
	103-2	The management approach and its components	Governance and Approach: Secure. Transparent. Resilient. p. 16 <a href="#">Political Action Committee Annual Report 2020</a> <a href="#">Advocacy Expenditure Reports</a> <a href="#">Lobbying Disclosure Act Database</a>
	103-3	Evaluation of the management approach	Governance and Approach: Secure. Transparent. Resilient. p. 16 <a href="#">Corporate Governance</a>
GRI 415: Public Policy 2016	415-1	Political contributions	<a href="#">Political Action Committee Annual Report 2020</a> <a href="#">Advocacy Expenditure Reports</a>
<b>Customer Health and Safety</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Responsible Growth: No Compromise on Food Safety p. 21 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Responsible Growth: No Compromise on Food Safety p. 21 2020 Form 10-K <a href="#">Hershey Code of Conduct</a> <a href="#">Packaging Supplier Quality Expectations Manual</a> <a href="#">Supplier Quality Expectations Manual</a> <a href="#">Supplier Code of Conduct</a>
	103-3	Evaluation of the management approach	Responsible Growth: No Compromise on Food Safety p. 21 <a href="#">Corporate Governance</a>
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	To assure the safety of our products and the health of our consumers at The Hershey Company we take a science-based approach to the design, procurement, manufacturing and distribution of our products across the supply chain. One hundred percent of our products are designed and produced under a “hazard analysis and risk-based preventive controls” (HARPC) approach. The HARPC food safety and quality systems at our suppliers and manufacturing sites are verified through auditing and Global Food Safety Initiative (GFSI) certification assessments. One hundred percent of our Hershey manufacturing sites are GFSI certified. Compliance to GFSI standards assures that we are keeping pace with the latest health and safety improvements and standards for our production processes.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	On a global basis, Hershey conducted no recalls of its products during 2020.








GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
GRI 416: Customer Health and Safety 2016	GRI-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	Our Performance pp. 8–12 One hundred percent of Hershey's wholly owned facilities are GFSI certified. Globally, just over 89 percent of our suppliers (by count) were GFSI certified. Those not certified represented a very small portion of our ingredient spend, as they were either contingency suppliers required to back up our traditional suppliers or they provided low-volume specialty ingredients. Globally, 99.1 percent of our ingredients were procured from GFSI-certified Tier 1 suppliers (by spend).
	GRI-FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars.	See SASB FB-PF-260a.1
	GRI-FP7	Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives.	See SASB FB-PF-260a.1
<b>Marketing and Labelling</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Responsible Growth: No Compromise on Food Safety p. 21 Responsible Growth: Marketing Responsibly p. 17 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Responsible Growth: No Compromise on Food Safety p. 21 Responsible Growth: Marketing Responsibly p. 22 <a href="#">SmartLabel™</a> <a href="#">Sharing What's Inside</a> Children's Food and Beverage Advertising Initiative: <a href="#">The Hershey Company Pledge</a>
	103-3	Evaluation of the management approach	Our Consumer Relations department reviews and answers all consumer-related questions and concerns about the ingredients and labeling on our snacks. It also proactively reviews social media posts and engages with individual consumers to ensure our transparency, labeling and marketing practices align with their expectations. <a href="#">Corporate Governance</a>
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Responsible Growth: No Compromise on Food Safety p. 21 Other: The U.S. Regulatory Compliance team led work throughout 2020, and will continue in 2021, to implement USDA Bioengineered Food Disclosure Standard labeling requirements. The standard requires that our products containing bioengineered ingredients carry a disclosure by January 1, 2022, and gives the option to disclose ingredients sourced from bioengineered crops. The Hershey Company will use SmartLabel™ to make these disclosures for most of our products and will make on-pack disclosures for products that do not carry a SmartLabel™ quick response code.
	417-2	Incidents of non-compliance concerning product and service information and labelling	There have been no material non-compliances with labeling laws or regulations.
	417-3	Incidents of non-compliance concerning marketing communications	One incident in 2020 (a local government agency in China assessed a small, immaterial penalty for an alleged violation of the country's advertising law involving how Hershey executed certain on-package product claims).






GRI Standard	Reference	GRI Disclosure	2020 Hershey Response
<b>Customer Privacy</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 Governance and Approach: Secure. Transparent. Resilient. p. 16 GRI Report: Material Issues Across Our Value Chain p. 35
	103-2	The management approach and its components	Governance and Approach: Secure. Transparent. Resilient. p. 17 <a href="#">Hershey Code of Conduct</a> <a href="#">Hershey Website Privacy Policy</a>
	103-3	Evaluation of the management approach	<a href="#">Hershey Website Privacy Policy</a> <a href="#">Corporate Governance</a>
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Hershey has not received any substantiated complaints concerning breaches of customer privacy.
<b>Socioeconomic Compliance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Hershey Code of Conduct</a>
	103-2	The management approach and its components	Governance and Approach: Being a Responsible and Ethical Business p. 14 <a href="#">Hershey Code of Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Compliance Complaints</a> <a href="#">Human Rights site</a>
	103-3	Evaluation of the management approach	<a href="#">Corporate Governance</a>
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	We had no material fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.
<b>Animal Welfare</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 4–7 Governance and Approach: Materiality p. 15 GRI Report: Material Issues Across Our Value Chain p. 35 <a href="#">Farm Animal Welfare Position</a>
	103-2	The management approach and its components	<a href="#">Farm Animal Welfare Position</a>
	103-3	Evaluation of the management approach	<a href="#">Farm Animal Welfare Position</a> <a href="#">Corporate Governance</a>
Animal Welfare	GRI-FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	<a href="#">Farm Animal Welfare Position</a>

# Material Issues Across Our Value Chain

The following table outlines the top 11 material issues from our 2020 materiality assessment and where their impacts lie across our value chain. The definitions below are the definitions that were utilized as part of the consultation process with our stakeholders during the materiality assessment undertaken in summer 2020.

**Key**  
 High Impact ▲▲▲▲      Medium Impact ▲▲▲      Low Impact ▲

Material Issues	Definition	Farmers 	Tier 1 Suppliers 	Hershey 	Customers 	Consumers 
<b>Environmental</b>						
Climate Change	Greenhouse gas (GHG) reduction and mitigation, carbon regulation, climate adaptation planning, carbon offsets, sustainable operations and transportation emissions including refrigerants, agricultural emissions, indirect emissions and climate change impacts on supply chain, especially related to agriculture. Using the Hershey brand to advocate for climate-positive policies.	▲▲▲▲	▲▲	▲▲	▲	▲
Deforestation	Tree loss, reduction in forest areas and degradation of forest ecosystems through illegal clearing and cutting, and conversion to agriculture.	▲▲▲	▲▲	▲▲	▲	▲
Packaging and plastics	Circular economy initiatives to reduce materials consumption related to packaging, including designing out waste, material reuse, recycling and end-of-life initiatives. Safety and quality of packaging, utilizing more sustainable packaging and alternatives to plastic.	▲	▲	▲▲▲	▲	▲▲
<b>Social</b>						
Child Labor	Eliminating child labor across the value chain, including work that deprives children of their childhood, is mentally, physically, socially or morally dangerous and interferes with their schooling.	▲▲▲	▲	▲	▲	▲
Food safety	Food quality and safety policies and procedures, including prevention of intentional adulteration, food safety standards and regulations, recalls, quality certifications such as GFSI, food traceability, Product Excellence Program. Evolving food safety practices with emerging food risks.	▲	▲▲	▲▲▲	▲	▲
Forced labor	Auditing and elimination of forced or compulsory labor in supply chain. Human trafficking, coercion, exploitive labor contract systems and debt-bondage labor. Auditing and elimination of unethical recruitment practices in the supply chain. Promoting ethical recruitment practices and protecting at-risk workers, particularly with cross-border migrant recruitment.	▲▲▲	▲▲▲	▲▲	▲	▲

Material Issues	Definition	Farmers 	Tier 1 Suppliers 	Hershey 	Customers 	Consumers 
Human Rights	Respect for and protection of salient human rights across the value chain, including those in relation to indigenous rights. Child labor, forced labor and human trafficking, women’s rights and empowerment, migration, indigenous rights, living wage and income, water, sanitation and hygiene as a human right, land rights/acquisition, impact of climate change on human rights, deforestation, labor relations, conditions and standards, safety and health, access to grievance mechanisms.	▲▲▲	▲▲▲	▲▲▲	▲	▲
<b>Governance and ethics</b>						
Ethical Business	Anti-corruption, anti-bribery, antitrust, ethical conduct and ethics training, Code of Conduct and whistleblower protection, and general compliance with all relevant laws, policies, regulations and emerging regulations, including environmental compliance. Corporate governance, Board composition, independence of Board committees and leadership, anti-takeover measures, Board and executive compensation (including CSR performance as part of individual compensation for executives). Transparency, accountability and integrity as core values for corporate reporting and all business activities and interactions. Transparency and traceability in entire supply chain. Responsible and transparent tax practices. Stakeholder engagement.	▲▲	▲▲	▲▲▲	▲	▲
<b>Economic</b>						
Business operations and supply chain resilience	Preparation for and management of risk and uncertainty. Preparedness for global risks and events through crisis management plans that provide an immediate, appropriate response, including diversification, readiness for disruption through innovation, planning for carbon transition and preparedness for increasing regulation for sustainability. Long-term work and investment to build a resilient supply chain, especially in light of COVID-19 supply-and-demand pressures. Own employee and supply chain diversity to build resilience and optimize business outcomes.	▲	▲▲	▲▲▲	▲	▲
<b>Supply chain and Sourcing</b>						
Farmer livelihoods	Supporting farmer livelihoods through training on good business and agricultural practices, including smart farming and soil health to improve yields, working with farming communities to support young farmers, entrepreneurship, supporting a living wage through assets strengthening and resilience, ensuring food security for farmers in Hershey’s value chain. Protecting land rights, title and tenure.	▲▲▲	▲▲	▲▲	▲	▲
Responsible Sourcing	Management of and adherence to Supplier Code of Conduct, supply chain transparency and disclosure, supplier audits, sustainable supply chain policies, supplier diversity, supplier due diligence, practices to ensure supply chain continuity. Sourcing of virgin materials, including pulp, paper, palm oil and sustainable cocoa in a way that supports responsible agricultural practices and sourcing from reputable certification schemes such as Fair Trade and UTZ.	▲▲	▲▲▲	▲▲▲	▲	▲▲

## Hershey's important issues

The following table outlines other important issues as determined by our 2020 materiality assessment.

Material Issues	Definition
<b>Environmental</b>	
Air pollution	Air emissions, air quality measurement, NO <sub>x</sub> , SO <sub>x</sub> and particulate matter, toxics, mercury, ammonia pollution, nitrogen compounds. Correlation with compromised defenses against COVID-19.
Ecosystems and biodiversity	Protection of ecosystems, for example, protecting forests and areas of high conservation value; protection of species habitat, such as palm oil and orangutan habitats; sustainable agriculture, such as soil health and responsible use of fertilizer, chemicals and pesticides; biodiversity; deforestation; and land and forestry management.
Energy	Energy sourcing and conservation, energy costs and energy-efficiency measures, including proactive.
Waste	Waste management, zero waste to landfill, waste minimization (hazardous and non-hazardous), efforts to increase recycling rates at production and office facilities, proper care and disposal of hazardous waste. Food waste and loss.
Water	Water sourcing, use, conservation and recycling, in both direct operations and supply chain, including water pollution and treatment, water risk assessments, discharge and minimization of effluents and wastewater. Water use and conservation in the supply chain, particularly in areas of high water risk.
<b>Social</b>	
Diversity, equity and inclusion	Employee, management and Board diversity and inclusion. Supplier diversity and inclusion, including gender, race, age and ethnicity, equal pay, culture of openness and inclusivity, diversity inclusion programs, non-discrimination policy and hiring of veterans. Increasing diversity for optimized resilience and business performance.
Employee attraction, retention and development	Development of people's skills, learning, talents and attributes as critical drivers of the global knowledge economy and wider economic growth.
Ingredients and product transparency Labor relations	The impact that Hershey's products have on consumer nutrition, including health and wellness impacts, such as obesity and diabetes. Includes portion control, ingredients and ingredient transparency (particularly regarding artificial flavorings, sugar, salt, fat reductions, preservatives, additives) and alternative proteins. Policies and practices for communicating ingredients and nutritional information to consumers, front-of-pack.
Labor relations	Within Hershey and the supply chain, including consultative practices, engagement with labor unions, grievance mechanisms, notice periods and the communication of significant operational changes.
Nutrition and health	Targeting improved health and wellbeing outcomes through product innovation and portfolio enhancements.
Racial and social injustice	Inequality or mistreatment resulting from discrimination, and the associated impacts on access to social, economic, health or environmental opportunities.
Responsible marketing and labeling	Advertising and marketing campaigns appropriate for targeted age group and audience, including mindfulness of cultural norms, diversity and inclusion, equity and respect, advertising standards and advertising to children, age-appropriate marketing messages, consumer messaging that adheres to internal and industry guidelines, compliance with all marketing standards and regulations in local markets. Consumer concerns over the difference between the capacity of packaging and the volume of product it contains (slack-fill).
Supporting communities	Community relations and engagement in Hershey's direct operations, including outreach, strategic community investments (both financial and non-financial, such as the Milton Hershey School), social innovation, job creation, commerce, local investments and other indirect economic impacts in manufacturing locations. Disaster response and Hershey's role in helping communities in need when disaster strikes.
Women's empowerment	Empowering and supporting women to achieve their full potential throughout the value chain, including gender equality, poverty eradication and inclusive economic growth for female farmers.
Workplace health and safety	Occupational health and safety performance and policies, including safety standards (ISO 22000, OSHA), health and safety training, compliance with health and safety and OSHA regulations, safety of drivers and others in transportation roles.

Material Issues	Definition
<b>Governance and ethics</b>	
Data protection and privacy	Compliance with data protection and privacy laws, cybersecurity, protection of consumer, business partner and employee data. Responsible use of technology in compliance with data security, customer privacy and other digital standards.
Emerging regulation for sustainability	Driving sustainable business practices to stay ahead of emerging regulation and legislation for sustainability practices and reporting. Preparedness and resilience to economic risk implied by emerging regulation.
Transparent policy and lobbying	Transparency of political contributions and lobbying efforts, including participation through industry organizations and engagement with policymakers.
<b>Economic</b>	
Consumer expectations on sustainability	Engaging and educating consumers on impact, areas of focus, and initiatives and programs related to sustainability.
Future of Retail	Online shopping, evolving e-commerce and digital, automated food delivery, food delivery applications and services, QR codes. Shifting consumer shopping behavior in light of COVID-19.
<b>Supply chain and sourcing</b>	
Animal Welfare	Treatment and origin of livestock and livestock products, including feeding practices, cage-free eggs, use of antibiotics and growth/artificial hormones. Animal welfare impacts in the supply chain.
Sustainable agriculture/regenerative farming	Farming that is environmentally sound, resilient, socially responsible and profitable for farmers, which strives for the best long-term outcomes for ecosystems, climate stability, human rights and livelihoods.



# Appendix

GRI 102-8

## Hershey employees by employment contract

Total number of Hershey employees by employment contract (permanent and temporary), by gender.	2020 Data		
	Total	Female	Male
Total	16,877	8,125	8,752
Permanent	15,437	7,103	8,334
Temporary	1,440	1,022	418

Total number of employees by employment contract (permanent and temporary), by region.	2020 Data	
	Permanent	Temporary
<b>Globally</b>	15,437	1,440
<b>United States</b>	8,970	468
<b>Non-US</b>	6,467	972
Asia	1,414	7
Africa	-	-
North America	861	3
Europe	8	-
Latin America	4,184	962

Total number of employees by employment type (full-time and part-time), by gender	2020 Data		
	Total	Female	Male
Total	16,877	8,125	8,752
Full-time	15,198	7,172	8,026
Part-Time	1,679	953	726

GRI 102-13

**Member Organizations**

Leadership & Sustainability	Commerce	Food and Manufacturing Industry Groups	Ethical Sourcing & Sustainable Agriculture	Employee Inclusion & Engagement	Knowledge & Innovation
Ceres	American Association of Importers and Exporters	ABIAD – Brazilian Association of Food Industries	AIM-PROGRESS	Business Group on Health	Carnegie Mellon University
Chief Executives for Corporate Purpose	ASHOCO	ABICAB – Brazilian Chocolate, Peanut and Candies Manufacturers Association	Bonsucro	CAHRS	Institute for the Future
Gold Standard Value Change Platform	Association of National Advertisers	ALAIAB	Dairy Sustainability Framework	DiversityInc	Knowledge Leaders Council
Science Based Targets Network Corporate Engagement Program	Business Council for International Understanding	American Dairy Products Institute	Earthworm Foundation	HR Policy Association	Pennovation
Sustainable Brands	Canadian Association of Importers and Exporters	Center for Food Integrity	Fair Trade USA	Human Rights Campaign	
World Resources Institute (WRI) Corporate Consultative Group	ConMéxico	China National Food Industry Association	Innovation Center for US Dairy's Sustainability Alliance	National Organization on Disability	
	Council for Better Business Bureau	CIFTI-FICCI India	International Cocoa Initiative	Network of Executive Women	
	National Association of Convenience Stores	Cocoa Merchants' Association of America	North American Sustainable Palm Oil Network (NASPON)	Paradigm for Parity	
	National Confectioners Association	Food & Consumer Products of Canada	Rainforest Alliance	People + Work Connect Platform (Accenture)	
	Pennsylvania Chamber of Business and Industry	Food and Drink Federation – FDF UK	Responsible Labor Initiative	Thurgood Marshall College Fund	
	World Federation of Advertisers (WFA)	Food Information Asia (FIA)	Roundtable on Sustainable Palm Oil (RSPO)		
		ICE Intercontinental Exchange Domestic Sugar Committee	Sedex Information Exchange		
		ILSI Middle East and North America	Society of Product Licensors Committed to Excellence (SPLICE)		
		International Chewing Gum Association (ICGA)	Sustainable Agriculture Initiative Platform (SAI)		
		International Food Information Council	Sustainable Dairy Partnership (SAI Platform initiative)		
		National Association of Manufacturers	UTZ		
		Sweetener Users Association	World Cocoa Foundation		
		University of Nebraska Allergy Center			

GRI 302-1

**Direct energy consumption**

Fuels	Gigajoules in 2020
Biogas	113,900.30
Coal	30,811.39
Distillate fuel oil no. 2	6,579.37
Electricity consumed	1,947,602.25
Fuel oil no. 6	605.44
Jet fuel	77,719.74
Motor gasoline	3,009.26
Natural gas	2,305,162.35
Propane	2,107.89
<b>Total</b>	<b>4,487,497.98</b>

GRI 304-4

**Operations near IUCN Red List Species Habitats**

IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk in 2020:	Critically endangered	Endangered	Vulnerable	Near Threatened	Least Concern
Pennsylvania		1	1		
Tennessee					1
Virginia				1	10
Illinois		1			
Quebec			2		1
Monterrey, MX					1
Jalisco, MX		1	1		
Mandideep, IND					
Malaysia	1			2	2
São Roque, Brazil			1	1	3
<b>Totals</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>18</b>

GRI 305-1-3

**Greenhouse Gas Footprint**

Emissions	2020 Data
<b>Total Footprint</b>	6,053,242.31
Scope 1	147,224.02
Scope 2 – Market Based	143,615.87
Scope 2 – Location Based	211,511.98
Biogas Carbon Dioxide Emissions	4,072.25
Scope 3 Gross	5,762,402.43
Category 1 – Purchased Goods and Services	4,834,068.01
Category 2 – Capital Goods	N/A
Category 3 – Fuel and Energy Related Activities	29,266.36
Category 4 – Upstream Transportation and Distribution	428,845.52
Category 5 – Waste Generated in Operations	7,101.68
Category 6 – Business Travel	10,799.73
Category 7 – Employee Commuting	40,489.39
Category 8 – Upstream Leased Assets	7,515.51
Category 9 – Downstream Transportation and Distribution	321,933.86
Category 10 – Processing of Sold Products	N/A
Category 11 – Use of Sold Products	N/A
Category 12 – End-of-Life Treatment of Sold Products	82,382.37
Category 13 – Downstream Leased Assets	N/A
Category 14 – Franchises	N/A
Category 15 – Investments	N/A

GRI 401-1

**New employee hires and employee turnover**

	2020 Data													
	Age group						Gender		Region					
	<18	18-24	25-34	35-44	45-54	55+	Male	Female	Asia	Africa	N. America	Europe	LAC	Oceania
a. Total number and rate of new employee hires during the January 1, 2020–December 31, 2020 period	52	2,031	1,764	861	451	267	2,402	3,024	151	–	2,246	5	3,024	–
	65.60%	112.00%	43.50%	24.20%	13.20%	7.50%	27.70%	37.90%	10.70%	0.00%	21.70%	27.50%	61.90%	0.00%
b. Total number and rate of employee turnover during the January 1, 2020–December 31, 2020 period	60	1,519	1,370	711	367	482	1,937	2,572	387	–	1,669	1	2,452	–
	75.71%	83.74%	32.31%	19.96%	10.70%	13.55%	22.30%	32.20%	27.54%	0.00%	16.11%	5.50%	50.18%	0.00%

GRI 401-3

**Parental leave**

	2020 Data		
	Total	Female	Male
Entitled to parental leave	83	29	54
Took intermittent	0	0	0
Took continuous	57	24	33
# of employees who did not elect	26	5	21
Returned to work after parental leave	83	29	54
Return to work rate	100%	100%	100%

GRI 403-9

**Occupational health and safety**

	2020 Data	2020 Target	% Change vs. Target	Prior Year End	% Change vs. Prior Year End
Fatalities	0	0.00	0.00	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)					
TRIR rate	1.45	1.43	1%	1.36	7%
OR number of cases	218			209.00	
Hours worked	30,527,674			30,840,683.00	
DART rate	1.09	1.09	0%	1.02	7%
DART number of cases	167			157.00	
LWDC rate	0.54	0.55	-2%	0.51	5%
LWDC number of cases	84			79.00	

**Notes**

1. The Hershey Company completed 2020 with a slight increase from 2019 in all key year-over-year global metrics. COVID-19-related OSHA reportable incidents attributed 3 percent toward the increase in the global TRIR.
2. The U.S. Commercial group started off the year on a good note and was on par to achieve its target goals. However, headwinds related to overtime and COVID-19-related issues in the second half of the year caused a significant increase in incidents. Commercial had a slight improvement versus the prior year but missed its target in all key metrics.
3. International Manufacturing also saw a slight spike in recordable incidents from the previous year, however still achieved its target goals and maintained a best-in-class status in all key metric areas.
4. North America Manufacturing had a ~10 percent increase in TRIR and DART versus the previous year but managed to meet its LWD target. Due to the COVID-19 pandemic, our North American manufacturing colleagues faced unprecedented challenges of increased production activity and forced overtime, significantly increasing their wellbeing stress levels and safety and health vulnerability.
5. Auxiliary locations showed improvement in all key metrics versus the previous year and met its targets in all key metrics. COVID-19's impact on auxiliary locations was also significant as production ramped up for mask making in Building 47, HCW faced regulatory requirements on their business and TC required additional levels of procedures due to their operation schedule.
6. Safety targets for 2021 are focused on leading indicators, though these key metrics will be tracked and followed. Applying the proactive metrics of near misses will steer our sites toward achieving world-class rates.

GRI 404-1

**Average hours of training per year per employee**

Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	2020 Data		
	Total	Female	Male
Total	8.2	6.2	10.0
Full time	8.6	6.5	10.5
Part time	3.7	3.8	3.5

**Note**

This captures the 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.



GRI 405-1b

**Diversity of employees**

Percentage of employees per employee category in each of the following diversity categories:		2020 Data																	
		Grand Total	Gender		Management						Executive						Senior Leader		
			Female	Male	Management			Non-Management			Executive			Non-Executive			Female	Male	Sub-Total
					Female	Male	Sub-Total	Female	Male	Sub-Total	Female	Male	Sub-Total	Female	Male	Sub-Total			
Total		48.08%	51.92%	37.42%	62.58%	11.70%	49.50%	50.50%	88.30%	27.27%	72.73%	0.07%	48.10%	51.90%	99.93%	33.44%	66.56%	1.80%	
POC/ Non- POC*	POC	21.38%	21.18%	21.52%	13.63%	13.85%	13.77%	22.27%	22.78%	22.56%	0.00%	28.57%	20.00%	21.20%	21.51%	21.38%	21.69%	9.26%	13.47%
	Non-POC	78.62%	78.82%	78.48%	86.37%	86.15%	86.23%	77.73%	77.22%	77.44%	100.00%	71.43%	80.00%	78.80%	78.49%	78.62%	78.31%	90.74%	86.53%
Ethnicity	American Indian/ Alaskan Native, not Hispanic or Latino															0.00%	0.00%	0.00%	
	Asian, not Hispanic or Latino															10.84%	3.70%	6.12%	
	Black or African American, not Hispanic or Latino															4.82%	3.09%	3.67%	
	Hispanic or Latino															4.82%	2.47%	3.27%	
	Native Hawaiian or Other Pacific Islander, not Hispanic or Latino															0.00%	0.00%	0.00%	
	Two or More Races, not Hispanic or Latino															1.20%	0.00%	0.41%	
	White, not Hispanic or Latino															78.31%	90.74%	86.53%	
Age**	Under 30 years old	24.23%	26.40%	22.22%	11.55%	4.85%	7.36%	27.89%	25.07%	26.47%	0.00%	0.00%	0.00%	26.41%	22.24%	24.25%	0.00%	0.00%	0.00%
	30-50 years old	44.77%	43.79%	45.67%	67.78%	65.21%	66.13%	41.40%	42.47%	41.94%	33.33%	50.00%	45.45%	43.80%	45.67%	44.77%	66.00%	52.76%	57.19%
	Over 50-year-old	31.00%	29.81%	32.10%	20.77%	29.93%	26.51%	30.71%	32.46%	31.59%	66.67%	50.00%	54.55%	29.79%	32.09%	30.98%	34.00%	47.24%	42.81%

**Notes**

Management: People Leader or 2B+

Executive: Executive Committee

Senior Leader: 3B+

\*U.S. only

\*\*Globally