



# Sustainable Dairy PA

*A Farmer-Owned Co-op*

**LAND O LAKES®**

**ALL TOGETHER BETTER™**

**HERSHEY**  
THE HERSHEY COMPANY

 **ALLIANCE**  
for the Chesapeake Bay

## Introduction

- Hershey, Land O'Lakes, and the Alliance for the Chesapeake Bay have partnered to implement on-farm best management practices to reduce greenhouse gas emissions and help improve water quality in the Chesapeake Bay watershed.
- Initial funding comes from Hershey's \$300,000 commitment to support the installation of agricultural conservation practices on LOL member dairy farms. The Alliance has utilized Hershey's funds to leverage additional grant funding to implement conservation plans and innovative on-farm environmental practices.
- Solutions range from riparian buffer plantings that reduce stream bank erosion and improve habitat to animal waste storage systems and other sustainable farming practices to support a reduction in greenhouse gas emissions and water pollution.
- The partnership has the potential to reach more than 400 Land O'Lakes member farms supplying milk to Hershey as funding and support grows.

# *Shared Goodness.* That's our Promise.



At the Hershey Company, our people, planet and communities have always mattered.

ESG is woven into our enterprise strategy and throughout each area of the business.



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

— *Milton S. Hershey*,  
Founder



We work with integrity first, and a determination to uphold high ethical business practices that bring smiles to our customers and the people who work with us.

— *Michele Buck*,  
Chairman, President and CEO, The Hershey Company

# Hershey's Enterprise ESG Priorities guide the work we do daily to ensure the impact of making our products is a positive one.



Cocoa



**Supporting the communities and environments behind our most essential ingredient.**

- Eliminate child labor
- Eliminate commodity-driven deforestation
- Improve farmer livelihoods



**Responsible Sourcing & Human Rights**



**Using robust due diligence and leading standards to protect people across our value chain.**

- Ensure ingredients are sourced responsibly
- Our suppliers meet our sourcing requirements



Environment



**Constantly enhancing our operations to meet high-impact climate, waste and packaging goals.**

- Address climate change through science-based Greenhouse Gas emissions targets
- Reduce the impact of plastics and packaging



Our People



**Creating more ways for more people to be themselves and thrive.**

- Accelerate inclusion - Amplify Hershey people and culture
- *Supplier Diversity fits into Pathways Project*



Youth



**Giving youth the tools to create compassionate, successful and connected futures.**

- Help children succeed through education, nutrition, and social-emotional wellbeing



Community



**Fostering a culture that cares—and actively makes a difference where we live and work.**

- Improve lives across the communities where we live and work

# Our six ESG Priorities and 15 core KPIs are our most important metrics and reflect where we focus our time and attention

## Cocoa

	Target Year
100% sourcing visibility in Côte d'Ivoire and Ghana by requiring that 100% of farmers producing Hershey's cocoa volume in these countries are: <ul style="list-style-type: none"> <li>Polygon mapped by our suppliers to improve traceability and monitor deforestation</li> <li>Covered by Child Labor Monitoring and Remediation Systems ("CLMRS") to prevent, monitor and remediate child labor</li> </ul>	2025

## Responsible Sourcing & Human Rights

	Target Year
100% of priority ingredients and materials to be responsibly and sustainably source	2025
85% of in scope supplier sites meet Hershey's Responsible Sourcing Supplier Program requirements	2025

## Environment

	Target Year
50% of absolute reduction in Scope 1 and 2 GHG emissions from a 2018 baseline	2030
25% absolute reduction in Scope 3 GHG emissions from a 2018 baseline	2030
100% of plastic packaging to be reusable, recyclable or compostable	2030
25 million pounds of packaging to be eliminated	2030

## Our People

	Target Year
Achieve pay equity for salaried employees at \$1 for \$1	2025
47-50% women representation across all employees globally and 30-40% people of color (POC) representation across U.S. employees	2025
50% hazard reduction for job functions with ergonomic risks through process improvements	2025

## Youth

	Target Year
50 million children globally supported through education, nutrition, and social and emotional wellbeing	2025
100,000 children take Heartwarming actions and impact their communities	2025

## Community

	Target Year
\$105 million donated in cash and products to community partners focused on education, community economic development, inclusive communities, and health and human services where we live and work	2025



# LAND LAKES INC.®

ROOTED IN TOMORROW™



Our commitment to our members has never been more critical than it is now.

The Dairy 2025 team will be the champion and lead liaison with our dairy members, while providing expertise and guidance through sustainability and animal care initiatives.



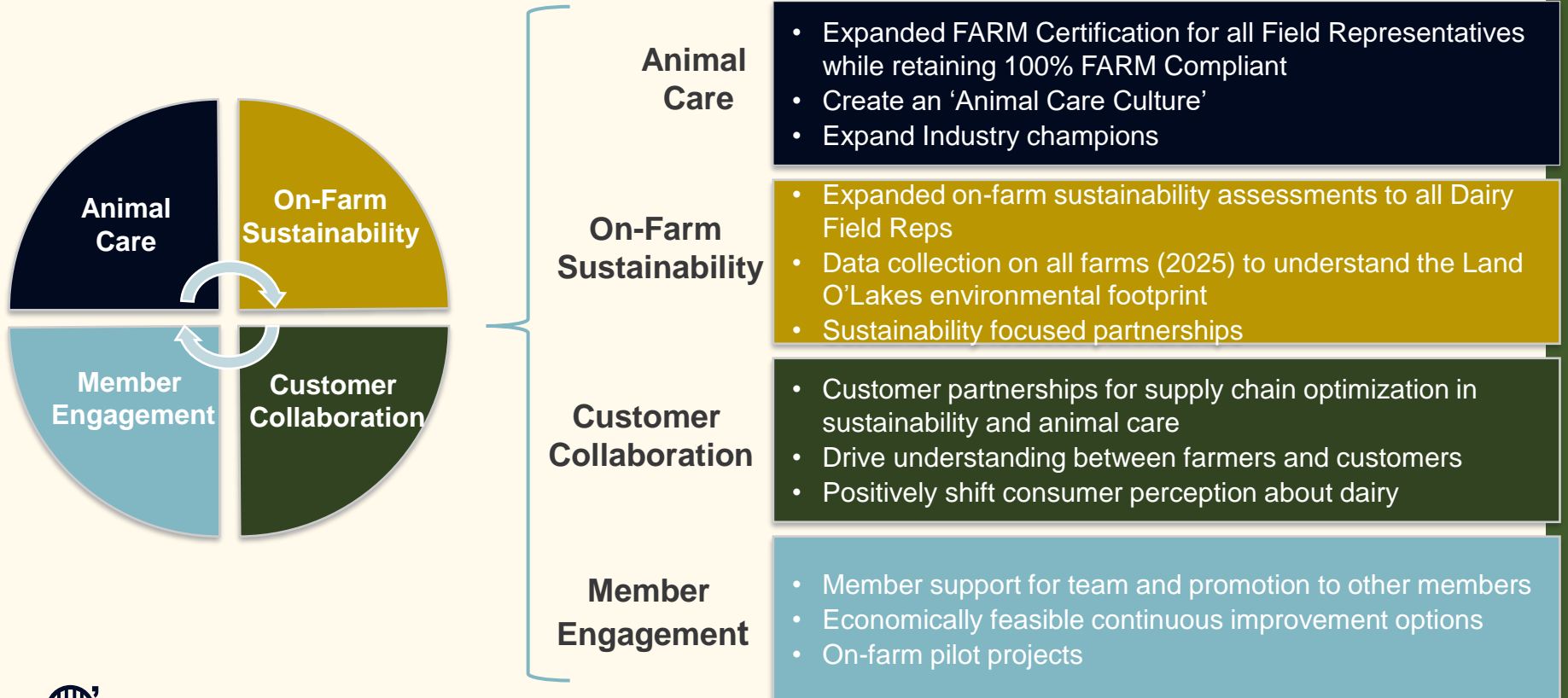
# HISTORIC LENS & OUR WHY

- **Our commitment:**
  - Complete sustainability assessments on all member farms by 2025
  - FARM Program Compliance
- **Why did we make this commitment?**
  - Customers are making public commitments to reduce their GHG footprint
  - Allows for strategic conversations and influence with our customers
  - Aligned with industry
  - Member first focus
- **Our progress:**
  - 78% of member milk has been completed
  - Dairy Field Reps trained to complete assessments
  - Partnering with key customer across all milk sheds





# CONSERVATION DAIRY AND ANIMAL CARE – ON-FARM SUSTAINABILITY AND ANIMAL CARE PROGRAMS FOCUSED ON DATA COLLECTION, CONTINUOUS IMPROVEMENT, AND PROVIDING VALUE TO STAKEHOLDERS



# DAIRY ENTERPRISE SUSTAINABILITY

## LAND O' LAKES IS LEVERAGING EXPERTISE ACROSS THE ENTERPRISE



- ❖ Cherly Isbernber named as Director of Sustainability
- ❖ Leading Enterprise Strategy

- ❖ Launched Livestock Services Team
- ❖ Dedicated Team

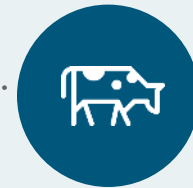
- ❖ On-farm program administration
- ❖ Member Relation
- ❖ Partner selection process



Dairy Foods  
Customer



Project  
Management



Member-Owner

# Chris Esh Riparian Forest Buffer



## Chris Esh Riparian Forest Buffer



## Chris Esh Riparian Forest Buffer



## Chris Esh Riparian Forest Buffer



## Chris Esh Heavy Use Area



## Chris Esh Heavy Use Area





# 12 acre buffer in Lancaster



## 12 acre buffer in Lancaster



## 12 acre buffer in Lancaster





**Questions?**