



This is
SHARED
GOODNESS

2017 CORPORATE SOCIAL
RESPONSIBILITY REPORT

HERSHEY 



An Invitation **TO SHARE GOODNESS**

WELCOME TO OUR 2017 CORPORATE SOCIAL RESPONSIBILITY REPORT.

This is our sixth CSR Report, which builds on our 125-year legacy of doing good. Inside you'll find information and answers to the big questions you may have about our business, progress we've made and the remarkable people of Hershey. We'll also share more about our new *Shared Goodness Promise*.

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80+
BRANDS

ABOUT HERSHEY

A LEGACY OF GOODNESS

When people think Hershey, they think chocolate and the goodness that comes from enjoying their favorite snacks. But to us, goodness and chocolate mean so much more. That's because we were started by a purpose-driven founder who thought about how we could use chocolate to create more goodness in the world.

In 1894, this tireless innovator had a vision to create a business that made chocolate—a luxury product at the time—into something everyone could enjoy. He did just that, giving the world the now iconic Hershey's Milk Chocolate. But he also knew creating a community that was healthy and thriving would support the business for years to come. That's why he shared Hershey goodness with others—building the Milton Hershey School to help kids, developing a town with homes and parkland for his employees and even building a cogeneration factory to safeguard the environment.

That's the Hershey spirit and it's why we're always looking for opportunities to amplify goodness wherever we work.

Inspired by Milton Hershey's legacy, we're driven to use our success to help the world around us.

And the more successful we are at innovating for our consumers and producing the quality snacks that they crave, the more of a difference we can make. After decades of thinking big and pushing the boundaries, just like our founder did, we're a snacking powerhouse with over 80 brands, giving us more scope than ever to share goodness.

We began with a vision; we continue with a legacy.

WHERE YOU'LL FIND US

We market, sell and distribute our loved brands in approximately 80 countries and have operations in 14 countries.

USA

- Ashland, Oregon*
- Hazleton, Pennsylvania*
- Hershey, Pennsylvania*
- Lancaster, Pennsylvania*
- Memphis, Tennessee*
- Robinson, Illinois*
- Stuarts Draft, Virginia*

BRAZIL*

CANADA*

GREATER CHINA*

INDIA*

JAPAN

KOREA

MALAYSIA*

MEXICO*

PHILIPPINES

PUERTO RICO

SWITZERLAND

UNITED ARAB EMIRATES

UNITED KINGDOM



*Hershey manufacturing site



WHAT WE'RE PROUD OF

We've made real progress in sharing goodness in the world in 2017. It hasn't been easy and we've certainly faced more than a few obstacles along the way, but we're proud to look back on a year of important changes and big leaps forward.



Shared FUTURES

Produced ViVi, a vitamin-fortified groundnut-based snack provided to 50,000 schoolchildren in Ghana every day, giving them the fuel they need to make the most of their education. That's more than 10,000,000 snacks a year.



Shared BUSINESS

Published SmartLabel™ landing pages for our entire product portfolio (excluding Krave and multi-product assortments).

Supported 54,000 farmers through Learn to Grow programs.



Shared PLANET

Reduced greenhouse gas emissions by 2.7 percent against our target of 25 percent by 2025, based on 2015 levels.

Minimized our packaging waste by 18.5 million pounds towards our target of 25 million pounds by 2025.



Shared COMMUNITIES

Donated \$11.9 million in cash and \$8.6 million in products.

Volunteered 130,737 employee hours.

Raised \$550,000 through our employee-led Children's Miracle Network team.

Gave \$1.8 million to charity with our employee Season of Giving Campaign.



Remarkable PEOPLE

Women lead The Hershey Company as well as some of our largest brands, including Hershey's and Reese's.

50 percent gender representation on our executive committee.

77 percent of our total workforce report being engaged at work.

OUR CHALLENGES

INVESTOR EXPECTATIONS

Investor expectations are changing, with many looking for companies to use their operations as a force for good. Our new Shared Goodness Promise gives us a strategic and powerful platform to make a positive difference in communities around the world, focusing on key environmental and social challenges.

CHANGING CONSUMER PREFERENCES

Consumer preferences are changing in significant ways—from demanding healthier snacks and more transparent supply chains to asking for products with more responsibly sourced ingredients. We're using our long-held food philosophy of non-negotiable quality and innovation to reimagine some of our core snacks while also taking on exciting new brands. We also continue to work towards more sustainably sourced ingredients, including cocoa, palm oil, sugar and coconut, while empowering our consumers with more information through QR codes on our packaging.

CLIMATE CHANGE

Climate change poses a continual and increasing threat to our core agricultural commodities and the communities where we live and work. To help mitigate this, we signed the Cocoa & Forests Initiative and partnered with the Arbor Day Foundation to stem deforestation. While we have made positive progress towards our 25 by 25 goals, we're also looking into revising our environmental strategy over the course of 2018 so that we use the best available science and evidence to develop targets with relevant impact.

GLOBAL INEQUALITY AND POVERTY

Global inequality and poverty continue to be issues we manage in our complex global supply chain. We source our ingredients from a range of countries, all with unique laws, different environmental concerns, dynamic pricing models and regional labor standards. This makes it vital to implement a unified global standard that protects people and the environment and ensures that Hershey can responsibly source key ingredients. We have spent 2017 developing a core strategy that comprehensively outlines and guides how we will source cocoa and are excited about the 2018 launch of Cocoa for Good.



SHARING OUR PURPOSE: Q&A WITH MICHELE BUCK

IT'S BEEN AN EXCITING FIRST YEAR AS PRESIDENT AND CEO. WHAT ARE YOU MOST PROUD OF THIS YEAR?

In 2017 we set out a bold new vision for The Hershey Company—to be an Innovative Snacking Powerhouse. It's a huge undertaking but also very motivating. We welcomed new leaders to help us transform our portfolio and refocus on the needs of our consumers. We've also mapped an ambitious growth strategy for our U.S. business by focusing on core confection and expanding our snacking portfolio.

Through this change, we've maintained incredibly high food safety standards; delivered innovative and exciting new products, like our new Hershey's Gold bar; and continued to offer choice and transparency across our brand portfolio. Our acquisition of Amplify Snack Brands brings new, better-for-you snacking occasions to our portfolio.

Personally, I've also loved how we have increased the dialogue across the business. We've taken more time to listen to one another. When Hershey employees sprang to action when natural disasters hit Texas, Florida, California and Puerto Rico, it once again showcased who we are. Quite simply, caring comes naturally here.

HERSHEY HAS ALWAYS STOOD FOR GOODNESS. WHAT IS YOUR "SHARED GOODNESS PROMISE?"

Hershey is the original purpose-driven company. It was founded by a truly visionary man, Milton Hershey, who made chocolate—once a luxury product—accessible to everyone. He donated most of his fortune, in perpetuity, to run the school he had created to help children in need. This spirit of goodness is woven into the cultural fabric of our company. Every Hershey employee knows that our success supports those kids and that when we do well, we also do good. This is one of Hershey's key differentiators. Our work brings goodness to the world and that's why we see how we do business as a shared promise between us and those we impact.



Michele Buck

WHAT WERE THE BIGGEST CHALLENGES OVER THIS PAST YEAR?

It was and is the rapid changes in the external market. Are we moving fast enough to adapt to those changes and to boldly seize the huge opportunities they present?

Snacking in brick and mortar is growing, and while digital commerce in packaged food is nascent, it is accelerating rapidly. The consumer is blurring the lines between different channels so we've invested more in our digital commerce capabilities to win in emerging channels.

More broadly as a U.S.-based business, there are so many issues that could divide us. But I'm an optimist and see that there is more that brings us together. At Hershey, we believe in an open, diverse and inclusive workplace and we actively encourage an understanding of varied backgrounds while celebrating what we have in common.

We're also committed to being part of the solution when it comes to the big global issues. Our commitment to ending deforestation in partnership with the Cocoa & Forest Initiative is one of the ways we're working to address climate change and our Shared Goodness Promise strategy will help us play a part in fighting hunger, poverty and food insecurity around the world.

WHAT'S THE MOST IMPORTANT THING FOR PEOPLE TO KNOW ABOUT HERSHEY?

Hershey is a company that has married being purpose-driven with offering meaningful, impactful day-to-day work. The reason is simple: we believe—and prove—that you can be a fierce competitor in the market while operating in a compassionate way with teams of people who care about each other and their communities. Competitiveness and compassion aren't mutually exclusive. For us, they're intrinsically linked. We invite everyone to read this report and see for themselves just how we're doing that.



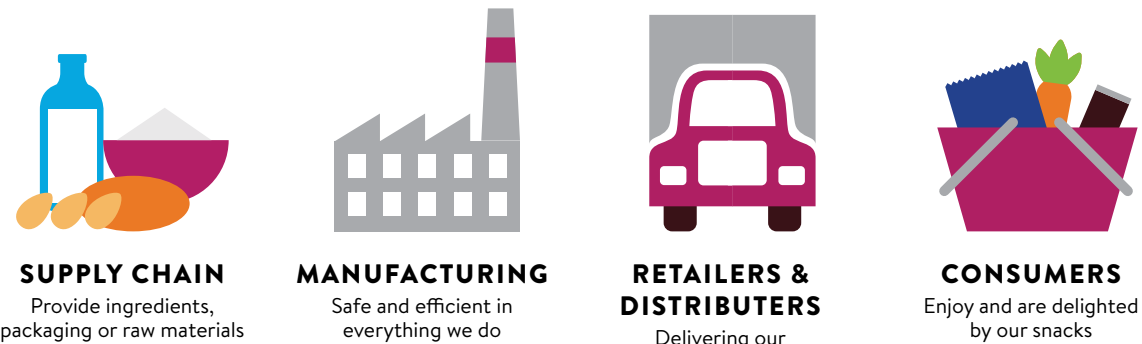
THE GOODNESS THAT GOES IN

- Ingredients from farmers are sent to factories
- Energy
Water
Packaging
- 16,910** employees
- \$45.85** million invested in R&D
- 18** manufacturing facilities globally
8 U.S. factories
80+ brands
- Our global supply chain partners

SHARING GOODNESS ACROSS OUR Value Chain

GOODNESS SHARED

- 75%** of cocoa sourced in 2017 was sustainable and certified
- 411,802** training hours given to employees
- 133,333** trees planted in the U.S.
- \$685 million** paid to shareholders, including Milton Hershey School Management Trust
- 100%** of products (excluding Krave & multi-packs) utilizing SmartLabel™ QR codes for better transparency
- 52,913** Ghanaian schoolchildren receiving ViVi daily



HOW WE CREATE GOODNESS

- Our sourcing and manufacturing processes ensure our snacks are ethical, sustainable and safe
- We make, market and distribute the snacks our customers enjoy, while creating sustainable value for all our stakeholders
- Our success helps children reach their potential with quality education and nutrition
- Our snacking strategy provides consumers with even more choices

Our Shared GOODNESS PROMISE

Shared Goodness. That's our promise here at The Hershey Company. An idea as simple as it is big: our business, our planet, our communities, our children—they've always mattered. As one of America's first companies built with purpose, we've focused for more than a century on doing well by doing good. Because bringing goodness to the world is in our character.

It's a promise delivered by all of us at Hershey—to see every day as a chance to be successful in a way that makes a difference.

Today we uphold our promise with brands consumers love; business models and people making a difference in the world; being better stewards of the planet we all share; building

thriving communities in the places we call home; and, perhaps most near and dear to our hearts, by nourishing the lives of children so they can learn, grow and thrive.

It's a promise that started nearly 125 years ago, with our founder Milton Hershey—the original purpose-driven entrepreneur who linked the success of his company with supporting children in need through the Milton Hershey School. A man who taught us that one's happiness depends on the joy of others, and whose words resonate with us to this day.

We look forward to the next 100 years and do so with a promise to you: to build on our Shared Goodness. Because goodness is most felt when it's shared with others.



Shared FUTURES

“IT ISN’T WHAT YOU LEAVE YOUR CHILDREN, BUT HOW YOU LEAVE THEM.”

– MILTON HERSHEY

We invest in:

- Helping children succeed
- Improving access to nutrition for children



Shared PLANET

“THERE IS NOT A PERSON ALIVE WHO SHOULD NOT PLANT A TREE—NOT FOR THE SHADE THAT YOU’LL ENJOY, BUT FOR THOSE WHO ARE COMING AFTER.”

– MILTON HERSHEY

We’re focused on:

- Reductions in GHGs, total waste, packaging waste and water use
- Addressing climate change in our cocoa communities



Shared BUSINESS

“THE HELP-THE-OTHER-FELLOW PRINCIPLE IS THE ONLY ONE THAT WILL SUCCEED IN MODERN BUSINESS.”

– MILTON HERSHEY

We’re focused on:

- Sustainable sourcing
- Choice and Transparency
- Purpose-driven brands and retail partnerships



Shared COMMUNITIES

“I AM TRYING TO BUILD HERE A PLACE WHERE PEOPLE CAN BE HAPPY AND CONTENTED WHILE THEY WORK AND LIVE IN PLEASANT SURROUNDINGS.”

– MILTON HERSHEY

We’re making a difference through:

- Investing in the places where we live and work
- Employee engagement & volunteerism



Shared FUTURES



HOW DOES HERSHEY SUPPORT BRIGHT FUTURES FOR KIDS?

We've always believed that every child deserves the chance for a bright future. This started in 1909 when our founder established the Milton Hershey School, which today serves more than 2,000 kids in need. Milton's pioneering vision directly linked our company's success to ongoing support for the school, ensuring that generations to come would continue to learn, grow and thrive. This living legacy inspires us every day and drives us to use our expertise as a snacking company to help even more children reach their full potential.

Our work in Shared Futures focuses on initiatives that help children reach their full potential through education and nutrition initiatives. We work closely with our partners and stakeholders to support programs that are culturally relevant, wide-reaching, sustainable and leverage our expertise where possible—including:

- providing supplemental nutrition to children in West Africa through our locally produced fortified snack *Vivi*;
- ensuring children in the U.S. and Canada can access the resources and food they need after school, during the summer and over breaks;
- helping children in India get access to the nutritious midday meal they need to succeed in school; and
- supporting students at the Milton Hershey School through several key employee programs.

Every child deserves an equal chance in life, but we know their minds can't be filled with knowledge when their stomachs are empty.



2017 PROGRESS HIGHLIGHTS



Producing VIVI, a vitamin-fortified groundnut-based snack that is provided to

50,000+
Schoolchildren

in Ghana every day, giving them the fuel they need to make the most of their education

Partnering with Annamrita, one of the largest providers of India's Midday Meal Scheme to ensure

7,000+
Children

in Maharashtra can focus on their studies rather than their stomachs

Investing to expand the reach of child hunger programs in 6 Feeding America® affiliated food banks

9,000+
Children & families

have greater access to food and nutrition on weekends and during school breaks

Enabling opportunities for the more than

2,000
Children

at the Milton Hershey School last year



IN THIS SECTION

- Growing Our Legacy
- Energize Learning
- Helping Children Reach Their Potential in India
- Nutrition Round the Clock
- Enabling Food Education
- Growing Local Food Economies
- Our Legacy—The Milton Hershey School

United Nations SUSTAINABLE DEVELOPMENT GOALS



GROWING OUR LEGACY— NOURISHING MINDS

Our business expertise is built on our knowledge in developing and manufacturing great-tasting, high-quality snacks. At the same time, kids who are focused on their stomachs can't focus on their studies. In fact, more than **66 million** primary school-aged children attend classes hungry in the developing world. That means we have a unique opportunity to apply our legacy of supporting children's education and our operating expertise as a snacking company to address a pressing need in communities where we do business. Our goal—nourish 1 million minds by 2020.

It's an ambitious goal that we know we cannot meet through philanthropy alone. That's why in addition to supporting nonprofit organizations working at the frontlines of nutrition, hunger and education, we're also using our own expertise to develop great-tasting nutrition snacks and to support small and growing food companies' capacity to provide nutrition to communities long-term. Together with our partners, we are focused on giving kids the nutrition they need to perform their best in school and in life.



1m
NOURISH 1 MILLION
MINDS BY 2020

21%
OF OUR TARGET
REACHED

ENERGIZE LEARNING

Since the launch of Nourishing Minds in 2015, The Hershey Company's Energize Learning project has been providing ViVi, a highly fortified groundnut-based nutritional supplement, to children in Ghana during the school day. Implemented in partnership with the **Ghana School Feeding Program** and **Project Peanut Butter**, the project is focused on improving nutrition for students and, in the longer term, increasing school enrollment and maintaining high attendance throughout the education cycle. Besides supporting better educational outcomes for kids, it also boosts local food production by sourcing ingredients such as groundnuts locally.

In 2017, we partnered with USAID's Strengthening Partnerships, Results

and Innovations in Nutrition Globally project and Rotary International to add a new groundnut roaster to the factory. This new equipment will further enhance the facility's ability to boost Ghana's groundnut value chain and grow the market for local farmers.

From late 2015 through 2016, the University of Ghana conducted an in-depth study to test the effectiveness of ViVi. Early **results** are promising. Students who receive ViVi show improved height and weight, along with decreased levels of nutritional anemia—making us all the more excited to bring this project to Côte d'Ivoire in 2019 and to grow our commitment to locally sourced ingredients.



ALBERT MARTEY
Sustainable Sourcing
Representative
Kumasi, Ghana

60% COMMITTED DAD
20% TENACIOUS
20% AVID READER

100% HERSHEY



Meet Albert

From schoolteacher to nutrition champion

Before collaborating with Hershey, I was a teacher. Nothing brought me more joy than seeing healthy, happy children each day who were able to concentrate in class and study well. Today, I'm still following my calling to help children succeed and reach their potential by making sure they have the right nutrition. My role supporting Hershey's Energize Learning program helps to bring nutrition education and healthy snacks to schoolchildren in Ghana.

Like me, The Hershey Company is passionate about helping children succeed, and that's one reason why I'm so proud to be part of this team. Every day my work helps more children get access to the foods they need to grow healthy minds and work hard. I'm doing this work for them, and it feels great knowing that my contribution could make such a big impact on their daily lives and futures.

HELPING CHILDREN REACH THEIR POTENTIAL IN INDIA

Hershey snacks are enjoyed all over the world—including in India. Today, India has one of the highest rates of child malnutrition globally. In fact, **nearly half** of all deaths of children under the age of five can be attributed to malnourishment. In addition, **47 million adolescents in India** haven't progressed to upper or secondary school—having either dropped out or never attended—limiting the next generation's potential for growth and prosperity.

Turning this around means making core changes at the start of every child's life. In other words, children need to have access to regular, nutritious food during the school day. This has been the mission

of the **Annamrita** since 2004. Annamrita is the largest provider of the Midday Meal Scheme in Maharashtra state, which contains the city of Mumbai where Hershey's primary India office is located. Annamrita maintains its own kitchens across India, which produce over 1 million high-quality, healthy vegetarian meals every single day. Close to 400,000 meals are distributed to schoolchildren across the state of Maharashtra.

Hershey has been supporting this important work for more than a year now, enabling the delivery of millions of meals that have helped Maharashtra's children focus on getting the most out of their classes.

PROJECT POSHAN

While Mumbai may be India's financial capital, children in the city and surrounding areas still face significant nutritional challenges. In fact, according to United Way Mumbai, some of the most nutritionally deficient communities in Maharashtra are barely 60 miles north of the city.

To help address this, we began partnering with United Way on **Project Poshan**, a new initiative focused on malnourishment in children under five years of age. This pilot project builds on the government's

Integrated Child Development Service and local anganwadis (health workers) to provide highly fortified nutritional supplements to children who are at risk of severe malnutrition.

In addition to providing nutritional supplements and growth monitoring, the project also involves capacity building for anganwadis on safe food handling, health education and counseling for parents. While still in a pilot phase, the goal of the project is to both reduce the prevalence of malnutrition and build local infrastructure for delivering nutrition via formal food systems.



DILZAD KHARIWALLA
PR & Marketing for
Annamrita; Mumbai



My Shared Future
Feeding their future



Serving food is an intrinsic part of Indian culture, but while there is an abundance of food, it isn't reaching everyone. That's what motivated me to join Annamrita.

So many children are struggling to stay in school and get a healthy meal daily. Most of the children attending schools where we offer our Midday Meals come from families that earn less than Rs 5,000 a month, so having a child in school is not one of their priorities. But our Midday Meals program is slowly but steadily changing that mindset.

Annamrita is based on the philosophy of "No child goes hungry" and has been working tirelessly for the last 13 years to ensure that hygienic, wholesome, nutritious meals cooked in Annamrita's own ISO-certified kitchens are sent to the kids daily. Children wait for these meals and that encourages parents to send them to school, while it also provides them the necessary nutritional content which may be lacking in their other meals.

NUTRITION ROUND THE CLOCK

Food insecurity touches children everywhere, including the United States, where many children rely on school lunches and breakfasts as their only meals. To ensure children have access to the food they need after school and during the summer months, Hershey is partnering with **Feeding America**® on their child hunger programs.

Since 2015, The Hershey Company has partnered with Feeding America®, the largest domestic hunger-relief organization in the United States. Through its network of more than 200 national food banks, Feeding America® meets the needs of millions of Americans—including 12 million children—who are at risk of hunger. Our partnership focuses on building the capacity of Feeding America's® network to support child hunger programs such as Backpack, School Pantry and Kids Cafe. We have also made significant investments in six metro area food banks to expand their child hunger programs and ensure even more children are receiving the food they need to learn and grow.

Some of our work this past year included our partnership with the **Central Pennsylvania Food Bank** that provided more than 58,000 healthy, kid-friendly meals to 2,700 children and our work with the **Freestore Foodbank in Cincinnati** delivered more than 30,000 meals to 2,300 children through an expanding School Pantry program.



Our partnership with the **Northwest Arkansas Food Bank** enables its collaboration with schools and local nonprofits. These networks provide nourishment to at-risk children via a “Snackpaks for Kids” program that serves children with a small bag of food that includes shelf-stable items like milk, cereal, meal bowls and pudding.

We've also been working with the **Greater Chicago Food Depository** to support Healthy Kids Markets, a school-based pantry program that provides fresh produce and shelf-stable food to students and their families. With the support of Hershey and many others, the project is expected to deliver approximately 1.7 million pounds of food to children and families.

Our collaboration on a similar School Pantry program with the North Texas Food Bank benefits 289 children and their families with 12,817 pounds of nutritious food—around 10,680 meals. We also work with **Second Harvest Heartland** in Saint Paul, Minnesota, where we have helped provide 14,264 children with 60,000 meals.

It's been rewarding to see our partnership help these vital food bank programs grow over the past three years and we're honored to be a part of feeding more than 19,000 kids every year.

My Shared Future Keeping a community nourished

My children attend Peabody Elementary in Dallas and our family receives food from the **North Texas Food Bank's** School Pantry program.

This program is important because it helps put food on the table and it is food that is good for them. Because of this support, my kids have gotten the chance to eat new foods that they would otherwise miss out on. The pantry includes fruits and vegetables and other great items. For example, today my pantry includes a large bag of carrots. That matters because my kids like to draw, they like to read and if they didn't have healthy food and were hungry, I know that their schoolwork would suffer.

It's just so nice to be able to rely on this help. I know so many other families that are being helped by this program. If I could say something to supporters of this program, I would say, “Thank you, this food is so important to me and families like mine.”



BRENDA VILLEGAS, 29
Mother of Athziri, 5
and Luis, 8, Dallas, TX

ENABLING FOOD EDUCATION

Food insecurity isn't only about having access to safe, nutritious food. Having the skills, knowledge and understanding of different foods and how to prepare them is also critical.

In 2017, Hershey partnered with **Food Banks Canada** to pilot the Food Explorers program. The program has been created to improve the food literacy and self-sufficiency of Canadians aged 9 to 11 years by equipping kids with skills to lessen hunger and support good health in the long term.

The programs have been designed specifically for children who access the food bank's services or who are at risk of experiencing food insecurity. These fun, hands-on lessons teach kids how to follow a recipe, use kitchen equipment and explore a variety of foods so that they can feed themselves a balanced diet. The first pilot was a success, passing these vital skills on to 47 kids in five different communities. Thanks to the initial run of pilot classes supported by The Hershey Company, Food Banks Canada is now expanding the program.



“WE WERE INVITED TO JOIN FOOD EXPLORERS BY THE MANAGER OF CENTRE WELLINGTON FOOD BANK. BEING A PART OF FOOD EXPLORERS LETS US LEARN HOW TO COOK AND ALL ABOUT FOOD, AND IT ALLOWS US TO MEET NEW PEOPLE. IT'S IMPORTANT TO OUR COMMUNITY BECAUSE IT GIVES KIDS AN OPPORTUNITY TO TRY SOMETHING NEW AND DEVELOP NEW SKILLS.”

ZAC (12) AND LOGAN (10)
ONTARIO, CANADA



GROWING LOCAL FOOD ECONOMIES

We've spent decades developing innovative snacking solutions and now we're putting that experience to use for communities around the world. We believe that the most sustainable solutions to feeding children come from communities themselves. That's why as part of our commitment to nourish one million minds, we are also helping small and growing food companies in West Africa expand their distribution of the nutritious foods that will make a difference.

STRONGER TOGETHER: COLLABORATING FOR LOCAL SOLUTIONS

Hershey is proud to work with **Partners in Food Solutions** (PFS), an independent nonprofit dedicated to improving food security while empowering economic development across Africa. This unique organization brings together experts in the global food industry with small and growing food-focused companies across Africa.

By building these relationships, local food processors can get advice and guidance on everything from product development to facility design. This helps them to leverage the experience of multinational companies to grow their own business

The result is a stronger market for local smallholder farmers and a quality local

food source for communities, creating a ripple effect that can sustainably change access to healthy nutrition across the continent.

With Hershey's help, PFS has been working with several companies in Ghana, including Eden Tree, a provider of fresh fruits and vegetables; juice producer SunRipe; and Yedent, a manufacturer of MaiSoy Forte. Together these companies have provided affordable, accessible nutrition to households across the region.



**SANTHI
SURYANARAYANAN
RAMESH**

Director, International Commercial Strategy
Hershey, PA

50% MOM
25% CURIOUS LEARNER
25% VEGETABLE GARDENER

100% HERSHEY



Meet Santhi

Joining forces for better packaging

One of the most rewarding experiences of my four years at Hershey was the opportunity to collaborate with local food entrepreneurs on new techniques to make their food packaging more cost-efficient and impactful. It was an unforgettable experience for me as a professional and a person who's really passionate about food.

Seeing first-hand how crops like rice move from the field to the shelves of the retail store was truly eye-opening. I learned so much about the challenges their industry is facing, and got to use my expertise in packaging and design to help. When food is well-packaged you want to pick it up, so it makes a big difference in a company's bottom line.

I'm so proud of what we accomplished together and grateful for the opportunity to make a real difference in the lives of the people I met and their businesses.

HOMEGROWN INNOVATION



In 2017, Hershey partnered with **Village Capital** to support startups working to improve the quality and affordability of nutritious food products in West Africa. Together, we launched the **Affordable Nutrition Forum**—a program to identify and invest in early-stage entrepreneurs focused on improving the quality and accessibility of local nutritious foods.

Our cross-functional team reviewed more than 70 applications from startups in Ghana, Côte d'Ivoire and Nigeria. We then convened the top 10 entrepreneurs in Accra, Ghana, for a series of investment readiness trainings including mock board meetings, pitch sessions and problem-solving with industry mentors. The forum concluded with a public-pitch session that awarded cash prizes to two companies selected by their peers, an expert panel and an audience choice vote.

Ghana-based Finer Foods won the top peer-selected prize with Nigeria's Baby Grubz taking second place via the audience vote and expert panel review.

Baby Grubz founder, Seun Sangoleye, is a working mother based in Lagos and was inspired to take action when, after looking for nutritious foods for her son, she found that there were almost no nutritious meals available for children locally.

The company started out with cooked, ready-to-eat frozen meals, although they did face a few challenges working around the country's unstable power supply. However, determined to help mothers who wanted delicious, healthy food for their babies, they persevered and developed their own Farm to Table range of baby food that was both convenient and sold at an accessible price point.

Thanks to the \$10,000 the company was awarded by The Hershey Company and Village Capital, Baby Grubz can keep providing maximum nutrition at affordable prices for Nigerian families.

Ghana's Finer Foods plan to use their prize money to automate their packaging line with a sachet filling and packaging machine and a ribbon mixer. These upgrades will help the company increase production and expand their market reach.

“WE ARE PROFOUNDLY GRATEFUL FOR THE GREAT OPPORTUNITY GIVEN TO US TO MEET POTENTIAL INVESTORS, INTERACT WITH MENTORS AND RECEIVE SUCH IMMENSE RECOGNITION FOR OUR WORK. WE REMAIN HIGHLY COMMITTED TO FIGHTING MALNUTRITION IN AFRICA WITH NUTRIENT-DENSE FOODS AT THE MOST AFFORDABLE PRICE.”

ANITA AGYARE
GENERAL MANAGER, GHANA'S FINER FOODS

\$10k

AWARDED TO
BABY GRUBZ FROM
HERSHEY AND
VILLAGE CAPITAL





OUR LEGACY— THE MILTON HERSHEY SCHOOL

For more than a century, the **Milton Hershey School** has been helping children from disadvantaged backgrounds realize their full potential by offering residential, cost-free, quality education to students in pre-kindergarten through 12th grade.

The coeducational school offers kids from income-eligible families access to state-of-the-art facilities in a positive, structured environment that provides a consistent year-round home life. This ensures the children gain the skills to be successful in all aspects of their lives.

Today, more than 2,000 students from across the U.S. attend the Milton Hershey School. They benefit from unique, award-winning academic programs; experienced teachers; and caring adult mentors. This support in turn helps them fulfill the legacy that mattered most to Milton Hershey—and one that every Hershey employee is proud of today.

My Shared Future

Finding a second family



Like all of the children at the Milton Hershey School (MHS), Jesper Andersson didn't have the easiest start. As a young child, he moved around a lot and lived between parents—who both had substance abuse issues—and his grandparents. When he was in sixth grade, his grandparents fell on hard times and their home was foreclosed. That was when Jesper's grandmother thought he might find more stability at MHS.

Although he wasn't happy about leaving his grandparents, from day one Jesper felt truly embraced by his house parents and classmates in ways he didn't imagine possible. They were there for him when he broke his arm in his first month. And when his beloved grandfather passed away, they even paid for his flight back home so he could be with his grandmother.

Jesper made the most of his opportunities at MHS and today he's studying at Harvard University, where he's part of the Harvard Undergraduate Robotics Club and working on a Mars rover prototype for an upcoming competition. "It's something for which I'm really grateful to MHS for because we have 11 career paths we can choose from," he says. "For engineering, I got the basics at MHS so it made my transition to engineering at Harvard really smooth, and I really value that now."

Looking back on his time at MHS, Jesper said there is a long list of things MHS taught him, but there's just one thing for which he's truly thankful. "The one thing I'm most thankful for is how MHS embraces diversity," he says. "MHS is not homogenous except for socioeconomic status. We all come from different backgrounds, and we appreciate differences."

Jesper's also working on continuing to build upon Milton Hershey's promise and hopes to find opportunities to promote Milton Hershey School.

“ MILTON HERSHEY DIDN'T HAVE TO ESTABLISH THE SCHOOL, BUT HE'S A SHINING EXAMPLE OF WHAT REAL PHILANTHROPY LOOKS LIKE. THAT'S WHY, WHEN I SEE SOMEONE EATING A HERSHEY BAR, I'LL SAY THANK YOU FOR PROVIDING FOR MY FAMILY. ”

JESPER ANDERSSON



Shared **BUSINESS**

HOW DOES HERSHEY USE ITS BUSINESS TO MAKE A DIFFERENCE?

As one of the original purpose-driven companies, we believe in doing well by doing good. That touches every part of how we operate—from the way we source raw ingredients for our delicious snacks to driving innovations that delight our consumers. Over the last year, our values were reflected in the refinements we've made to sourcing, environmental protection and social impact. We continue to work with strategic partners around the world to improve our supply chain in a way that upholds best-practice labor standards and strengthens producers and local communities. We've listened to consumers and are working to offer more choice by making 50 percent of our individually wrapped standard and king size confections 200 calories or less. As we continue to weave sustainability into our daily operations, we're excited to use all aspects of our business to make the world better.



2017 PROGRESS HIGHLIGHTS



100%

of product portfolio (excluding *Krave* and multi-product assortments) have SmartLabel™ landing pages

54,000
Farmers

supported through our Learn to Grow programs

Partnered with the

Bill & Melinda Gates Foundation
and World Cocoa Foundation

to improve cocoa farmers' food security

Partnered with the

Jacobs Foundation

to test and promote innovative interventions that pave the path for youth

50%
of coconut

sourced in 2017 is certified and sustainable



IN THIS SECTION

Sourcing Responsibly

Using Cocoa for Good

Spotlight on Our Sustainably Sourced Ingredients

Our Food Philosophy

Brands Living Our Purpose



United Nations SUSTAINABLE DEVELOPMENT GOALS



SOURCING RESPONSIBLY

Our brands use a range of raw ingredients—from cocoa and nuts to sugar and milk. Getting these high-quality ingredients means that Hershey relies on a global network of partners that make up our supply chain— including farms of all different sizes. This requires a deliberate focus on maintaining high standards that protect human rights and working conditions.

We have always been committed to protecting human rights and safety in our supply chain. Our work across our key ingredients is shaped by our internal policies, including our **Sustainable Sugar Sourcing** Policy, **Responsible Palm Oil Sourcing** Policy and **Farm Animal Welfare Position**. Our **Supplier Code of Conduct** prohibits and has been designed to prevent child labor across our supply chain and explicitly states that children should not be kept out of school to work on farms. Working closely with voluntary standards such as UTZ, Rainforest Alliance and Fair Trade USA, helps improve the working conditions at field level and along our supply chain. Our work with The Forest Trust has also been key to improving standards for workers in our palm oil supply chain.

Fair labor practices are just one part of how Hershey sources with integrity.

Learn more about how our sourcing programs are impacting communities and keeping best practice behind our brands.



.....

WE HAVE ALWAYS BEEN COMMITTED TO PROTECTING HUMAN RIGHTS AND SAFETY IN OUR SUPPLY CHAIN.

.....

USING COCOA FOR GOOD

Hershey is loved globally for our great snacks—but we want to be known for even more than that. We continue to expand on our legacy as a company that cares, sharing goodness through our success and helping communities to thrive. That’s why we’re constantly looking for new ways to source cocoa more sustainably through our Learn to Grow program and to support the communities that grow this core ingredient. We’ve worked on and made significant investments in sustainably sourcing cocoa in West Africa for many years, giving us unique insight into where we can have the greatest impact.

In 2017, as part of our Energize Learning program and in partnership with the Ghanaian National School Feeding system and our suppliers we distributed ViVi—a groundnut-based nutritional supplement—to 52,913 schoolchildren daily. We also

entered into new partnerships to provide young people with the opportunity to stay in school and to develop their entrepreneurial skills. Our work also ensures that the youngest children can thrive with improved access to nutrition and early childhood education. In 2018, we are working to extend our focus to local ecosystems by training farmers on how to avoid deforestation and preserve a thriving environment that supports sustainable cocoa growing.

These initiatives are all informing how we’re refreshing our cocoa strategy in 2018 and continuing our journey to share goodness through cocoa.

52,913

SCHOOLCHILDREN
RECEIVE VIVI DAILY





GROWING OPPORTUNITY IN COCOA COMMUNITIES

Farms support families, provide jobs and grow local economies. Hershey has been working with our cocoa-growing communities to open more pathways to prosperity and make economic independence more accessible to everyone.

In addition to supporting farmers to grow cocoa sustainably through our Learn to Grow program, we've been developing ways to improve access to resources. Getting more out of the land helps farming families diversify, enabling them to grow additional crops

they can profitably sell for extra financial security.

Research from the World Bank and the UN shows that when women thrive, economies grow. However, in many of our cocoa-growing communities, women face unique challenges. That's why we're committed to helping women expand their economic participation by supporting access to financing, job-focused resources and life-skills training that improves their chances of finding formal employment.

Our Impact

..... **75%**

of all cocoa sourced in 2017

.....

9,037

farmers received business skills training

54,000

farmers supported through Learn to Grow program to improve the quality and yields of their cocoa

7,571

farmers trained in additional livelihoods (income diversification)

In 2017, we continued our long-standing partnership with the Bill & Melinda Gates Foundation and the World Cocoa Foundation to strengthen cocoa farmers' food security by improving their food crops and diversifying livelihoods. More than 700 Ghanaian farmers—about 40 percent of whom were women—were trained in additional nutrition-focused livelihoods, including snail production, vegetable and fruit farming (including chili peppers, okra, ginger and watermelon), small livestock (including pigs) and soap making. Over 1,500 farmers were also trained in improved practices for growing crops such as plantain and cassava.

We also partnered with ECOM to develop 18 "Village Savings & Loans Association" (VSLA) groups. The groups offer benefits to women as they improve links to sources of capital and agro-inputs for cocoa production, while also developing a culture of individual savings within the community.

EXPANDING EDUCATION OPPORTUNITIES

At Hershey, we want to be part of helping young people in cocoa-growing communities get the guidance, support and resources they need to thrive.

Through stakeholder engagement, we've found that the most relevant issues to young people include life skills such as financial literacy to help them prosper in the future and improved agricultural skills, so they can get the most out of their cocoa farms. In 2017, we partnered with the **Jacobs Foundation** on a new program for youth in West Africa.

Together with the Foundation, we are supporting Transforming Education in Cocoa Communities (TRECC). TRECC is a unique collaboration between our industry, the government of Côte d'Ivoire and several aligned organizations. The program is meant to transform the education system through testing and promoting innovative interventions that pave the path for youth.

The program's 10 models cover topics related to education and child development. The interventions will

address up to 80,000 children and youth starting their professional lives. The initiative will reach up to 150 communities across cocoa-growing regions in Côte d'Ivoire over the next four years.

TRECC brings together our industry's biggest companies. Hershey's work will focus on youth life skills development, including social and financial education, entrepreneurial and leadership skills. Implemented by Aflatoun International and Barry Callebaut the program aims to unlock the potential of young people in cocoa-growing communities in Côte d'Ivoire.

Hershey has also partnered with Blommer and the Helen Keller Foundation to focus on boosting early-childhood development through two models: one on improved nutrition and hygiene and another on play and stimulation.

Both models follow a scalable, community-based approach. We look forward to giving children and youth a better outlook by ensuring they are healthy, nurtured, skilled and inspired.



TAWIAH AGYARKO-KWARTENG

Sustainable Sourcing Representative, West Africa
Accra, Ghana

50% ALL ABOUT FAMILY
30% CHANGE MAKER
20% BOOK LOVER

100% HERSHEY



REMARKABLE
People

Meet Tawiah

Growing goodness with local expertise

Back in 2013, Hershey was in the initial stages of implementing our sustainable cocoa sourcing program, Learn to Grow, in West Africa. I was hired to provide local expertise in Ghana in the areas of cocoa sustainability, corporate social responsibility and government engagement. This would not only help drive the implementation of our initiatives, it would also positively increase Hershey's presence in the region.

Since then, I've been involved in a range of successful initiatives including CocoaLink and Energize Learning while supporting the growth of the Learn to Grow program. By taking some of the company's core competencies and combining those with strong historical values of supporting children in need, we have been able to create very innovative and meaningful initiatives like Energize Learning. This, to me, is one of the ways that Hershey is leading.



ELIMINATING CHILD LABOR

We have continued our work on tackling child labor on farms, ensuring children can get back into school. The Hershey Company does not tolerate, and is committed to preventing, illegal child labor across the entire supply chain. These principles are outlined in the company's **Statement on Slavery and Human Trafficking**, as well as our **Code of Conduct** and **Supplier Code of Conduct**.

Hershey's certification programs use independent authorities to verify our use of certified and sustainable cocoa in our products. These include strict regulations for cocoa farms, which prohibit child labor in accordance with International Labour Organization conventions. We are also a founding member of CocoaAction.

We are currently in the process of rolling out a **Child Labor Monitoring and Remediation System** and will be reporting on our key performance indicators in next year's report.

Our partnership with the International Cocoa Initiative (ICI) supports the Child Labor Monitoring and Remediation System (CLMRS), a program in cocoa-growing communities of Côte d'Ivoire. Through Hershey's Learn to Grow program, in conjunction with our suppliers, CLMRS programming

was implemented in several Hershey-sponsored cocoa communities. The system will help Hershey and our partners identify and understand incidences and causes of child labor so that appropriate remediation activities can be undertaken.

We recognize that one company alone will not solve the challenges that contribute to the use of child labor. We will continue to invest and innovate in this work while partnering with governments, non-governmental organizations, private foundations and activist groups to help create a bright future for young people and communities in cocoa-growing regions.

SPOTLIGHT ON OUR SUSTAINABLY SOURCED INGREDIENTS

Our sustainable sourcing focus goes beyond cocoa. After launching a new **Sustainable Sugar Sourcing** Policy in 2016, we committed to procuring 100 percent of our sugar from responsible and sustainable sources by 2020. To do that, we knew we'd have to work closely with suppliers and partners who share our values and were prepared to follow thorough action plans to produce responsible, ethical, sustainable sugar.

IN THE U.S.

Over the last year some U.S. suppliers completed comprehensive and independent social audits of their refineries and other facilities that meet the Sedex Members Ethical Trade Audit.

We also began a review process to assess the impact that our U.S. sugar suppliers' sustainability programs were having on the environment.

AROUND THE WORLD

We also began to incorporate global third-party evaluations into the supply chains of our international sugar providers in accordance with our Supplier Code of Conduct and with industry best practices on sustainability initiatives.



100%

SUGAR FROM
RESPONSIBLE AND
SUSTAINABLE SOURCES
BY 2020

BETTER CANE FARMING IN BELIZE

Beginning in 2016, Hershey partnered with our supplier American Sugar Refining (ASR) and Belize's Sugar Industry Research and Development Institute to set up a Hershey Learn to Grow program in Belize. This program used a field farmer school model to work directly with sugar farmers on implementing sustainable farming practices. The initiative provided 12 training modules over 20 months to approximately 686 farmers enrolled in six groups. Farmers learned best management practices, such as improving soil health, better pest management and efficient application of fertilizers and herbicides. The program also promoted a no 're-burning' approach to reduce greenhouse gas emissions and improve soil quality.

As a result of the farmers adapting the no 're-burning' approach, a total of 5,234 acres refrained from the traditional burning practice. Farmers also saw other positive outcomes such as an 11,798-ton increase in total yields and an increase in total income of

BZ \$522,023, all while decreasing their impact on the environment.

In 2017, Hershey started a second phase of the Hershey Learn to Grow program with ASR, this time focused on cane quality and improving farmer incomes. Sugar cane farmers earn income based on the sugar content in their cane crop, a metric which is impossible to determine when looking at the outside of the cane.

This second phase will use cutting-edge technology to analyze cane samples and help farmers determine the optimum time to harvest their cane, capturing the most sugar content and the most income. This program will help farmers harvest more sugar and increase incomes without increasing land use or fertilizer use, helping all stakeholders involved. So far, 1,680 farmers are participating, more than 3,300 samples have been collected, and early returns show that harvesting plans are helping farmers realize cane purity levels that are above the yearly benchmark.

“HERSHEY’S SUPPORT FOR BELIZEAN FARMERS HAS MADE A REAL DIFFERENCE TO LIVELIHOODS AND SUSTAINABLE FARMING PRACTICES. WE ARE DELIGHTED TO PARTNER WITH THIS PROJECT, WHICH IS HELPING FARMERS OVERCOME SOME TOUGH CHALLENGES. FURTHERMORE, THIS BUILDS ON THE HERSHEY COMPANY’S LEADERSHIP IN ENSURING THE RAW MATERIALS USED FOR ITS ICONIC BRANDS ARE SOURCED FROM SUSTAINABLE INDUSTRIES WHOSE OPERATIONS BENEFIT THE ENTIRE COMMUNITY.”

OLIVIA AVILEZ

Cane Farmers Relations Manager
ASR Group, Belize Sugar Industries

WORKING FOR IMPROVED ANIMAL WELFARE

At Hershey, dairy, eggs and meat are key ingredients in our snacks, and we think the welfare of the farm animals that support our business matters. In 2015, we published our **Farm Animal Welfare Position** to help guide our U.S. suppliers on what we hold to be best practice for the humane treatment of animals. Part of growing our commitment to animal welfare also includes a target to use 100 percent cage-free eggs in the United States and Canada by 2020. We're on track to meet this target.

And while we believe organic methods have key benefits, we also believe in reducing the discomfort and protecting the health of farm animals. That's why we believe in providing antibiotics only when it's necessary. Our position statement also includes the use of humane practices that reduce stress to animals as much as possible.



100%
CAGE-FREE EGGS
IN U.S. AND CANADA
BY 2020



PARTNERING FOR BETTER PALM OIL

Palm oil is an incredibly versatile ingredient and it plays a role in some of our consumers' favorite brands. Because it's so versatile, it's also a big global crop—and that makes it challenging to grow and source sustainably.

We know that palm oil has impacts on forests and biodiversity in countries like Malaysia, Papua New Guinea and Indonesia. That's why we've partnered with **The Forest Trust (TFT)** to help us source our palm oil responsibly. With TFT, we go beyond certification, tracing palm oil back to the mill and the plantation, supporting suppliers' responsible sourcing and production practices. This means our palm oil suppliers cannot contribute to deforestation, must respect local community rights, preserve key species' habitat and abide by strong standards for labor and human rights. Through this partnership, we're contributing to the development of a more sustainable global palm oil supply chain.

WE GO BEYOND CERTIFICATION, TRACING PALM OIL BACK TO THE MILL AND SUPPORTING SUPPLIERS TO IMPLEMENT RESPONSIBLE SOURCING AND PRODUCTION PRACTICES.



Promoting Best Practices

We believe that engagement creates better supply chains and that when we help our suppliers improve, we make standards better for everyone. That's why we believe in helping suppliers improve when there are gaps between their performance and our criteria.

In mid-2016, Hershey stopped sourcing palm oil and palm derivatives from the IOI Group, after the Group lost its Roundtable for Sustainable Palm Oil (RSPO) certification. With the help of TFT, we monitored the development of

their Sustainable Palm Oil Policy and Sustainability Implementation Plan, as well as its progress on addressing labor rights issues.

In 2017, after 6 months of internal remediation and IOI Group's recertification from RSPO, Hershey began ordering from them again. We continue to monitor IOI Group's progress against its implementation plan and are also pleased to be part of helping another company improve its sustainability commitments.

CREATING COMMUNITY IMPACT WITH COCONUT

For the past few years, Hershey has been working with Fair Trade USA certified coconut producers in the Luzon area of the Philippines. The Peter Paul Philippine Corporation was certified in 2013 and sources coconut from 4,468 famers while Franklin Baker was certified in 2015 and purchases from 1,599 famers.

The Fair Trade certified producers are already experiencing significant benefits for themselves and their communities. Some have invested their Fair Trade premiums in crop diversification, reducing their dependence on coconut, creating more financial security for themselves and their families. Others have been able to purchase new tools that were previously prohibitively expensive, like scythes. This has improved their safety and their efficiency. Safety is also improved by the first aid kits and medical assistance that Fair Trade USA members receive.

Farmers have also been investing profits in broader community programs, including micro-loans for additional businesses and scholarship programs for children in the community. So far, Fair Trade has supported 235 students through the scholarship program and distributed 600 school supply packages every year to elementary schoolchildren of the Fair Trade registered farmers.



OUR FOOD PHILOSOPHY

As one of the leading snacking companies in America, we pride ourselves on creating diverse options that are not just delicious, but safe, too. The Hershey food philosophy is all about using high-quality ingredients that have been ethically sourced and that our consumers can feel good about.

We also ensure that every fan of our brands can trust what it says on the label and rely on having the information they need to make the choices that matter to them. That's why we're proud of our work to develop and be the first to adopt the innovative **SmartLabel™** platform, making it easier for people to get more information about their food. Today our whole product portfolio is available on SmartLabel™—excluding *Krave* and multi-product assortments—providing consumers with a great information resource on nutrition, ingredients, allergens, GMO status and more.

It's just one way we offer choice and transparency around the world. We've transitioned our iconic milk chocolate products to simple ingredients. In fact, most of Hershey's brand milk chocolate products already have simple ingredients.

Our consumers can always rely on Hershey to continuously develop products that respond to their changing lifestyles—from using fewer refined ingredients to offering options that help with workouts and training. We were the first confectionery company to commit to making 50 percent of our portfolio of individually wrapped standard and king size confectionery products with 200 calories or less.



200 Calories or Less

We've spent the last year engaging with our consumers to figure out new ways to support better choices for them in a way that will help us stay a globally competitive brand. In April 2017, The Hershey Company was the first company to commit to having at least 50 percent of our single-serve standard and king size confection offerings containing 200 calories or less. We were soon joined by others in the confectionery industry. Strategically, 2017 was a year of planning and starting to execute this exciting new plan. We look forward to reporting on our progress in 2018.

Front of Label Packaging

We transitioned the majority of our products to front-of-pack labeling by the end of 2017. This work will continue throughout 2018 as we regularly update our product packages. We originally set 2018 as the year we would achieve front-of-pack communication on all products; however, because the FDA pushed back the deadline for new nutrition label standards, we will add front-of-pack information as we update our nutrition labels throughout 2018 and into 2019.

SMARTLABEL™ EMPOWERING CHOICE

In 2015, Hershey was the first company to roll out the **SmartLabel™** platform. SmartLabel™ was designed to allow consumers to scan a QR code on the product packaging of their favorite brands and access a landing page to get more information about the nearly 30,000 participating products.

SmartLabel™ provides not only the basic nutritional and ingredient information required by U.S. law but also an array of other product information such as allergens, claims and third-party certifications. It represents a remarkable industry-wide collaboration to help consumers make informed choices about the products they love. Knowing consumers' demands for transparency, we were proud to play a leadership role in developing SmartLabel™, and proud that Hershey's Kisses were the very first product to bear the SmartLabel™ QR code.

Since then we've made great progress fulfilling on our commitment to provide product transparency to our consumers by publishing SmartLabel™ pages for all items in our product portfolio. We started 2017 with 365 live landing pages and finished with over 1,600, representing

all of our products excluding *Krave* jerky and multi-product assortments. We also migrated the landing page template to a new design that is more consistent with FDA's nutrition label reform and added information on the country in which each product is manufactured.

Throughout 2017, we continued to make changes to align our packaging to nutrition label reform and we plan to complete QR codes on all packages by the end of 2018 (excluding small mint and gum packages). We've also completed adding web links to SmartLabel™ pages for all the products we feature on our corporate and brand sites, making it even easier for consumers to find the information they are looking for.

Going forward, we plan to publish over 1,500 additional landing pages for new innovations and seasonal launches, as well as product updates and packaging changes. We're excited to participate in the national consumer launch of SmartLabel™ in 2018 and proud to be part of the industry's move to further empower consumers.



DEB ARCOLEO
Director, Product
Transparency
Hershey, PA

40% LAKE LOVER
30% PUZZLE ADDICT
30% DISABILITY CHAMP
100% HERSHEY



Meet Deb

Leading our industry

In late 2013, I was asked to lead an innovation project to develop a prototype tool to help consumers get product information using their mobile devices. We shared our work with the Grocery Manufacturers Association (GMA). We then helped lead the core team at GMA that developed it into the national SmartLabel™ program we have today. Hershey was the first company to launch SmartLabel™, in November 2015.

Over the past three years, we've developed a reputation as a real leader in this space. This is a huge source of pride for me. Some companies have a misconception that they shouldn't focus on transparency until their product portfolio has been revised or reformulated. We are unapologetically putting consumers' needs first and sharing all the information we can about our products now.

COMPETING AHEAD OF THE CURVE

At Hershey, we've been delighting consumers with our distinctive snacks for almost 125 years. And we built that legacy by being innovators in dynamic snacking environments—a tradition we uphold today.

As we work to provide more opportunities across snacking occasions, we're continuing to deliver innovative snacking leadership. We're creating snacks for our consumers that cover the sweet and savory, the indulgent as well as better-for-you products.

And in 2017 we were excited to launch Hershey's Gold. It's the newest flavor in the Hershey's family—joining Milk

Chocolate, Dark Chocolate and Cookies 'n' Creme—but it's not necessarily the bar Hershey's chocolate fans might expect. That's because it's one of our few bars without chocolate. Instead, Gold is a bar of caramelized crème with bits of salty peanuts and pretzels.

But with **90 percent** of today's time-starved shoppers reporting they snack multiple times a day and even replace meals with trusted snacks from simple ingredients, we know that opening up new shelf space for Hershey is about providing more snacks that let people indulge by mixing the salty with the sweet. Gold responds to these new snacking needs, along with our Popped

Snack Mixes, which provide crunchier, lighter textures; giving consumers convenient bags of Reese's Peanut Butter Cup Minis, Reese's Pieces, chocolate-drizzled popcorn and pretzel pieces. Our Dipped Pretzels are also providing the ideal blend of salty, sweet, crunchy and smooth and giving people the perfect snacking option whenever the mood strikes.

Internationally, we've continued to pursue growth and expansion opportunities. In 2017, we were focused on building sustainable future growth in our priority international markets; Canada, China, Mexico, Brazil and India. That's why these five markets are where we have placed the

greatest investment and from which we anticipate the highest long-term growth.

Of course, there are other changes happening in the snacking market too. Today, people want to eat snacks they can feel good about—treats that go beyond indulgence by offering a healthier option or organic or certified ingredients. As we move into 2018, Hershey will be growing across these categories, moving into exciting new snacking areas with a stronger innovation pipeline and more brands for better snacking occasions.



BRANDS LIVING OUR PURPOSE

Hershey is home to a diverse group of great brands offering exceptional snacking options—but that’s only part of what makes our brands great. We love to create unique, high-quality snacks using the best ingredients but we believe in forming partnerships that can make our communities and our planet better while doing it.

So when our Canadian Chipits brand wanted to share their love of baking, they also wanted to share community spirit. We set up Chipits first “Bake Bar,” where consumers could choose from a variety of toppings and then wait just 10 minutes for freshly baked custom cookies. If they

didn’t feel like designing their own, we also offered a menu of cookies designed by our baking team. And for every bag of cookies our consumers took home, we donated a meal to the Daily Bread Food Bank. The pop-up bakery was open for one week in July and \$10,000 was raised for the Daily Bread Food Bank. The results have been encouraging, and we’re looking forward to doing similar events with more brands in the future.

Our *Krave* jerky brand has also been sharing the love by taking part in the fight against breast cancer. *Krave* connected with Susan G. Komen to donate 10 percent of the retail sales price for every

pack of *Krave*’s Pink Peppercorn flavor sold. The promotion is running from September 2017 to August 2018 and will have a guaranteed minimum donation of \$50,000.



TASTES GOOD DOES GOOD

DAGOBA has always been about “Tastes Good and Does Good,” with a commitment to only using USDA-certified organic cocoa beans from Rainforest Alliance Certified™ farms. As the brand worked closely with cocoa communities, it also learned about the roles women play in the farming and production of the beans. This gave DAGOBA deep insight into where—and how—they could do the most good for the people who grew their cocoa.

While women play an integral role in global cocoa production, they are also at greater risk of being undervalued and underrepresented in the cocoa value chain. DAGOBA decided to tackle this by investing in women and increasing their economic opportunities as farmers, leaders and entrepreneurs and establishing the **One for All Cacao** Project in 2016.

Designed to strengthen cocoa communities by advancing the role of women in cocoa production worldwide, the One for All Cacao Project spent 2017 working closely with the community of San Juan de Cheni in Perú. The village has grown organic, Rainforest Alliance-Certified cocoa for DAGOBA products since 2009 and over 30 percent of its cocoa growers are women.

After spending time with the women to better understand their challenges and hopes for their families and community, the One for All Cacao Project partnered with Value for Women, a social enterprise specializing in supporting supply chain communities on women’s economic empowerment. The Value for Women team worked closely with community members to conduct a diagnostic review of the community, showing strengths and opportunities for economic empowerment. They also led a gender sensitivity workshop and involved a wide cross-section of community stakeholders in a collaborative design process to improve women’s economic potential.

As a result of the collaboration between the One for All Cacao Project, Value for Women and the village, the women of the community decided to form their own women’s collective. The community—and the collective—now have a roadmap to advance women’s economic empowerment in concrete ways in the years to come, with activities including forming savings groups to improve financial literacy, business skills workshops and improving access to financing for local women entrepreneurs who seek to diversify their income to supplement their cocoa harvest earnings.





Shared PLANET

WHAT DOES PRESERVING THE PLANET MEAN TO HERSHEY?

The ingredients for our beloved brands come from the earth. Preserving our ecosystems and natural resources is essential not only for our Shared Goodness Promise goals and the long-term sustainability of The Hershey Company, but for all of us who share this planet.

For us, preserving the environment means making our business and communities more sustainable. That's not a simple fix: it requires data-driven strategies, and, above all, it requires commitment. We're working to end deforestation, reduce our emissions, address future agricultural risks, eliminate waste, rethink our packaging, develop innovative solutions to the challenges of climate change and use the data we gather to continually strive for improvement.

2017 PROGRESS HIGHLIGHTS



2.7%

*Greenhouse gas
emissions reduced*

against our target of 25% reduction by 2025

19M LB

Packaging waste minimized

on the way to our target of
25 million pounds by 2025

133,333

Trees planted

in Kentucky, Florida and
Virginia in partnership with
the Arbor Day Foundation



IN THIS SECTION

Strengthening our Environmental Strategy

Rethinking Waste and Packaging

Preserving Natural Resources

United Nations SUSTAINABLE DEVELOPMENT GOALS





STRENGTHENING OUR ENVIRONMENTAL STRATEGY

Hershey's legacy of caring for people and the environment goes back to the founding of the company. That's why we've always worked to be good stewards of the environment in our business operations. This past year, however, we went deeper into analyzing and understanding the data around our environmental impact. Our goal is to find the places where we can make the biggest difference—like reforestation—and make science-based decisions that continue to reduce our impact.

The right data for the right decisions

Having the right data is essential to understanding the impact we have on the environment and making informed decisions for the future. Throughout 2017, we measured, collected and analyzed data from across our business. It spanned from the small, like calculating how much junk mail, such as magazines, we can stop coming through the front door at our headquarters (it's six tons a year), to moving the audit of our greenhouse gas emissions from an annual to a quarterly basis, giving us a closer view of our operations and allowing us to make changes quickly.

Through these actions, we aim to develop a deeper understanding of each element of our environmental strategy, and to be able to update, adjust and question our targets.

Making improvements everywhere

To achieve our ambitious environmental goals, teams across Hershey—from our headquarters in Pennsylvania to facilities all around the world—have brought forward ideas to save energy and reduce our emissions.

This builds on the work we already have underway. Hershey has been growing steadily more energy-efficient over the past few years. We've switched to environmentally friendly cleaning products across the company and we use a fleet of electric cars in Hershey. Our two cogeneration facilities in Monterrey, Mexico have achieved a reduction of 17,938 tons of CO₂ through the conversion of natural gas into electricity—that's the annual emissions of about 3,500 cars.

RETHINKING WASTE AND PACKAGING

Milton Hershey believed in reusing waste and recycling building materials whenever possible. From the beginning, this led to creative solutions that benefited the whole Hershey community, like using the heat from factory turbines to heat public buildings or making cocoa butter soap with leftover materials. Since then, we've worked hard to continuously reduce, reuse and recycle our waste in creative ways that have benefits outside our walls.

Bringing waste to zero

Our goal is to have zero waste across Hershey. We've achieved zero waste to landfill at 13 sites and our plants consistently exceed an 85 percent recycling rate. But we still face challenges. This year, a number of factors contributed to a 4.1 percent increase in our waste.

We are working to understand and reduce the causes of waste at Hershey. To bring our waste numbers down, we developed a focused initiative on obsolete packaging and waste creation. In 2018, we look forward to pursuing new waste-reduction initiatives.

Reimagining our packaging

Reducing packaging and packaging waste is a big part of our environmental strategy and one of our 25 by 25 commitments. We're proud that in 2017, we reduced our packaging waste by 18.5 million pounds, or 74 percent, towards our goal of 25 million pounds by 2025.

We also learned that it can be hard to maintain our reductions. Customer demand for new packaging increased this year and, while the packaging itself is recyclable, it still has an impact on both our waste figures and our environmental impact. We expect this to be a continued challenge that will require innovation and a balance between our environmental goals and the needs of consumers and retailers.



ELISAMA JUSTO
EHS Coordinator

ANA PAULA
EHS Technician
San Roque, Brazil

ANA

45% FAMILY
30% PROFESSIONAL DEV.
25% RELIGIOUS

100% HERSHEY



REMARKABLE
People

ELISAMA

50% FAMILY
25% ENGAGEMENT
25% FOR A BETTER WORLD

100% HERSHEY

Meet Elisama and Ana

Bringing zero waste to landfill

At our San Roque plant in Brazil, 170 tons of trash and 140 tons of sludge are produced every year. Production Manager Martin Ceballos and Executive Neandro Cardoso Furtado wanted to create an innovative solution to waste there, and they put together a team led by Elisama Justo and Ana Paulo Codignolle to come up with alternatives.

After six months of research, Elisama and Ana came up with a cost-effective solution and now sludge from the San Roque facility is composted, while trash and hazard waste is co-processed. Their work has reduced transportation costs, brought down CO₂ emissions and contributed a range of environmental benefits.

PRESERVING NATURAL RESOURCES

Growing great cocoa depends on a vibrant planet full of thriving ecosystems. Ensuring a sustainable supply chain means protecting natural resources, ending deforestation and using water responsibly. This work is always challenging, but in 2017 we made real progress.

Changing the way we use water

We aim to reduce the amount of freshwater we use and to effectively treat the water that we do use so that it can be used again. Part of this work is diving deeper into the real-time data on just how much water we use and where, and then making informed decisions.

In Hershey, PA, we're building a new wastewater treatment plant. Replacing a facility that had stood for 100 years, the new plant will treat all the water around our Pennsylvania operations and provide a blueprint for future wastewater treatment plants.

It works like this: The plant receives waste water from our manufacturing facilities and harvests biogas from it. The biogas produces power that runs the facility. The facility treats the wastewater and returns it to stream quality.

The plant will be operational in 2018.

Planting the seeds of vibrant forests

Forests bring many benefits to the planet and to local communities. They absorb

carbon, improve air quality, protect water resources, provide a habitat for wildlife and improve and have a positive effect on cocoa yields.

So, whether it's our reforestation work with the **World Cocoa Foundation's (WCF) Cocoa & Forests Initiative (CFI)** or how we use paper in our packaging, ensuring that we leave robust forests behind us is integral to creating a healthier world and alleviating poverty in our supply chain.

This year we've renewed our focus on reducing deforestation in our supply chain and on investing in reforestation efforts to improve biodiversity here in the United States.

Cocoa plants grown in the shade of trees last longer and are more productive, but deforestation in cocoa-growing communities continues to be a problem. To address this, we're committed to working with farmers and communities to plant trees through our Climate Smart Cocoa Project. In 2017, we also worked with the Winrock/USAID program "Security to Support Sustainable Cocoa" in partnership with ECOM agroindustrial to deliver an integrated set of services to cocoa farmers, including farm mapping, tenure templates for mapped farms, community-level dispute resolution training, agroforestry and tenure training for extension agents and

rehabilitation of old cocoa farms. This effort puts farmers in control of their income as well as at the forefront of conservation efforts.

At the beginning of 2018, we also announced a commitment to agroforestry and no new deforestation for cocoa-growing with the CFI. This was made possible through the leadership of the 35 WCF member companies, and the

governments of Ghana and Côte d'Ivoire, the International Sustainability Unit of the Office of the Prince of Wales, and the Sustainable Trade Initiative.

We also partnered with the **Arbor Day Foundation** to replant trees in communities throughout the United States. These trees will help clean the air, bring down CO₂ emissions and restore the natural beauty of America's forests.





Shared COMMUNITIES

.....

COMMUNITIES TODAY ARE FACING SERIOUS CHALLENGES—FROM POVERTY TO EDUCATION. HOW IS HERSHEY HELPING?

The Hershey Company was built on the idea of strong community. Our founder Milton Hershey didn't just open a factory, he built a town: Hershey, Pennsylvania. Designed to be a place where people owned their own homes and could access local arts, a quality education for their children, culture and recreation facilities, it quickly became a great place to live and work.

As the company grows, this philosophy endures. In the places where we operate, we don't just create jobs—we support communities where families can thrive, children have access to education and basic nutrition and where people come together through community programs and events that foster inclusion and pride of place.

Today, our giving programs are enhancing the lives of millions of people, and our spirit of giving is demonstrated every day by our employees, whose generosity continues to push us to do more, to be better and to show up for our communities. We can't change the world on our own, but we're doing our part—one community at a time—to give people better places to live, work and ultimately thrive.

2017 PROGRESS HIGHLIGHTS



\$11.9M

Donated in cash

\$8.6M

Donated in products

130,737

*Volunteer hours donated
by Hershey employees*

\$550,000

Raised

by our employee-led
Children's Miracle Network Team

\$1.8M

Raised

by employees during our
Season of Giving campaign

Three skills-based volunteering
partnerships with

70+

Employees



IN THIS SECTION

Helping Communities Thrive

How the Worst Times
Brought Out the Best in Us

A Culture of Giving

Giving Our Time and Skills



United Nations SUSTAINABLE DEVELOPMENT GOALS



HELPING COMMUNITIES THRIVE

In 2017, we updated our corporate giving strategy to include a renewed focus on the communities where we live and work, and we distributed more than \$5 million to 1,100 organizations through our community giving program.

Our new giving strategy draws upon our longtime commitment to communities where we live and work and incorporates new learning from our conversations with community members, employees, local leaders and nonprofits. It focuses on three key areas that we know help a community thrive: supporting basic needs, educating the workforce of tomorrow and investing in community and economic development efforts that bring people together.

We also began laying the groundwork for implementing this strategy over the long term by working with Hershey communities in the U.S. to identify what issues matter most to them and how Hershey is uniquely capable of helping. We look forward to kicking off work on these issues in 2018 and starting the same process for our international communities as well.

OUR COMMUNITY-FOCUSED 2017 GIVING HIGHLIGHTS

Supporting basic needs

A community is strong only when its most vulnerable are cared for, and this year we supported a wide range of basic needs initiatives.

These include the much-needed expansion of the Augusta Health Foundation's emergency room near our plant in Stuarts Draft, VA.

In Harrisburg, PA, we worked with the Salvation Army on the construction of a new community outreach center that will provide services to the homeless, career support to the unemployed and education and recreation facilities for young people.

We also partnered with Pasir Salam village in Malaysia to fund the construction of a new community center and school and to develop health outreach days with immunizations for children.

Educating the workforce of tomorrow

Hershey continues to support high-quality education and this year we supported 16 STEM and robotics programs in K-12 schools and the creation of a new science and laboratory space at Reading Area Community College.

We helped Camp LIGHT at Creative Works Farm in Stuarts Draft, VA, create a new agricultural education area, providing kids with special needs access to safe, fun and educational summer programming.

Meanwhile, our Brazil team partnered with the nonprofit Gerando Falcões to create the Choco Master program, a customized training program that provides unemployed workers with business skills and job experience by creating artisan chocolates and learning firsthand how to launch and operate a small business.



\$5m

DISTRIBUTED TO 1,100 ORGANIZATIONS

286

COMMUNITY-FOCUSED GRANTS AWARDED



Community development

We aim to make our communities better places to live by supporting projects and events that spur economic development and bring people together.

This year, we partnered with Zagster and the Downtown Hershey Association to extend the Hershey Medical Center’s bike share program to downtown Hershey. It launches in Spring 2018.

We also provided the funds and volunteer labor to double the size of the Hershey Community Garden, adding over 100 additional plots. These include individual

plots where community members can grow their own fruits and vegetables and community plots dedicated to local food programs. Hershey employees are now volunteering to plant, grow and harvest fresh produce for our local Nourishing Minds partner Cocoa Packs, which provides nutritious meals to food-insecure families in the area, helping their children succeed at school.

We also sponsored the Lancaster County Community Foundation’s “Extraordinary Give,” which brought thousands of people together to raise more than \$8 million for over 150 nonprofits in a single day.

100
NEW PLOTS ADDED TO THE COMMUNITY GARDEN

265,581
KIDS PARTICIPATED IN RUN JUMP THROW ACROSS THE U.S. & CANADA



1.5m
KIDS USATF WILL REACH BY 2020



Supporting Active Kids

We continued our partnerships with USA Track & Field (USATF) and Athletics Canada on **RunJumpThrow**—a fitness curriculum that gets kids moving and provides a fun track and field experience at all age levels. In 2017, 265,581 kids participated in our Run Jump Throw program across the U.S. and Canada through our partnerships. The program, which started only four years ago, also reached its 600,000th kid in 2017. USATF now has a goal to reach 1.5 million kids by 2020 with the program.

HOW THE WORST TIMES BROUGHT OUT THE BEST IN US

2017 was a year of unprecedented destruction from natural disasters, but it also brought out the best of Hershey. Natural disasters hit Texas, Florida, California, Puerto Rico and Mexico. It was a tough year, but Hershey employees came together and drew on their diverse skillsets in unique ways to help the people affected.

TEXAS, FLORIDA AND CALIFORNIA

Between August and October 2017, Hurricane Harvey hit Texas, Hurricane Irma hit Florida and wildfires spread through California's Sonoma County. As the news of these events circulated, different teams across Hershey rose to the occasion to help in a variety of ways.

The *Krave* team responded to an urgent need for high-protein food by donating 4,000 *Krave* bars to the Houston Food Bank through Feeding America®, while our Hershey Occasions team donated more than 13,000 chocolate bars to the American Red Cross, who used the bars to thank volunteers in Texas and Florida.

Meanwhile, the Hershey Seasons and local sales teams worked with United Way on #TreatsForTX popup events that brought the joy of trick-or-treating to more than 8,000 families in hard-hit communities in Texas who would have otherwise missed out on the Halloween fun.

Our Sonoma County sales team also donated \$5,000 of Hershey products to shelters



for displaced residents, and the company donated \$25,000 to the #SonomaStrong recovery initiative.

The company also doubled its annual Red Cross donation with an additional \$100,000 grant for hurricane relief.

MEXICO

As powerful earthquakes hit central and eastern Mexico in September, the Hershey Mexico team stopped work for a day to take part in direct recovery efforts and donated money, food pantry items and 35 pallets of Reese's and Kisses, and our Latino Business Resource Group organized a cash donation drive in the United States.

PUERTO RICO

When Hurricane Maria hit Puerto Rico in September, employees there and in the U.S. went above and beyond to help. Our global distribution, customs and logistics teams immediately partnered with the Central Pennsylvania Food Bank to fill five containers with food staples, bottled water and relief supplies.

While they worked with Feeding America® and Banco de Alimentos de Puerto Rico to distribute the supplies on the ground, our Global Security and Flight Operations teams quickly organized the purchase of 10 generators. They sent these to San Juan along with additional relief supplies that our Latino Business



\$65,000

PRODUCTS DONATED TO DISPLACED RESIDENTS IN SHELTERS AND VOLUNTEERS

\$275,000

DONATED TO RED CROSS AND CENTER FOR DISASTER PHILANTHROPY

Resource Group had gathered.

Hershey's Puerto Rico-based team donated warehouse space in San Juan to Feeding America®, as it scrambled to store the influx of donated food and supplies to the island. The team also helped organize a volunteer day to deliver the supplies to remote hard-hit areas, and the company made a grant to the Center for Disaster Philanthropy to support long-term recovery efforts on the island.

A CULTURE OF GIVING

The spirit of giving back to communities is woven into the culture of Hershey and can be seen today in the range of charitable activities supported by Hershey employees and the company. In addition to our own corporate giving program, we aim to amplify the generosity of our employees by matching their donations dollar for dollar, rewarding volunteer service through our Dollars for Doers program and working together with employees to identify new ways to give back.

SEASON OF GIVING

In 2017, we launched our first Season of Giving campaign. An expansion of our long-running annual United Way campaign, we responded to our employees' desire for greater choice in workplace giving by adding additional nonprofit options. In an impressive inaugural year, the Season of Giving raised a total of \$1.8 million for four charities through dollar-for-dollar donation matching.

Our partners

Since 1932, we've been working with **United Way**, a nonprofit that shares our belief in the power of community and is active in more than 40 countries around the world promoting healthy



living, improved education and financial stability. We proudly support United Way chapters in each community where we operate across the U.S., Mexico, India, the Philippines and Canada.

Children's Miracle Network (CMN), another longtime partner of Hershey, is an international nonprofit supporting care at 170 children's hospitals. In addition to supporting the nonprofit through our workplace giving campaign, our employee-led CMN committee broke its target this year and raised more than \$550,000 for CMN at Penn State Children's Hospital by hosting a successful golf tournament, 5K run and a bike ride.

Feeding America® is a valued partner for our Nourishing Minds program, and

this year we were delighted to add the organization to our Season of Giving. We support Feeding America's work supporting America's food-insecure families through its network of more than 200 food banks and 60,000 food pantries and meal programs.

Our final Season of Giving partner was crowdsourced by Hershey employees online. More than 50 charities were nominated throughout the crowdsourcing challenge. In the end, the **American Foundation for Suicide Prevention**, which has chapters in all 50 states, resonated most with our employees. This is due to its timely mission and the critical work it does improving mental health, combating bullying and supporting those impacted by suicide.



GIVING OUR TIME AND SKILLS

Hershey's culture of giving is about more than financial donations; it's about getting involved directly with communities and lending our time, our goodwill and our expertise. In 2017, Hershey employees volunteered more than 130,000 hours to nonprofits and supported events ranging from the United Way Mumbai Marathon to the Young Survival Coalition Tour de Pink.

SKILLS-BASED VOLUNTEERING

In 2017, we piloted two new skills-based volunteering opportunities for employees to use their professional know-how to help nonprofits. We also continued our partnership with Partners in Food Solutions, an independent organization improving food security in Africa by matching Hershey employees and other food companies with food entrepreneurs on the ground.

The first pilot was with the **Power Packs Project** (PPP), which provides nutritious meals to food-insecure families, particularly over the weekends when school meals aren't available. To help PPP with its plans to expand, 22 employees from across Hershey conducted a half-day strengths, weaknesses, opportunities and threats (SWOT) analysis with the organization's leadership and board.

Separately, Tim Shenk, a Hershey technology employee, volunteered his expertise to help the organization

transition to cloud computing. We also connected PPP with a vendor who donated a much-needed forklift for its warehouse.

In Hershey, PA, we partnered with the rapidly expanding **Vista School** for autistic youth to identify challenges from strategic planning to human resources process improvements that our employees can support. One Hershey employee has already started work with the school on staff training and developing a new hire orientation process, and we look forward to expanding the program in 2018.



TIM SHENK
Cloud Computing Specialist
Hershey, PA

40% FAITH
30% FAMILY
30% TRAVELING + BIKE
100% HERSHEY



Meet Tim

Using his IT skills for good

The nonprofit Power Packs Project was having trouble transferring its systems to Office 365. Fortunately, Hershey employee and cloud computing specialist Tim Shenk swooped in to help—and within one day successfully completed the organization's transition to its new system and provided training on managing the technology. Using his past experience, Tim saved PPP hours of frustration and hundreds of dollars in consultant costs.

“I'M PROUD OF HERSHEY'S COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY AND THE ENCOURAGEMENT THEY PROVIDE FOR EMPLOYEES TO MAKE A DIFFERENCE IN THEIR COMMUNITIES AND THE WORLD.”

GOOD TO GIVE BACK WEEK

Our annual Good to Give Back Week encourages Hershey employees to take some time away from their day-to-day work and volunteer in their communities. Dozens of nonprofit community partners around the world join us for this global week of service to ensure all these volunteer hours have a powerful impact.

A highlight of this year's Good to Give Back Week was joining with nonprofit **Rise Against Hunger** for the fifth year running to support our shared social purpose, Nourishing Minds. About 1,000 Hershey employees took part in meal-packing events around the world—in Hershey, PA, Mandideep and Mumbai in India and Manila in the Philippines. This year we reached a major milestone, hitting our millionth meal and bringing our total to 1,178,560 meals packed with Rise Against Hunger since 2014. These meals have been distributed to more than 11,000 people in seven countries.

Other highlights from the week included dozens of employee teams who worked with community food banks, led activities with children's organizations and participated in tree planting and park maintenance activities across the United States, and in China, Malaysia, Mexico and Canada.



1,000

**HERSHEY EMPLOYEES
TOOK PART IN MEAL-
PACKING EVENTS
AROUND THE WORLD**

1m+

**MEALS PACKED BY THE
HERSHEY COMPANY
TO DATE**



Remarkable PEOPLE

WHAT MAKES THE PEOPLE AT HERSHEY REMARKABLE?

Hershey has always been a purpose-driven company. Working here is about more than developing fantastic snacks (though we are pretty good at that), it's about helping people, strengthening our communities and leading the way on issues like gender representation.

As a company, we believe that our best ideas come from diverse groups of people bouncing ideas off each other. We hire people from all kinds of backgrounds who want to be part of our culture, and every single day they amaze us with their energy, enthusiasm and sheer generosity.

In return, we offer a workplace that's compelling, challenging, rewarding and safe. We keep an open mind, we listen to our employees and we encourage an environment where our people can truly be remarkable.



2017 PROGRESS HIGHLIGHTS



WOMEN LEAD

Our largest businesses

including our Hershey's and Reese's brands,
and, of course, The Hershey Company

77%

of our workforce
report being engaged at work

#8

on DiversityInc's list of top 15
companies for veterans

100%

*Rating as one of the Best Places
to Work for LGBT Equality*

in the Human Rights Campaign 2017 Corporate
Equality Index for the fourth consecutive year

LEADING THE WAY

Recognized as an organization
leading the way in disability hiring by the
National Organization on Disability

MOST JUST COMPANIES LIST

Added to Forbes magazine's
second annual Most Just Companies list



IN THIS SECTION

The Many Faces of Hershey

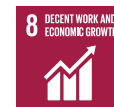
Health and Safety

Our Commitment to Our Employees

An Engaging Workplace



United Nations SUSTAINABLE DEVELOPMENT GOALS



THE MANY FACES OF HERSHEY

OUR DIVERSITY MAKES US STRONGER

At Hershey, we view the diversity of our workforce as a source of strength, innovation and fresh thinking. Our aim is to be an industry leader in inclusivity and hiring people from a range of backgrounds.

Hiring diverse talent

We're always refining our hiring process to ensure a level playing field for people from different backgrounds.

Our eight employee-led Business Resource Groups (BRGs)—Abilities First, African American, Asian, GenH (Generations), Latino, Prism (LGBTQ), Veterans' and Women's—play a key role in this, helping us to attract and retain people from different communities, providing marketing insights and connecting people within the company.

This year, for example, we worked with our Abilities First BRG to launch enhanced disability etiquette training for all managers.

Our diverse approach to hiring makes a difference. In 2017, Hershey was a global

leader on gender representation, with women occupying many of the top positions in our company—including CEO—and representation on the executive committee at 50 percent and throughout the company at approximately 50 percent.

Making Hershey even more inclusive

Inclusivity means different things for different people, and we're always making adjustments to ensure all employees have the resources they need to succeed at Hershey.

This year, we extended the duration of military leave for those on duty after a veteran employee pitched the idea to management.

We also strengthened our partnership with local Offices of Vocational Rehabilitation, which is aimed at creating an ongoing pipeline of qualified candidates with disabilities.

In 2017, our Abilities First BRG connected with our Facilities teams to share learnings from a wheelchair challenge to understand the realities faced by people who use wheelchairs in our offices. We can continue to learn from our employees' experiences and incorporate that knowledge into future design plans.

50%

GENDER REPRESENTATION THROUGHOUT THE COMPANY



LISA FISHEL-SLATER

Manager of Sales and Learning Development; Co-Lead of Abilities First Business Resource Group

HOTCHEE

Service Dog

47% HOME CHEF
43% LEARNING GEEK
10% GARDENING GURU

100% HERSHEY



REMARKABLE
People

Meet Lisa

Sharing goodness with her service dog Hotchee

Lisa Fishel-Slater—our Manager of Sales and Learning Development, and co-lead of our Abilities First Business Resource Group—started bringing a service puppy named SSD Hotchee to work three years ago. This four-legged employee has made such a positive difference to life at Hershey that we've enlisted him to train a little platoon of service puppies. Today, SSD Hotchee provides an opportunity to educate and create awareness through service dog events, puppy hugging and guest panels featuring people with disabilities sharing their personal journeys.

Our second pup SSD Brulee has graduated to work at the Perry Country Courthouse Child & Youth Services, providing unconditional love and support to children who may have been abused or neglected. Lisa sees this as “the most personal and powerful way to give back to the community.”

HEALTH AND SAFETY

CREATING A SAFE, HEALTHY AND HAPPY WORKPLACE

We're 100 percent committed to maintaining the health and safety of all people working at Hershey. Through the safe and responsible operation of all our facilities, we aim to keep everybody—Hershey employees, contractors and visitors—free from harm, while ensuring that we're on target for our environmental goals.

We're proud to say we hit all our regional and company-level health and safety targets for 2017.

Developing a better EH&S

In 2016, we announced a global environmental, health & safety (EH&S)

management system to help us monitor our performance and make adjustments along the way.

In 2017, our Enterprise Resource Planning team managed the systems implementation and by the end of the year the EH&S system was tested, and training was completed.

In Q1, 2018, we launched the EH&S information management system and began using it to look at incident reporting and tracking, chemical review processes, and occupational health and risk assessments. The system will help us align with external standards and create a more integrated system.



BRIAN LANGE
Robinson Plant Manager

50% FAMILY
25% CHEF
25% OUTDOORS

100% HERSHEY



REMARKABLE
People

50% FAITH & FAMILY
25% LAKE LIFE
25% VETERAN

100% HERSHEY



CARL CONRAD
Robinson EH&S Manager

Meet Brian and Carl

Developing a better EH&S

At our Robinson, IL, plant a group of remarkable employees assembled a Maintenance and Safety Committee to lead enhancements of our EH&S programs.

Plant Manager Brian Lange, who sits on the committee, says “An injury doesn’t just impact one employee. That one injury can be a life-changing event for a group of people, and it’s our responsibility to make sure that doesn’t happen.”

Carl Conrad, the EH&S Manager, says that one of the most important things has been “creating an environment which improves employee involvement in EH&S-related programs.”

Because of the committee’s work, the Robinson plant has received an Occupational Excellence Achievement Award from the National Safety Council.

OUR COMMITMENT TO EMPLOYEES

MAKING HERSHEY THE BEST WORKPLACE IT CAN BE

A happy, healthy and compelling place to work: that's what Hershey should be for everybody. And that requires flexibility, imagination and an enduring commitment to high employment standards.

Flexible working

As part of Hershey's evolution into a more agile place to work, we introduced SmartFlex in 2016. Designed to improve productivity, boost job satisfaction and increase employee engagement, SmartFlex is a suite of policies that allows individuals to create their own balance between work and personal life.

During the past two years, we've seen an increase from 70 to nearly 80 percent of employees reporting that their managers are more interested in their performance results than where they do the work.

Caring for our employees

Hershey has always believed in taking care of our employees' wellbeing. All full-time employees are eligible for medical, dental and vision coverage, life insurance, disability benefits and a 401(k) with a generous company match.

But we know that one size doesn't fit all, so we also offer a range of programs that address the many needs of our diverse workforce.

Unions

Hershey has a proud history of manufacturing world-class products, and employees at our manufacturing facilities enjoy competitive wages, benefits and highly skilled jobs. They also report strong engagement with their work. At some facilities, our manufacturing employees are represented by labor organizations and operate under collective bargaining agreements. These agreements are negotiated in the spirit of joint collaboration for the benefit of employees and the company.

Taking care of people in our supply chain

Hershey is committed to upholding the highest ethical labor standards in our own facilities and in our supply chain around the world.

In 2017, using Diversity Information Resources, we began finding opportunities for qualified minority, women, veteran, LGBTQ+, disadvantaged and disabled-owned companies to compete with others as primary suppliers.



SUSANNA ZHU
Chief Procurement
Officer, Hershey, PA

60% WORKING MOM
20% TRAVELER
20% DANCER

100% HERSHEY



REMARKABLE
People

Meet Susanna

Mentoring women in our supply chain

In 2017, Susanna Zhu worked with senior leaders in the organization to develop mentoring circles open to women in our supply chain and technology groups. Each circle is led by a senior leader mentor for five to seven mentees, and provides business insights, skills training, peer coaching and career advice.

Susanna's mentor circles have been such a success that our Women's BRG have used them as a template to set up their own.

AN ENGAGING WORKPLACE

At Hershey, we offer our employees a rewarding, engaging and purpose-driven work environment. And it makes a difference. Seventy-seven percent of our employees report being engaged at work, and this year we were proud to celebrate 21 employees' 40-year anniversaries working with us, bringing the total of 40-plus-year employees at Hershey to 91.

A place to learn and grow

At Hershey, we give all employees the chance to learn, grow and own their work.

In 2017, we partnered with leading online content vendors to expand our catalog of online and classroom courses from 3,000 to 9,000. This year, Hershey employees completed 411,802 hours of training.

This unique combination of world-class resources, real responsibility and authentic experience makes Hershey a place where employees can become leaders in their fields.

Many Voices, One Hershey

At Hershey, our decision-making is informed at every step by the perspectives of our employees. Our annual "Many Voices, One Hershey" survey reaches out to Hershey people around the world to hear their thoughts on the company's direction and their place in it.

In 2017, we asked leaders to follow a 1-2-3 approach for post-survey action planning. With this process, they

91
employees

**HAVE BEEN EMPLOYED AT
THE HERSHEY COMPANY
FOR OVER FORTY YEARS**



identified one priority, took two actions to improve on it and discussed the progress three times throughout the year. This has resulted in changes to our decision-making processes and significantly improved survey scores.

We also use pulse surveys to regularly engage our employees and get an understanding of their feelings on company strategy, initiatives and leadership. We then use these insights in focus groups that help us gain a more thorough understanding of key issues for employees.

Keep smiling

Positive feedback and recognition from colleagues is an important part of staying motivated on the job. Launched in 2015, our SMILES program lets employees recognize each other's good work by sending a smile. And it's been a huge success: this year, a Hershey employee received a smile from a colleague once every six minutes, adding up to nearly 90,000 moments across 16 global locations.

At our quarterly town halls, we recognize SMILES Award winners as remarkable people who exemplify Hershey behaviors.



2017 SMILES AWARD WINNERS

Meet some of our remarkable people



DEBORAH GODINHO

Deb helped drive executional excellence between the Shopper Experience and Marketing teams, ensuring nothing fell through the cracks.



VAN BAUM

Van's leadership contributed to a flawless 14th Annual Hershey Inclusion Celebration, where her dedication to bringing people together and creating a fun and engaging workplace shined through.



MARGO MCILVAINE

Margo's fresh thinking helped deliver significant anticipated share and upside for Hershey's Halloween business in 2018 and beyond.

About THIS REPORT



We align our sustainability reporting to the world's highest standards.

This report has been prepared to align with the Global Reporting Index (GRI) Standards Core option. The GRI standards guide how we communicate our progress but there are some instances where we have gone beyond Core's requirements to give stakeholders even more information around our Shared Goodness Promise strategy.

This sixth corporate social responsibility report charts the progress of Hershey's sustainability work for the 2017 calendar year, which is also our fiscal year. While we have detailed projects with some of our co-manufacturers and joint ventures, the qualitative data in this report only covers our wholly owned facilities.

We haven't sought any external assurance for this report or for our GRI submission. We have, however, had our greenhouse gas emissions independently certified by the Climate Registry. Environmental data in this report covers all of Hershey's owned sites.

This year, we have chosen to publish our GRI submission as a **separate document**. This will make it even easier for stakeholders with different interests to find exactly what they need.

We'd love to hear if you think this is a useful change. In fact, we'd welcome any feedback you have on both how we report and how we performed.

LET US KNOW
WHAT YOU THINK:

askhershey.com

THE THINGS THAT MATTER MOST

Our Shared Goodness Promise strategy was developed in part by us taking a close look at our material issues and working out how we could effectively engage with them to make a difference.

We first published our material issues in our 2011 CSR report and updated them in 2013. In 2016, we used the GRI Reporting Principles to conduct a comprehensive review of the environmental, social, governance and economic topics that are most relevant to both us and our stakeholders. This work gave us a list of issues that we could analyze.

We then directly reached out to stakeholders to understand their views on how we chose to prioritize the issues and how these issues—and our solutions—could impact our value chain. You'll find a list of our stakeholders on page 62 of this report.

Internally, we interviewed and surveyed managers and executives to get a clear idea of any internal challenges and perspectives on the selected issues.



We also worked with a wide range of organizations and individuals to analyze other sources that could give us even broader insight into these issues. Ultimately, we developed our materiality matrix by combining the results of our direct stakeholder engagement with this analysis of external sources.

All of these sources helped us to develop our materiality matrix, which clearly shows the issues that matter most to Hershey as decided by our stakeholders. It also maps out the issues according to how we as a business need to prioritize them and identifies the points on our value chain our impacts align with our priorities. This report covers the issues in the top-right section of this materiality matrix.

The final matrix not only helps us to maintain consistency with the GRI Standards, it also helps us as a company manage our CSR efforts more efficiently so that we can work towards sustainability more effectively.

For a list of definitions of our material issues, please see our **GRI Index**.



WORKING WITH INTEGRITY

We've been aligning the way we govern our business to evolving best-practice standards for more than a century. Continuously strengthening our ethics is a key part of what makes us work effectively and makes our brand exceptional. Being ethical keeps us viable and that's the only way we'll sustainably deliver growth, support our stakeholders and delight our customers.

GOVERNING OUR SHARED GOODNESS PROMISE

Hershey's Corporate Governance Guidelines set out how we approach corporate governance in detail. The Board of Directors reviews these guidelines every year and they were last updated on December 6, 2016.

The guidelines address issues such as the Board's responsibilities, structure and composition, membership criteria, committees and director qualifications and independence.

The **Code of Conduct**, published in 10 languages, is how we expect employees and partners to operate.

All of our directors and employees undergo training and verify that they've read and agree with the principles outlined in the Code.

OUR BOARD

On March 1, 2017, Michele Buck became Hershey's President and Chief Executive Officer. Before she took over from John P. Bilbrey, she had served as Executive Vice President and our Chief Operating Officer.

Mr. Bilbrey transitioned to the Non-Executive Chairman on our Board of Directors.

The **Board of Directors** is responsible for overseeing our strategies, significant decisions and business performance. This includes overseeing our compliance with legal and regulatory requirements, our Enterprise Risk Management (ERM) program and the key risks it identifies, the integrity of our financial statements and management succession planning and compensation policies.

To manage these responsibilities, the Board maintains five committees to

enable in-depth reviews of the important issues. They are:

- 1) **Audit,**
- 2) **Governance,**
- 3) **Compensation and Executive Organization,**
- 4) **Finance and Risk Management, and**
- 5) **Executive.**

As of December 2017, the Board had 13 directors, each over the age of 50 and each with significant professional experience. The Board includes five women, creating a gender composition of 38 percent women and 62 percent men.

QUERIES, CONCERNS AND COMPLAINTS?

Any ethical questions or dilemmas around the conduct of our employees or partners can be sent to us through a range of channels, including:

- Reports to company managers, Human Resources, the Ethical Business Practices Committee (established under the Code) and to The Concern Line, our confidential ethics and compliance

reporting program, which facilitates access via country-specific telephone numbers. There is also a company-specific web submission platform: **www.HersheysConcern.com**;

- Providing information to our Disclosure Committee, either as a group or through any individual member, during a formal meeting or otherwise;
- Information received by the General Counsel from an attorney under the Policy on Reporting by Attorneys and Part 205 of the U.S. Securities and Exchange Commission's regulations; and
- Communications by any interested party, including stockholders and employees, to the Audit Committee or the Independent Directors of the Board by telephone, email or mail.

Queries about our products can be made to our Consumer Relations team via a country-specific toll-free number, through the Global "Contact Us" page, **www.askhershey.com** (which is listed on all our packaging) or via **@AskHershey** on Twitter.



STAKEHOLDER ENGAGEMENT



Companies don't operate in isolation—everything we do impacts someone. Hershey believes in regularly and thoughtfully engaging with our consumers, customers, investors, the media and other external stakeholders to stay on top of the issues that matter most to them. We have also created a company culture that allows us to openly engage with our employees, suppliers and business partners. The following table provides an overview of our key stakeholders and the channels of communication we have with them and issues that matter most to them. Engagement varies and includes both formal and informal channels for communication.

EMPLOYEES	CONSUMERS	INVESTORS	RETAILERS	SUPPLIERS AND BUSINESS PARTNERS	NON-GOVERNMENTAL ORGANIZATION AND COMMUNITIES	GOVERNMENT AND POLICYMAKERS
<ul style="list-style-type: none"> Annual Many Voices of Hershey Survey Regular Pulse Surveys Regular Senior Leadership Communication (meetings, video, email and newsletters) Quarterly Town Halls Business Resource Groups (BRGs) Quality Through Engagement (QTE) teams 	<ul style="list-style-type: none"> Consumer insights research Surveys The Hershey Company website Social media channels Consumer Relations department 	<ul style="list-style-type: none"> Investor Relations website SEC Filings (10-K, etc.) Annual shareholders meeting Quarterly earnings calls Investment community meetings Investor Relations department 	<ul style="list-style-type: none"> Account teams Regular visits and meetings Partnership on Joint Business Planning Partnership on Purpose-Driven Initiatives Social media engagement 	<ul style="list-style-type: none"> Joint initiatives Supplier Code of Conduct Membership in industry groups Participation in industry conferences 	<ul style="list-style-type: none"> Partnership on common issues Sponsorships Employee volunteerism Ongoing dialogue Membership in industry associations Participation in industry meetings and conferences 	<ul style="list-style-type: none"> Industry collaborations Joint initiatives Ongoing dialogue Policy engagement and dialogue Government Relations department
ISSUES RAISED						
<ul style="list-style-type: none"> Opportunities to give back Inclusive workplace Workplace health and safety Training and development Employee engagement 	<ul style="list-style-type: none"> Informative labeling Ethical supply chain Simple ingredients Food safety More and healthier snacking options 	<ul style="list-style-type: none"> Global competitiveness Sustainable returns Compliance Future growth Working with integrity Financial health 	<ul style="list-style-type: none"> SmartLabel™ Snacking strategy Pricing and distribution Food safety Customer satisfaction 	<ul style="list-style-type: none"> Compliance Industry support and development Fair remuneration Access to markets Access to support and resources 	<ul style="list-style-type: none"> Deforestation and biodiversity Child labor Labor conditions and standards Environmental impact Livelihoods Community impact and outreach GHG emissions and climate change Animal welfare Child Nutrition and Education Responsible marketing 	<ul style="list-style-type: none"> Compliance Job creation Economic development Responsible tax Political engagement

AWARDS & RECOGNITION

FORBES
Most Just Companies and
The World's Most Reputable
Companies 2017



2017 CIVIC 50 HONOREE
by Points of Light,
dedicated to volunteer service

NO. 2 ON THE TOP 100 POWERFUL BRANDS

by Tenet Partners CoreBrand
Index three years in a row



NO. 21 ON 2017 NEWSWEEK U.S. GREEN RANKING

DIVERSITYINC

25 Noteworthy list (identified as a company with the potential to make The DiversityInc Top 50) and
No. 8 on DiversityInc Top 15 Companies for Veterans



NATIONAL ORGANIZATION ON DISABILITY
Recognized as an organization leading the way in disability hiring

100 PERCENT RATING ON ONE OF THE "BEST PLACES TO WORK FOR LGBTQ EQUALITY"

in the 2017 HRC
Corporate Equality Index



DOW JONES SUSTAINABILITY INDEX
for North America (for the sixth year) and the World (for the fifth year)

100 BEST CORPORATE CITIZENS
by Corporate
Responsibility magazine



MOST REPUTABLE COMPANY
No. 8 US RepTrak® 2017 and
No. 62 on the Reputation Institute 2017
Global RepTrak 100 Most Reputable Companies

PERFORMANCE INDICATORS¹

Shared Futures	2017	2016	2015
Number of Minds Nourished ²	208,072		
Number of Children Receiving ViVi	52,913	50,000	50,000
Number of small and growing food companies we are working with to strengthen food security and improve local access to nutrition	31		
Shared Business			
Financial Performance			
Number of countries in which our products are marketed	80	70	70
Number of countries in which our products are manufactured	7	7	10
Manufacturing facilities (wholly owned/joint ventures)	18/1	18/1	19/1
Consolidated net sales (US\$ million)	7,515	7,440	7,387
Shareholder return (%)	12.2%	18.7%	-12%
Adjusted earnings per share-diluted (\$)	\$4.69	\$4.33	\$4.07
Income taxes paid (US\$ million)	351.8	425.5	368.9
Worldwide payroll (US\$ million)	797.7	752.3	786.2
One-year net sales growth (%)	1%	0.7%	-0.50%
Sustainable Sourcing			
Percent certified and sustainable cocoa in all our chocolate products worldwide	75%	60%	50%
Farmers enrolled in Hershey's Learn to Grow programs	54,000	48,300	45,000
Percent certified and sustainable coconut by 2020	50%		
Percent palm oil purchases traced to the plantation level by 2020	99.25% (Mill) 14% (Plantation)	97.78% (Mill) 14% (Plantation)	10% (Plantation)

¹ Data is as of December 31 of the reporting year

² Cumulative



PERFORMANCE INDICATORS

Food Philosophy and Transparency	2017	2016	2015
Percent of our portfolio with a live SmartLabel™ landing page with detailed product, ingredient and allergen information (excluding multi-product assortments and Krave Jerky)	100%		
Percent of products with easy-to-read front-of-pack calorie labels.	100%		
Number of wholly owned manufacturing and joint-venture operations and contract manufacturing/co-packing that attain food-safety certification recognized by the Global Food Safety Initiative	88% of The Hershey Company-owned facilities (15 of 17)	82% of Hershey Company-owned facilities (14 of 17)	80% of Hershey Company-owned facilities (16)
	1 joint venture	1 joint venture	1 joint venture
	84% of our contract manufacturing facilities globally		
	100% of our US and Canada co-manufacturing facilities		
Shared Planet			
Total percentage reduction in greenhouse gas emission vs. 2015 baseline in all owned facilities	2.7%	2.1%	Base year
Total percentage reduction in total water use vs. 2015 base in all manufacturing facilities	1.8%	2.2%	Base year
Total percentage reduction in waste generated vs. 2015 base in all manufacturing facilities (excluding stock feed)	+4.1%	Number not reported	Base year
Total reduction in lb of packaging material	18.5 million	9 million	Base year
Direct (Scope 1) GHG emissions (metric tons CO ₂ e)	109,707	110,889	103,668
Direct (Scope 1) GHG emissions (metric tons CO ₂ e per thousand pounds of product produced)	0.06	0.06	0.05
Indirect (Scope 2) GHG emissions (metric tons CO ₂ e)	189,777	190,412	204,066
Direct (Scope 2) GHG emissions (metric tons CO ₂ e per thousand pounds of product produced)	0.10	0.10	0.10
NOx emissions (metric tons)	76.24	66.61	63.08
SOx emissions (metric tons)	1.58	2.40	2.38



2.7%
REDUCTION IN
GREENHOUSE GAS
EMISSIONS

PERFORMANCE INDICATORS

Shared Planet	2017	2016	2015
VOC emissions (metric tons)	181.59	178.36	185.08
CO emissions (metric tons)	73.26	57.1	58.03
Particulate emissions (metric tons) ³	46.42	43.29	40.91
Total water use (million gallons)	1,291.98	1,287.24	1,316.43
Total water discharge (million gallons)	491.67	592.7	469.18
Percentage water withdrawal from ground	57.70%	51.1%	54.1%
Percentage purchased water	42.30%	48.90%	45.90%
Water use (gallons per thousand pounds of product produced)	0.67	0.74	0.70
Waste generated (metric tons) (includes recycling)	43,248	42,899	39,920
Total hazardous waste (metric tons) ⁴	12.49	14.16	14.04
Shared Communities			
Cash donations (US\$ million)	11.9	10.7	10.64
Product donations (US\$ million)	8.5	6.2	10.1
Employee volunteer hours	130,737	104,000	98,250
Our Remarkable People			
Number of employees worldwide (full-time/part-time) ⁵	16,910 (15,360 /1,550)	17,980 (16,300/1,680)	20,710 (19,060/1,650)
Union representation (approximate)	32%	31%	29%
Number (percentage) of women on Executive Committee	5 (50%)	3 (27%)	3 (27%)
Number (percentage) of women on Board of Directors	5 (38%)	2 (18%)	2 (17%)
Number (percentage) of racial minorities on Board of Directors	0 (0%)	1 (9%)	1 (8%)

³ Particulate matter: 10 microns or less

⁴ All hazardous waste was transported nationally off-site to permitted treatment, storage and disposal facilities

⁵ Active employees in our wholly owned operations.



PERFORMANCE INDICATORS

Our Remarkable People	2017	2016	2015
Number (percentage) of Board of Directors members over 50 years old	13 (100%)	11 (100%)	12 (100%)
Total Recordable Incident Rate (TRIR)	1.38	1.47	1.56
Days Away, Restricted, Transferred (DART)	0.99	0.93	0.75
Lost Workday Incident Rate (LWIR)	0.46	0.33	0.41
Total fatalities (work-related)	0	0	0

0

TOTAL WORK-RELATED FATALITIES

411,802

TOTAL HOURS OF EMPLOYEE TRAINING





SHARED GOODNESS

HERSHEY 

YOUR FEEDBACK IS IMPORTANT TO US.

Please **contact us** with comments or questions
or connect with us on our social channels.

