

The Hershey Company

2016 Annual Report of Lobbying and Advocacy Expenditures

March 14, 2017

This report contains a summary of expenditures made by The Hershey Company (Company) in 2016 on account of lobbying and advocacy initiatives that are important to the Company and its stockholders. We have disclosed these expenditures because we believe it is important that stockholders know how Company funds are used to lobby for and advocate issues important to the future growth and prosperity of the Company.

Our Policy On Political Advocacy

We do not contribute Company funds, directly or indirectly, to candidates for public office or campaigns for political office. This policy is set forth in our Code of Ethical Business Conduct, available for viewing on this website. Company funds are used to support or advocate issues, legislation or referenda of importance to the Company and our stockholders. These funds, classified under the U.S. Internal Revenue Code (Code) as non-deductible lobbying expenditures, are paid primarily to industry trade associations, lobbying entities and our internal government relations personnel.

Non-Deductible Lobbying Expenditures Incurred by the Company in 2016

Set forth below is a summary of the non-deductible lobbying expenditures incurred by the Company in 2016. For any organization that received more than \$10,000 in non-deductible fees from the Company in 2016, we have provided the name of the organization and the amount paid. We have provided the aggregate fees paid by the Company in 2016 to all other organizations and our internal governmental relations personnel, categorized as set forth below.

- Non-deductible expenditures in excess of \$10,000 paid to any trade association or single-interest coalition:

- Sweeteners Users Association	\$ 12,950
- Grocery Manufacturers Association	\$ 38,001
- National Confectioners Association	\$ 39,727

- The aggregate amount of all non-deductible expenditures of \$10,000 or less made to any trade association:

\$ 53,687

- Non-deductible expenditures in excess of \$10,000 paid on account of any state ballot initiative:

\$ 0.00

- Non-deductible expenditures made to any contract lobbyists engaged by the Company:
 - Capital Strategies Group, Sacramento, CA \$ 20,000
 - State Street Advisors, Harrisburg, PA \$ 54,128
 - Akin Gump \$ 120,000

- The aggregate amount of non-deductible expenditures made to employees of the Company who provide registered lobbying services to the Company:

\$ 230,447

- Non-deductible expenditures to entities organized under Sections 501(c)(4) or 527 of the Code:

\$ 0.00