

2014 CORPORATE SOCIAL RESPONSIBILITY REPORT

EXECUTIVE SUMMARY



HERSHEY
THE HERSHEY COMPANY

FORWARD LOOKING STATEMENTS

This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to risks and uncertainties. Other than statements of historical fact, information regarding activities, events and developments that we expect or anticipate will or may occur in the future, including, but not limited to, information relating to our future growth and profitability targets and strategies designed to increase total shareholder value, are forward-looking statements based on management’s estimates, assumptions and projections. Forward-looking statements also include, but are not limited to, statements regarding our future economic and financial condition and results of operations, the plans and objectives of management and our assumptions regarding our performance and such plans and objectives. Many of the forward-looking statements contained in this report may be identified by the use of words such as “intend,” “believe,” “expect,” “anticipate,” “should,” “planned,” “projected,” “estimated” and “potential,” among others. Forward-looking statements contained in this report are predictions only and actual results could differ materially from management’s expectations due to a variety of factors, including those described herein. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to

buy, sell or hold the Company’s securities. Factors that could cause results to differ materially include, but are not limited to: issues or concerns related to the quality and safety of our products, ingredients or packaging; increases in raw material and other costs; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; disruption to our supply chain; failure to successfully execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure; the impact of future developments related to civil antitrust lawsuits and the possible investigation by government regulators of alleged pricing practices by members of the confectionery industry; and such other matters as discussed in our Annual Report on Form 10-K for 2014. All forward-looking statements contained in this report are expressly qualified in their entirety by such risk factors. All information in this report is as of June 15, 2015, and the Company assumes no obligation to update developments of the risk factors or to announce publicly any revisions to any of the forward-looking statements we make, or to make corrections to reflect future events or developments, except as required by the federal securities laws.



Hershey continues to work diligently to improve our business and bring Shared Goodness to the world. We do this by innovating products, breaking into new distribution channels, broadening our portfolio, and simplifying and improving the transparency of our ingredients. This will help us accelerate growth and preserve what has made this company special for the past 100 years. We greatly appreciate the engagement of our many stakeholders as we continue along our journey.

John P. Bilbrey
Chairman, President and CEO
The Hershey Company



As Chairman of the Board over the last six years, I have taken great pride in the work that all of our employees continue to accomplish at Hershey. It has been a remarkable and humbling honor to serve a company with such strong core values and such a dedicated workforce. I look forward to continuing my service to the board in my new role and supporting J.P.’s strong leadership in his capacities as CEO and Chairman.

James E. Nevels
Former Chairman of the Board of Directors
(February 2009–March 2015)
Lead Independent Director of the Board
The Hershey Company

ABOUT THE HERSHEY COMPANY

The Hershey Company is a global confectionery and snack market leader known for bringing goodness to the world through delicious chocolate, sweets, mints and other great-tasting snacks.

As of year-end 2014, Hershey employed more than 22,000 employees worldwide and had consolidated net sales of more than US\$7.4 billion. Hershey is publicly traded under the symbol HSY on the New York Stock Exchange.

At Hershey, goodness extends beyond the delicious products we produce. Shared Goodness is our way of doing business, which benefits our stakeholders at an individual, a community and a global level. A deeply held belief in this principle guides our people and growth.

RESPONSIBLE CEO OF THE YEAR

CR Magazine named Hershey CEO J. P. Bilbrey one of the 2014 Responsible CEO of the Year Award winners for notably exceeding standards in the areas of employee relations, environmental impact, human rights, philanthropy and corporate responsibility practices.

2014 AWARDS AND RECOGNITION

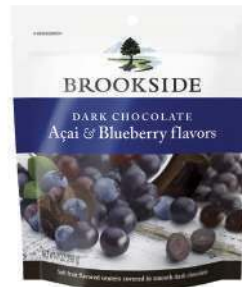
- Dow Jones Sustainability World and North America Index, 2014
- “Best Places to Work for LGBT Equality” in the 2015 Human Rights Campaign Corporate Equality Index
- Named to Civic 50 list as one of America’s most community-minded companies
- 2015 World’s Most Ethical Companies

OUR COMPANY BRAND AND REFRESHED VISUAL IDENTITY

To highlight our evolution into a global confection and snack company, in 2014 we reimagined our corporate brand, with a clean, modern identity that builds authentically on the company’s powerful legacy.

Along with a refreshed company logo, Hershey is implementing a new, disciplined visual

identity system based on the famous colors of our most recognized brands, including *Hershey’s*, *Reese’s* and *Ice Breakers*, to bring a more colorful and consistent look to all of the company’s visual materials.



Almond Joy
Brookside
Cadbury*

Heath
Hershey's
Hershey's Kisses

Ice Breakers
Jolly Rancher
KitKat*

Lancaster
Mounds
PayDay



Pelon Pelo Rico
Reese's
Rolo*

Special Dark
Twizzlers
York

*Manufactured in the United States under license.

PROGRESS TOWARD OUR GOALS

	GOAL	2014 PROGRESS
Integrity of Supply Chain 	Initiate internal and external social audits via Sedex and assess 25% of total supplier spend by beginning of 2014	Completed the 14% remaining audits on selected external manufacturing sites to meet our 2013 goal
	Assess an additional 25% of external suppliers and internal manufacturing sites (measured by spend) by beginning of 2015	Audits completed on 70% of selected external suppliers and 100% of selected internal manufacturing sites. Received commitments from remaining 30% to be completed in 2015
Consumer Well-Being 	Attain food-safety certification recognized by the Global Food Safety Initiative at all of our wholly owned manufacturing and joint-venture operations and contract manufacturing/co-packing by 2012	Obtained certification at 15 wholly owned facilities and one joint venture
	Reduce greenhouse gas (GHG) emissions in our U.S. distribution and transportation operations by 10% from 2013 baseline by 2017	GHG emissions reduced by 4.75% (15.62 million pounds)
Efficient Business Operations 	Attain zero-waste-to-landfill (ZWL) status at two additional plants from 2013 baseline by 2017	Our El Salto, Mexico plant achieved ZWL status
	Achieve a recycling rate of 90% from 2013 baseline by 2017	Achieved recycling rate of 88.9%
	Reduce waste per thousand pounds of product by 5% from 2013 baseline by 2017	Reduced waste per thousand pounds of product by 1.4%
	Reduce GHG emissions by 15% from 2013 baseline by 2017	Reduced our total GHG emissions by 0.4%
	Reduce absolute water use by 17% from 2013 baseline by 2017	Our absolute water use increased 2.8%
	Complete a minimum of 25 initiatives resulting in the cumulative elimination of 16 million pounds of packaging material	26 initiatives reduced packaging waste by 1.75 million pounds

	GOAL	2014 PROGRESS
Sustainable Sourcing 	Achieve 100% certified and sustainable cocoa in all our chocolate products by 2020	On track to achieve our goal, as 30 percent of our globally sourced cocoa was independently certified and verified. Hershey also announced a new target to source at least 50 percent certified cocoa by the end of 2015, aiming to reach our 2016 goal one year ahead of schedule
	Ensure all palm oil procured will be Roundtable on Sustainable Palm Oil (RSPO)-certified	Achieved 100% procurement of Mass Balance RSPO-certified palm oil
	Trace all palm and palm kernel oil supplies to mill level	Traced 94% of procured palm and palm kernel oil supplies to mill level
	Trace all palm and palm kernel oil supplies to plantation level in 2016	Started process of tracing palm and palm kernel oil supplies to plantation level
Safety and Wellness at Work 	Maintain our commitment to use at least 80% recyclable materials (by weight)	Current usage of recyclable materials by weight exceeds 80%
	Continue to achieve top-tier safety performance as measured by innovative training programs and systems that focus on measurable improvements in people and safety metrics	Safety improved across our operations: TRIR: 1.69 DART: 1.00 LWDC: 0.45
	Through the myWell-Being program, achieve 35% Well-Being Assessment participation among employees, partners and dependents	Achieved 38% overall Well-Being Assessment participation; 49% of employees participated



GLOBAL COMPETITIVENESS

EXPANDING GLOBAL OPERATIONS



Making progress on our strategic global growth plan, we have expanded our presence in a number of key international markets. This includes our acquisition of Shanghai Golden Monkey Food Joint Stock Co., Ltd. (Golden Monkey) in China in 2014. Golden Monkey provides Hershey with an iconic national brand and a proven distribution and sales network for its portfolio of candy, chocolates, protein-based products and snack foods. Hershey will learn lessons from Golden Monkey that can be applied to further our growth around the world.

In 2014, Hershey surpassed US\$100 million in annual sales of Hershey's Kisses Chocolates in China



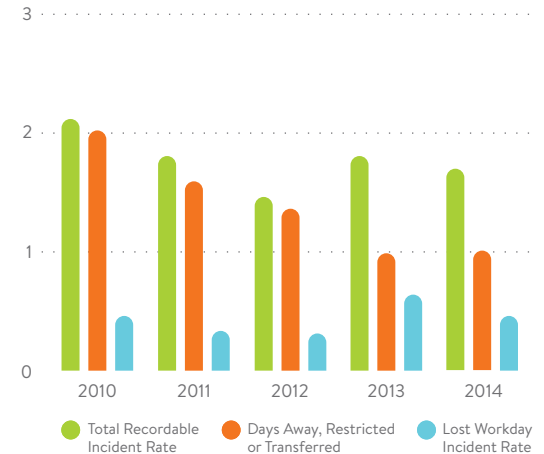
WORKFORCE ENGAGEMENT AND EXCELLENCE

BUILDING A STRONG WORKFORCE

Investing in a strong, diverse and inclusive workforce remains a top priority at Hershey. Our innovative and inclusive practices allow us to attract a broad talent base reflective of an international company and consumer base. We are proud of the activities at Hershey that enable our employees to grow professionally, including:

- From day one, new employees are given access to an array of educational and guidance resources through our multimedia onboarding portal.
- Hershey's Business Resource Groups (BRGs) supply information on a broad range of topics. For example, the Abilities First BRG educates and informs about people with disabilities as valued members of the workplace and community.
- Through tools such as our Many Voices One Hershey employee survey, we continue to learn how to improve employee well-being across Hershey.

KEY PERFORMANCE INDICATORS	2013	2014
Total Recordable Incident Rate (TRIR)	1.81	1.45
Days Away, Restricted or Transferred (DART)	1.09	0.75
Lost Workday Incident Rate (LWIR)	0.63	0.31



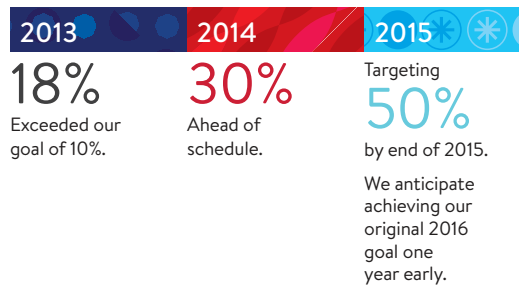
ABILITIES FIRST BRG

Hershey's Manufacturing Abilities First Program provides opportunities for individuals with intellectual and physical disabilities to learn job skills and gain financial independence. We have been pleased with the better-than-expected retention rate and are continuing to expand this program across our manufacturing network.

ETHICAL SOURCING AND SUSTAINABLE AGRICULTURE

FULFILLING HERSHEY'S 21ST CENTURY COCOA STRATEGY

Given the importance of chocolate in our product portfolio, our first priority has been to address the sourcing of cocoa. We are actively involved in large-scale efforts that are committed to rooting out forced labor, especially forced child labor, in our cocoa supply chain. We have pledged to use 100 percent certified sustainable cocoa in all of our chocolate products by 2020 and are ahead of schedule.



AN UNPRECEDENTED HERSHEY AND INDUSTRY COLLABORATION

Hershey is working with a diverse set of industry stakeholders on a unique, collaborative program called CocoaAction. This program aims to rejuvenate and establish an economically viable cocoa sector by 2020, benefiting up to 300,000 cocoa farmers and their local communities in Côte d'Ivoire and Ghana.

WORKING TOWARD PALM OIL TRACEABILITY AND SUSTAINABILITY

We have made excellent progress toward our goal to sustainably source palm oil:

- All of our palm oil purchases were 100 percent Mass Balance RSPO-certified by the end of 2014.
- We traced 94 percent of our palm and palm kernel oil supplies to the mill level in 2014.
- We anticipate completing the next phase, tracing our supplies back to the plantation level, in 2016.

QUALITY AND FOOD SAFETY

Adhering to the highest standards of food quality and safety ensures not only a delicious product for our consumers but also a continued reputation for reliability for our company. We strive to meet the most rigorous quality and food safety benchmarks at every step of our supply chain and manufacturing processes across the globe.

HERSHEY'S PRODUCT EXCELLENCE PROGRAM

Our Product Excellence Program (PEP) provides a comprehensive system to oversee product quality and safety and to assure compliance with food-surveillance legislation. The PEP evaluates our facilities and our extended supply chain—from ingredients and packaging through distribution—to identify product quality or safety risks.



BUILDING TRANSPARENCY ACROSS OUR VALUE CHAIN

We are evolving the way we source ingredients and label our packages in order to help people understand what is in our products. In early 2015, we announced the beginning of our transition to simple and easy-to-understand ingredients. We are focusing on three key principles:

Simple Ingredients

We are committed to making our products using ingredients that are simple and easy to understand, like fresh milk from local farms, roasted California almonds, cocoa beans and sugar—ingredients consumers recognize, know and trust.

Transparency

We take pride in our products and sharing information about all that goes into them, from the ingredients to sourcing, manufacturing and labeling. We will make this information easy to find for those who are interested—whether that's on our packaging, on our website or through new technologies.

Responsible Sourcing of Ingredients

We will continue to work with our suppliers to responsibly source sustainable ingredients, building on our progress against commitments to source 100 percent certified and sustainable cocoa and certified sustainable and traceable palm oil.



ENVIRONMENTAL PERFORMANCE

Hershey continually upgrades its environmental sustainability programs to reduce the environmental impact of its domestic and international facilities. The Hershey Environmental Management System was established in 2013, and has been successfully implemented at eight manufacturing facilities, including five during 2014.

Examples of our approach to environmental management include:

ENERGY AND GHG EMISSIONS

We continue to focus on driving efficiencies in our distribution network, shipping more efficient and full truckloads and reducing our environmental impact while growing our business.

CLIMATE-CHANGE RISKS

We manage supply-chain risk through the certification of key commodities, such as palm oil and cocoa. These certification programs help farmers adapt to climate change from deforestation and use water and other scarce resources responsibly.

WATER FOOTPRINT

Building on the water-conservation pilot project we began in 2012, we have continued to invest in state-of-the-art water-efficiency measures in our manufacturing operations.

MATERIALS USE AND PACKAGING

In 2014, packaging waste was reduced by 1.75 million pounds through 26 initiatives. With many significant initiatives planned, we are on target to achieve our goal of 16 million cumulative pounds reduced through 2017.

WASTE

With the conversion of our plant in El Salto, Mexico, to zero-waste-to-landfill (ZWL), Hershey now operates 11 facilities meeting this standard—six manufacturing plants and five other facilities. Sixty percent of our global production takes place in ZWL facilities.

Packaging Sustainability: Hershey's Miniatures

A NEW WRAPPER DESIGN REDUCES 0.05 GRAMS OF PAPER AND ALUMINUM FROM EACH HERSHEY'S MINIATURES WRAPPER

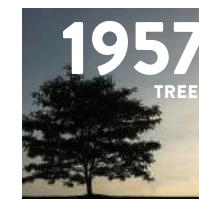
IN 2014 WE:
SAVED ENOUGH WRAPPERS TO FILL

REDUCED PAPER USE, SAVING

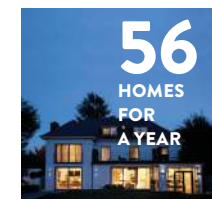
REDUCED ALUMINUM USAGE, SAVING ENOUGH ELECTRICITY TO POWER



11
TRACTOR-TRAILERS



1957
TREES



56
HOMES FOR A YEAR

Better
Life

SUPPORTING PEOPLE'S WELL-BEING



MODERATION AND BALANCED LIVING

Since our founding, we have been devoted to community well-being, which includes the promotion of a balanced lifestyle. We have developed a wide range of products, practices, information and commitments to help promote healthy lifestyles among our consumers.

At a product level, this effort includes portion-controlled packaging as well as reduced sugar and sugar-free offerings. Twenty-six of our brands provide individually wrapped pieces with less than 100 calories, and our portfolio includes 10 sugar-free brands.

A NEW PARTNER FOR HERSHEY'S TRACK & FIELD GAMES

In 2014, Hershey established *RunJumpThrow*, a seven-year partnership with USA Track & Field (USATF) and Athletics Canada, as part of a new national youth activities initiative. Designed to introduce kids ages 7–12 to the basic skills of running, jumping and throwing, this initiative embodies our long-standing commitment to getting kids excited about physical activity. The program officially launched in 2015.



Olympic legends Carl Lewis and Jackie-Joyner-Kersey lead a fitness session at the announcement of *RunJumpThrow* during the SHAPE America Conference in St. Louis.



COMMUNITY INVESTMENT AND ENGAGEMENT

Hershey is committed to supporting partnerships that support social and economic development and benefit our employees, families and society. Our employees often augment these investments through direct giving and volunteerism.

In 2014,
The Hershey Company
donated a total of
US\$14.3 million
in cash and products

More than
2,600
organizations
received donations from
Hershey in 2014

Hershey and our workforce
set a record by raising
US\$535,695
in 2014 for the
Children's Miracle Network,
a nonprofit alliance of
children's hospitals across
North America

In 2014, our employees
beat the record we set
the previous year, donating
more than
US\$3.1 million
through our corporate
United Way Campaign

During our annual
Good to Give Back Week,
more than
1,700 employees
from five countries spent
more than 5,300 hours
volunteering with a variety
of causes

UNLOCKING THE POTENTIAL OF CHILDREN AND COMMUNITIES

Bright Future



HELPING TRAIN AND EMPOWER FARMING COMMUNITIES

HERSHEY'S LEARN TO GROW PROGRAM

The Hershey Learn to Grow program provides education and training to help farmers in Ghana, Nigeria and Côte d'Ivoire grow sustainable cocoa that can increase crop yields and income and lead to UTZ certification. Eighteen months after launching Phase One of Learn to Grow, outcomes include:

- 1,465 trained farmers have achieved UTZ cocoa farm certification
- 33 percent of program participants to date have been women farmers
- GPS farm mapping, training and access to our CocoaLink program helped farmers improve their crop yields

In 2014, we launched Phase Two of Hershey's Learn to Grow Ghana, which extends the geographic area and expands the training offered on operating sustainable and efficient cocoa farms, and will expand in Côte d'Ivoire and Nigeria, as well.



Our goal for Learn to Grow is, by 2019, to impact:

19,000
cocoa farmers in Côte d'Ivoire

20,000
cocoa farmers in Nigeria

23,000
cocoa farmers in Ghana

COCOLINK

CocoaLink is a mobile technology platform established in 2011 through a public-private partnership consisting of Hershey, the World Cocoa Foundation and the Ghana Cocoa Board. CocoaLink makes available free, two-way information exchange between cocoa experts and cocoa farmers about planting, pruning, fertilizer use, labor issues, and improving farmer and family safety. The

program's successes include:

- More than 45,000 farmers have been enrolled
- Currently, one-third of CocoaLink users are women
- An independent study found that yields in the CocoaLink-connected farming communities increased by 45.6 percent in three years, 10 percent greater than among control communities

SUPPORTING OPPORTUNITY FOR NEW GENERATIONS



THE MILTON HERSHEY SCHOOL

The Milton Hershey School provides free education, housing, food and health care to more than 1,800 underserved children of all backgrounds, from prekindergarten through 12th grade. The school is supported by the Milton Hershey School Trust, to which Milton Hershey donated the bulk

of his fortune in 1918. The Trust remains our largest shareholder. Employees of The Hershey Company also engage with the students, including through programs such as:

Project Fellowship
Employees mentor students, providing strong role models and a global perspective

Hershey Honors Authentic Business Management Program

Honors business students learn about consumer research, packaging, advertising, pricing, marketing and other key business topics from Hershey employees during a 35-week course

PROJECT PEANUT BUTTER

Hershey is committed to using our food expertise to provide children in need in the United States and other countries with access to basic nutrition so they can focus, learn and grow.

In Ghana, we have partnered with Project Peanut Butter, a nonprofit organization that works to address acute malnutrition, which is the largest contributor to child mortality in Africa, afflicting 20 million children. They do this by providing ready-to-use therapeutic foods (RUTF): high-calorie, fortified peanut butter-like pastes containing monounsaturated fats, which are easy to digest

and rich in immune system-enhancing zinc and protein.

Hershey helped to build the project's newest RUTF manufacturing facility located in Kumasi, Ghana. During the past year, 15 Hershey employees worked more than 6,200 hours supporting the plant. Now in full operation, the plant will eventually be able to produce approximately 20,000 peanut-based RUTFs each day, enough to treat approximately 48,000 children each year.

KEY PERFORMANCE INDICATORS	2014	2013	2012
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Financials			
Number of countries in which our products are marketed	70	70	70
Number of countries in which our products are manufactured	17	17	17
Manufacturing facilities (wholly owned/joint venture)	19/2	15/2	15/2
Consolidated net sales (US\$ million)	7,420	7,150	6,640

Community			
Cash donations (US\$ million)	\$10.04	\$7.27	\$6.00
Product donations (US\$ million)	\$4.27	\$2.13	\$2.93

Workforce			
Number of employees worldwide (FT/PT) ¹	22,450 (22,800/1,650)	14,800 (12,600/2,200)	14,200 (12,100/2,100)
Union representation (approx.)	25%	35%	39%
Number (percentage) of women on executive team ²	3 (33%)	2 (22%)	2 (22%)
Number (percentage) of women on board of directors	2 (20%)	2 (20%)	1 (10%)
Number (percentage) of ethnic minorities on board of directors	1 (10%)	1 (10%)	1 (10%)
Total Recordable Incident Rate (TRIR)	1.69	1.81	1.45
Days Away, Restricted, Transferred (DART)	1.00	1.09	0.75
Lost Workday Incident Rate (LWIR)	0.45	0.63	0.31
Total fatalities	0 work-related fatalities	0 work-related fatalities	0 work-related fatalities
Total hours of employee training (whole company)	312,543	N/A	N/A

Environment			
Direct (Scope 1) GHG emissions (metric tons CO ₂ e)	92,752	101,007	115,333
Direct (Scope 1) GHG emissions (per thousand pounds of product produced, CO ₂ e)	0.05	0.12	0.15
Indirect (Scope 2) GHG emissions (metric tons CO ₂ e)	227,768	224,738	258,152
Indirect (Scope 2) GHG emissions (per thousand pounds of product produced, CO ₂ e)	0.12	0.27	0.33
NOx emissions (metric tons)	131.83	128.04	179.89
SOx emissions (metric tons)	7.15	12.73	5.13
VOC emissions (metric tons)	152.99	165.16	181.98
CO emissions (metric tons)	127.16	115.35	128.82
Particulate emissions ³ (metric tons)	62.98	63.19	48.93
Total water use (gallons)	1,255,611,000	1,220,754,000	1,711,722,000
Percentage water withdrawal from ground (gallons)	57.2%	60.0%	70.8%
Percentage purchased water (gallons)	42.8%	40.8%	29.2%
Total water discharge (gallons)	431,176,000	504,342,000	405,923,000
Water use (gallons per thousand pounds of product produced)	0.70	0.66	0.98
Waste generated (metric tons) (includes recycling)	42,189	40,078	35,714
Total hazardous waste ⁴ (metric tons)	13	N/A	N/A

1 Active Hershey employees in our wholly owned operations as of December 31

2 Percentage of women on executive team has been adjusted to align the definition of the executive team with that used in our financial communications

3 Particulate matter: 10 microns or less

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

WE'D LIKE TO HEAR FROM YOU

Our performance, summarized here, is discussed in greater detail in the full Hershey Company 2014 Corporate Social Responsibility Report, which is available at hersheysharedgoodness.com.

We welcome feedback from our stakeholders on both our reporting and our performance. Please contact us online or use the mailing address below to share your comments with us.

The Hershey Company
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More about The Hershey Company:

The Hershey Company
Corporate Information
www.thehersheycompany.com

The Hershey Company
Corporate Social Responsibility
www.hersheysharedgoodness.com

Hershey Archives
www.hersheyarchives.org

Hershey's Retail Attractions
www.hersheys.com/chocolateworld

The Hershey Trust
www.hersheytrust.com



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