The Hershey Company and its subsidiaries (collectively, “Hershey” or the “Company”) regard the publication of this tax strategy as complying with its duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish its group tax strategy in the current financial year.

Approach of the Company to risk management and governance arrangements in relation to global taxation (including UK taxation).

As a multinational, Fortune 500 corporation, Hershey faces tax risks similar to those of other global organizations of similar size and scope. The Company’s day to day tax affairs are managed by its Global Tax and Corporate Controller departments, both of which are led by personnel who have education and experience in the tax area and a consistent understanding of how tax risk is identified, reported and managed.

Hershey’s material financial and tax risks are managed by the Company’s Finance and Risk Committee (an internal management committee), which is chaired by the Company’s Chief Financial Officer and includes senior level personnel from relevant areas such as tax, accounting, treasury, and law. The Finance and Risk Committee meets to consider, among other things, the current financial and tax environment, financial and related risks that might affect the Company’s tax positions and strategies, and proposed transactions that could involve material financial or tax risk. Proposed transactions are reviewed with consideration of expected financial benefit, cost, and risk, and are implemented only if they are approved by the committee.

The Company’s Board of Directors provides governance and oversight of key financial and tax risks via a subcommittee of the Board, the Finance and Risk Management Committee, which includes members of the Board who have extensive experience in financial matters. The Senior Director Tax, who manages the Company’s tax function on a day to day basis, makes an annual presentation to the Board’s Finance and Risk Management Committee regarding the Company’s tax affairs and risks.

Attitude of the group toward tax planning.

Hershey’s Corporate Tax Policy reflects and supports the business by ensuring a sustainable tax rate, appropriate consideration of tax risks, and compliance with tax laws across relevant jurisdictions.

Hershey’s attitude toward tax planning is that it should be aligned with business and commercial strategy. The Company considers the business to be the catalyst for any transaction or initiative, and tax planning as an opportunity to enhance the results.

Tax advice may be sought from external advisors in respect of material transactions, and when the Global Tax department does not have the expertise required in a particular area. The Senior Director Tax is responsible for the appointment of external advisors, subject to Hershey’s policy on audit / non-audit services and its Code of Conduct.

Level of risk in relation to global (and UK) taxation that the group is prepared to accept.

The Company evaluates tax planning opportunities with consideration of risk, and implements those that are aligned with business strategy and include an acceptable level of risk. Hershey does not have a specific policy regarding the level of tax risk it is prepared to accept; however, in general, the Company takes tax positions that are ***at least*** more likely than not to succeed based on technical merit.

Approach toward dealings with global revenue authorities, including HMRC.

Hershey's Corporate Tax Policy addresses compliance with tax laws across relevant jurisdictions, including the UK. The Company is committed to a transparent relationship with HMRC and other tax authorities, including disclosure of non-privileged information that is requested by tax authorities to carry out their tax administration responsibilities.