



HERSHEY 

*2018*

# GRI CONTENT INDEX

2018 SUSTAINABILITY REPORT

# 2018 GRI CONTENT INDEX

**The data in this report relates to the period from January to December 2018, unless otherwise stated. For a detailed explanation of the indicators, visit the GRI website: [globalreporting.org](http://globalreporting.org)**

This content index accompanies our 2018 Sustainability Report and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Comprehensive option. All standards are the 2016 version except where noted in the GRI standard column. The final three disclosures listed (Future of Retail, Innovation, and Business Continuity/Disaster Recovery) are material issues for The Hershey Company that are not covered by GRI.



## General disclosures 2018

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
Organization profile	102-1	Name of the organization	<a href="#">2018 Form 10-K p. 1</a>			
	102-2	Activities, brands, products, and services	The Big Picture pp. 5-6, 12 <a href="#">2018 Form 10-K pp. 4-6</a> We are not aware of any of our products being banned in any markets where we operate and distribute.			
	102-3	Location of headquarters	<a href="#">2018 Form 10-K p. 1</a>			
	102-4	Location of operations	The Big Picture p. 5 Our Approach and Performance: Our Progress p. 60			
	102-5	Ownership and legal form	<a href="#">2018 Form 10-K p. 3</a>			
	102-6	Markets served	<a href="#">2018 Form 10-K pp. 4-6</a>			
	102-7	Scale of the organization	Our Approach and Performance: Our Progress pp. 60-63			
	102-8	Information on employees and other workers	Sharing Goodness Across Our Value Chain p. 13 Our Approach and Performance: Our Progress p. 63 <a href="#">2018 Form 10-K p. 7</a> See GRI Appendix 102-8 p. 46 We do not have a significant portion of activities performed by workers who are not employees. There are not significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b and 102-8-c. Our Human Resources analytics team manages employment data and is able to calculate these metrics.			
	102-9	Supply chain	<a href="#">2018 Form 10-K pp. 4-6, 8, 10-11</a> Shared Business: Responsible Sourcing pp. 21-23			
	102-10	Significant changes to the organization and its supply chain	<a href="#">2018 Form 10-K pp. 12, 19-20</a> Shared Business: Responsible Sourcing pp. 22-23			
	102-11	Precautionary Principle or approach	Through our Shared Goodness Promise strategy we have strengthened our precautionary approach to our environmental impact. In 2018, we laid the groundwork for a science-based approach to our climate change and energy targets that resulted in the launch of our enterprise-wide environmental policy, commitment to the Science Based Targets Initiative and membership of the United Nations Global Compact in Q1-19. Our Vice President of Corporate Communications and Corporate Social Responsibility serves on the Enterprise Risk Management committee to ensure environmental and social risks are reviewed by Hershey.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-12	External initiatives	Hershey is part of the following sustainability-related initiatives: CocoaAction, World Cocoa Foundation, Roundtable on Sustainable Palm Oil, AIM-PROGRESS, West Africa Cocoa Livelihoods Program, International Cocoa Initiative, Cocoa Forest Initiative, United Nations Global Compact, Bonsucro, CEO Action for Diversity & Inclusion™ and Paradigm for Parity.			
	102-13	Membership of associations	See GRI Appendix 102-13 p. 47			
Strategy	102-14	Statement from senior decision-maker	The Big Picture: 125 Years of Shared Goodness: Q&A with Michele Buck p. 7			
	102-15	Key impacts, risks, and opportunities	The Big Picture: 125 Years of Shared Goodness: Q&A with Michele Buck p. 7 The Big Picture: Our Challenges p. 8 <b><u>2018 Form 10-K pp. 8-13</u></b>			
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	<b><u>Hershey Code of Conduct</u></b> <b><u>Our Values</u></b> <b><u>Hershey Supplier Code of Conduct</u></b> Our Remarkable People pp. 47-49 Our Approach and Performance: Being a Responsible and Ethical Business p. 55			
	102-17	Mechanisms for advice and concerns about ethics	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b><u>Compliance complaints</u></b> <b><u>Corporate Governance</u></b>			
Governance	102-18	Governance structure	Our Approach and Performance: pp. 54-55 <b><u>2018 Form 10-K pp. 106, 120-122</u></b> <b><u>Corporate Governance</u></b>			
	102-19	Delegating authority	Our Approach and Performance: pp. 54-55 <b><u>2018 Form 10-K pp. 106, 120-122</u></b> <b><u>Corporate Governance</u></b>			
	102-20	Executive-level responsibility for economic, environmental, and social topics	Our Approach and Performance: Governing for Sustainability p. 54 <b><u>2018 Form 10-K pp. 106-107</u></b> The Chief Human Resources Officer reports directly to the Board, has overall responsibility for the Sustainability program and is supported by the Vice President of Corporate Communications and Sustainability.			
	102-21	Consulting stakeholders on economic, environmental, and social topics	Our Approach and Performance: Governing for Sustainability p.54 Our Board of Directors hears from external stakeholders through our executive management team. Our employee engagement survey findings are reviewed by the Board of Directors. Our special leadership council has oversight of our responsible sourcing activities in West Africa and also feeds stakeholder feedback to the Board of Directors.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-22	Composition of the highest governance body and its committees	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 Our Approach and Performance: Our Progress p. 63 <b><u>Corporate Governance: Independence pp. 2-3; Tenure p. 4</u></b> <b><u>Board of Directors</u></b> <b><u>Corporate Governance Guidelines</u></b> <b><u>Management and Charters</u></b>			
	102-23	Chair of the highest governance body	<b><u>Board of Directors</u></b>			
	102-24	Nominating and selecting the highest governance body	<b><u>Corporate Governance</u></b> <b><u>Hershey Corporate Governance Guidelines p. 4</u></b>			
	102-25	Conflicts of interest	<b><u>Hershey Corporate Governance Guidelines p. 10</u></b> <b><u>Code of Conduct pp. 7, 25</u></b>			
	102-26	Role of highest governance body in setting purpose, values, and strategy	Our Approach and Performance: Being a Responsible and Ethical Business pp. 55-56 <b><u>Hershey Corporate Governance Guidelines pp. 2, 6, 8</u></b>			
	102-27	Collective knowledge of highest governance body	<b><u>Hershey Corporate Governance Guidelines p. 8</u></b> Members of our Board of Directors do not receive specific training on Shared Goodness Promise issues as these are embedded into the role of our management team, and therefore a core part of their role. They are all experts in their field and have oversight over Hershey's strategy, which includes the Shared Goodness Promise. As part of our materiality and saliency assessments, which inform our Shared Goodness Promise strategy, we seek the input of external stakeholders.			
	102-28	Evaluating the highest governance body's performance	Members of our Board of Directors are not evaluated with respect to the Shared Goodness Promise strategy in 2018.			
	102-29	Identifying and managing economic, environmental, and social impacts	Our Approach and Performance: pp. 54-56 Our materiality and saliency assessments, which inform our Shared Goodness Promise strategy, included input of external stakeholders. <b><u>Hershey Corporate Governance Guidelines pp. 2, 7</u></b>			
	102-30	Effectiveness of risk management processes	The Governance & Risk Committee review Hershey's management of all types of risks including economic, social and environmental. <b><u>Hershey Corporate Governance Guidelines p. 6</u></b> <b><u>Governance &amp; Risk Committee Charter</u></b>			
	102-31	Review of economic, environmental, and social topics	<b><u>Hershey Corporate Governance Guidelines p. 6</u></b> The Board of Directors reviews our Shared Goodness Promise risks and opportunities and management approach once a year.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-32	Highest governance body's role in sustainability reporting	Michele Buck reviews and approves the Shared Goodness Promise Report and the material topics covered.			
	102-33	Communicating critical concerns	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b>Corporate Governance Guidelines p. 10</b>			
	102-34	Nature and total number of critical concerns	In 2018, there were no critical concerns that required reporting to the Ethical Business Practices Committee or the Audit Committee.  Critical concerns are generally reported through our Human Resources Department, the Legal Department and/or the Concern Line, a third-party monitored, independent service available 24/7 to employees, business partners and other parties for reporting concerns via phone or the Internet. All reported concerns are reviewed and managed by the Ethics & Compliance Department. Critical concerns, if any, are also reported to the Ethical Business Practices Committee, which is comprised of members of senior management reporting directly to the CEO. The Ethical Business Practices Committee also serves as a steering committee for the oversight and coordination of compliance-related activities.  Critical concerns are also escalated to the Audit Committee, as required by our Procedures for Submission and Handling of Complaints Regarding Compliance Matters.  Issues reported to the Concern Line cover a wide array of topics, including leadership style, general labor practices, employment-related concerns and requests for general advice.			
	102-35	Remuneration policies	<b>Hershey Corporate Governance Guidelines p. 9</b> <b>2018 Form 10-K p. 106</b>  The performance criteria in our remuneration policies for our Board of Directors and senior executives does not currently include objectives for environmental or social topics.			
	102-36	Process for determining remuneration	<b>2019 Proxy Statement</b>			
	102-37	Stakeholders' involvement in remuneration	<b>2019 Proxy Statement</b>			
	102-38	Annual total compensation ratio	In 2017, we estimate that Michele Buck's annual compensation ratio to the median annual total compensation for all employees was 400 to 1.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-39	Percentage increase in annual total compensation ratio		Entire disclosure.	Confidentiality constraints.	The salary of highest paid individual in each country is confidential. Hershey does not track or measure the highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.
Stakeholder engagement	102-40	List of stakeholder groups	Our Approach and Performance: Stakeholder Engagement pp. 57-58			
	102-41	Collective bargaining agreements	67.21 percent of Hershey and Amplify union employees are under collective bargaining agreement negotiations.			
	102-42	Identifying and selecting stakeholders	Our Approach and Performance: Stakeholder Engagement pp. 57-58 We engage directly and indirectly with many of our stakeholders. We engage with those stakeholders who either have influence or control over our business and/or are impacted by our operations across our value chain either directly or indirectly.			
	102-43	Approach to stakeholder engagement	The Big Picture pp. 8-9 Shared Business: A Focus on Human Rights p. 24 Our Approach and Performance : Stakeholder Engagement pp. 57-58 Examples of stakeholder engagement can be found throughout our 2018 Sustainability Report. We engage with stakeholders including partner non-profit organizations, the Milton Hershey School, customers, and member organizations in the development of the report preparation process. This includes collaborating on content and review of materials by partners. External stakeholders were also engaged as part of our materiality and saliency assessments and implementation of our new Cocoa For Good strategy.			
	102-44	Key topics and concerns raised	The Big Picture pp. 8-9 Shared Business: A Focus on Human Rights p. 24 Our Approach and Performance: Stakeholder Engagement pp. 57-58			
Reporting practice	102-45	Entities included in the consolidated financial statements	<b>2018 Form 10-K pp. 4-6</b> All entities comprised by the Hershey Corporation are covered by this report.			
	102-46	Defining report content and topic Boundaries	The Big Picture pp. 8-9 Appendix: Material Issues Across Our Value Chain pp. 43-45			
	102-47	List of material topics	The Big Picture: Material Issues p. 9 Appendix: Material Issues Across Our Value Chain pp. 43-45			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	102-48	Restatements of information	As of April 4, 2019, there have been no restatements or corrections issued of information given in previous reports.			
	102-49	Changes in reporting	The Big Picture pp. 8-9 Appendix: Material Issues Across Our Value Chain pp. 43-45 Hershey conducts its materiality assessment bi-annually. In 2018's materiality assessment, several new material issues and boundaries were prioritized. Several previous material issues and boundaries were deprioritized from our 2016 assessment, with the new issues and boundaries described in the locations listed above.			
	102-50	Reporting period	Our Approach and Performance p. 64			
	102-51	Date of most recent report	June 5, 2018			
	102-52	Reporting cycle	Our Approach and Performance p. 64			
	102-53	Contact point for questions regarding the report	Our Approach and Performance p. 56			
	102-54	Claims of reporting in accordance with the GRI Standards	Our Approach and Performance p. 64 This report has been prepared in accordance with the GRI Standards: Comprehensive option			
	102-55	GRI content index	Hershey 2018 GRI Content Index, this PDF.			
	102-56	External assurance	We did not receive any external assurance for this report. We will have our 2018 Greenhouse Gas Emissions independently verified by the Climate Registry.			



## Economic

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Economic Performance</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Continued global competitiveness and profitability ensures that we are economically sustainable in the long-term. This allows us to continue to pay the salaries of our employees, pay taxes, pay suppliers, and support the Milton Hershey School and other social investments.  Our Board of Directors, CEO and management teams are directly responsible for the economic performance and global competitiveness of the company.  The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <b><u>2018 Form 10-K pp. 3-4</u></b>			
	103-2	The management approach and its components	<b><u>Corporate Governance Guidelines p. 2</u></b> <b><u>2018 Form 10-K pp. 3-5</u></b>			
	103-3	Evaluation of the management approach	<b><u>Corporate Governance Guidelines p. 2</u></b> <b><u>2018 Form 10-K pp. 19-35</u></b>			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	<b><u>2018 Form 10-K pp. 19-35</u></b> The Big Picture: Sharing Goodness Across Our Value Chain p. 11			
	201-2	Financial implications and other risks and opportunities due to climate change	The Big Picture: Our Challenges p. 8 Shared Planet: Our 25 by 25 Commitments pp. 38-39 <b><u>Environmental Policy</u></b> <b><u>2018 Form 10-K p. 4</u></b> Please see our 2018 CDP submission, once released.  We have identified three types of risks due to climate change as outlined in our CDP submission. These include: Risk due to regulatory changes, changes in physical climate parameters and other climate-related developments. The costs implications of these three climate change related risks are currently unknown, but are likely to have cost implications. A rise in average temperatures and changes in precipitation patterns could lower cocoa yields and therefore increase the price of this key commodity negatively impacting our business. We continue to monitor changes in regulations, and changes in weather patterns and are committed to supporting cocoa communities to adopt climate resilient farming practices. We also invest capital in our manufacturing processes to improve energy efficiency and water savings project. We have also committed to the Science Based Targets Initiative which will include Scope 3 emissions.  In 2018, Hershey launched our Cocoa For Good strategy which committed \$500 million by 2030 in our cocoa growing committees across four pillars. One pillar is 'Preserving Ecosystems' for which we work towards zero deforestation and increased agroforestry and shade trees.  Hershey spends around five to eight percent of its capital budget for environmental sustainability initiatives.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	201-3	Defined benefit plan obligations and other retirement plans	<p><b><u>2018 Form 10-K pp. 37, 41-43, 56, 58, 60, 64, 82, 84-90, 100-101</u></b></p> <p>For the U.S. Medical Plan cost share, at the aggregate, Hershey contributes 78 percent and employees contribute 22 percent.</p> <p>For Hershey's 401(k) Plan, the company match is 100 percent on the first one percent contributed by employees and 70 percent on the next five percent contributed by employees. In total, Hershey provides a 4.5 percent company match on six percent employee contributions.</p>	Entire disclosure outside of the U.S.	Information unavailable.	Outside of the U.S. there is substantial variation among retirement and defined benefit plans in each country. The administration of these plans is monitored, however the details of these plans are not reported in alignment with the requirements of this disclosure. There are no specific plans to report these data.
	201-4	Financial assistance received from government	<p><b><u>2018 Form 10-K pp. 31, 32, 38, 58, 60, 83, 84, 100</u></b></p> <p>The only financial assistance we have received in 2018 was in relation to equity investments qualifying for federal historic and energy tax credits, and the federal Research &amp; Development credit. We do not receive any other material governmental financial assistance. The financial assistance received is from the U.S. federal government. No government owns Hershey shares.</p>			

### Market Presence

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p><b><u>2018 Form 10-K pp. 4-6</u></b></p> <p>The Big Picture pp. 8-9</p> <p>Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45</p>			
	103-2	The management approach and its components	<p><b><u>2018 Form 10-K pp. 19-20</u></b></p>			
	103-3	Evaluation of the management approach	<p><b><u>Hershey Corporate Governance Guidelines pp. 2, 6, 8</u></b></p>			
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Entire disclosure.	Information unavailable.	Hershey does not currently monitor or report on employee wages relative to local minimum wage, and there is no established timeline to do so.
	202-2	Proportion of senior management hired from the local community		Entire disclosure.	Confidentiality constraints.	We consider personnel strategy to be confidential information and do not disclose these strategies as part of Human Resource practices.

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Indirect Economic Impacts</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey’s Material Issues Across Our Value Chain pp. 43-45 The global nature of our business has a significant impact on local job creation and commerce both directly and indirectly through our supply chain. Through our operations, we support other businesses, encouraging economic activity in local communities, tax strategy, local investments and other indirect economic impacts in manufacturing locations. Our global presence helps us to access new markets and achieve our growth strategy.			
	103-2	The management approach and its components	The Big Picture: Sharing Goodness Across Our Value Chain p. 11 Shared Futures pp. 12-19 Shared Business pp. 20-34 Shared Planet pp. 35-40 Shared Communities pp. 41-47 Our Approach and Performance: Being a Responsible and Ethical Business p. 55			
	103-3	Evaluation of the management approach	Both our Shared Goodness Promise strategy and our Cocoa For Good strategy, launched in 2018, include related goals and programs. Through Cocoa For Good, we will invest \$500 million by 2030 in our cocoa growing communities and share more goodness across our value chain. Pillars in both strategies incorporate programs that support the local needs where we operate. Examples of these pillars include Shared Futures in our Shared Goodness Promise strategy and Prospering Communities in our Cocoa For Good strategy. Shared Futures pp. 12-19 Shared Business pp. 20-34 Shared Planet pp. 35-40 Shared Communities pp. 41-47 Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b><u>Corporate Governance</u></b>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	<p>Shared Futures pp. 12-19</p> <p>Shared Business pp. 20-34</p> <p>Shared Planet pp. 35-40</p> <p>Shared Communities pp. 41-47</p> <p>Annually, Hershey allocates between five percent and eight percent of our capital budget to what we call “social impact” commercial projects, principally focused on environmental sustainability initiatives that reduce our energy and water consumption, greenhouse gas emissions and the amount of waste we produce. All of these infrastructure investments have an indirect positive impact on the communities where we operate, as we are working toward efficiency improvements in our facilities and minimizing the environmental impact of our operations.</p> <p>One example of this is the new wastewater treatment plant that became operational in Q4 of 2018. The plant treats the wastewater from several of the largest manufacturing facilities in our network, as well as a few other buildings. In addition to the elimination of the process odors that affected the local community, this new facility produces and captures biogas, providing about 90 percent of its own electricity. Finally, this new, state-of-the-art facility will significantly reduce the potential for untreated sewage to end up in the local facility due to flooding – a risk that we faced with the existing facility.</p> <p>In Hershey, Pennsylvania, we have pledged \$1 million to construct a new Hershey Community Center, which will include community meeting spaces, a senior center, sports and fitness facilities, an aquatics center and other amenities. It will host youth afterschool programs, activities for seniors and civic programs. Construction begins in spring 2019, with completion slated for mid 2020. We also pledged \$1 million to support the addition of three new floors to the Penn State Children’s Hospital, the only Level One trauma center for children between Philadelphia and Pittsburgh.</p>			
	203-2	Significant indirect economic impacts	<p>Shared Futures pp. 12-19</p> <p>Shared Business pp. 20-34</p> <p>Shared Communities pp. 41-47</p> <p>See 203-1 above</p>			

**Procurement Practices**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Shared Business: Responsible Sourcing pp. 21-23</p> <p>The Big Picture pp. 8-9</p> <p>Appendix: Hershey’s Material Issues Across Our Value Chain pp. 43-45</p> <p><b>Responsible Sourcing</b></p> <p>Responsible supply chain practices are essential for being able to create high-quality delicious snacks that our consumers crave and ensuring a continuous supply now and in the future. High-quality ingredients come from farmers and their communities who are able to support themselves and their families.</p>			
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GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	Shared Business: Responsible Sourcing pp. 21-23 <b><u>Responsible Sourcing</u></b> <b><u>Supplier Code of Conduct</u></b> <b><u>Sustainable Sugar Sourcing Policy</u></b> <b><u>Responsible Palm Oil Sourcing Policy</u></b>			
	103-3	Evaluation of the management approach	Our Approach and Performance pp. 54-58, 60-61 Our Board and West Africa Council review our responsible sourcing strategy. In 2018, we strengthened our approach to responsible sourcing through the launch of our new Shared Goodness Promise strategy and our new Cocoa For Good strategy, focused on improving the livelihoods of cocoa farmers and their ecosystems. <b><u>Corporate Governance</u></b>			
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	Shared Business: Responsible Sourcing pp. 22-23, 28 While we do not have a local-sourcing policy, we source from local suppliers wherever feasible. We consider cost, projected timeliness of fulfillment, past experience, material quality and safety, and in applicable cases, material certification.	a, b	Confidentiality constraints.	Specific spend data is not reported due to commercial sensitivity.
	G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Shared Business: Responsible Sourcing pp. 22-23 100 percent of our purchased volume comes from suppliers who are required to adhere to the provisions of our sourcing policy and Supplier Code of Conduct.			
	G4-FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard	Shared Business: Responsible Sourcing pp. 22-24, 26-28, 30-34 Our Approach and Performance: Our Progress pp. 60-61 <b><u>Responsible Sourcing</u></b> We source from a variety of sustainability and certification standards to supply a portion or all of several ingredients, including cocoa, palm oil, sugar and coconut.	Entire disclosure.	Confidentiality constraints.	Information regarding breakdown of purchases that are verified by responsible production standards is not reported due to commercial sensitivity.

### Anti-corruption

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b><u>Code of Conduct pp. 16-19</u></b> <b><u>Supplier Code of Conduct</u></b>			
	103-3	Evaluation of the management approach	Any anti-corruption issues that arise would be reported to and overseen by the Ethical Business Practices Committee (EBPC) as part of its mandate for overseeing the Ethics and Compliance department. In 2018, no adjustments were made to our approach to anti-corruption. <b><u>Corporate Governance</u></b>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	As part of our quarterly Disclosure Committee process, we assess 100 percent of our business operations for risks related to corruption. Each quarter, representatives from every business function are required to certify, among other things, as to whether they have knowledge of, or concerns relating to, corruption or potential corruption. Any issues reported are reviewed and assessed by our Ethics and Compliance department.  In 2018, no significant corruption risks were identified or reported to the EBPC through this or any other process.			
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption training is provided to every employee, officer and director of our company on a bi-annual basis as part of our required Code of Conduct training. In years when training is not provided, every employee, officer and director of our company is required to certify that they have read the Code of Conduct (including the anti-corruption provisions contained therein) and that they understand and agree to abide by the requirements.  All suppliers receive our Supplier Code of Conduct and are expected to adhere to all provisions therein. Anti-corruption is addressed on p. 3 of our Supplier Code of Conduct.			
	205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption in 2018. Accordingly, no employees were dismissed or disciplined for corruption.  In addition, no contracts with business partners were terminated or not renewed due to violations related to corruption and no public legal cases regarding corruption were brought against the organization or its employees during the reporting period.			

### Anti-competitive behavior

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 We believe in being globally competitive. But we can only achieve this by competing fairly. At Hershey we do not tolerate anti-competitive behavior and this is clearly stated in our Code of Conduct. We expect our business partners and suppliers to do the same.			
	103-2	The management approach and its components	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b><u>Hershey Code of Conduct</u></b> <b><u>Supplier Code of Conduct</u></b> <b><u>Complaints regarding compliance matters</u></b> Our Global Trade and Customs Compliance Department is responsible for overseeing our management approach.			
	103-3	Evaluation of the management approach	Our Global Trade and Customs Compliance Department ensures compliance with our trade practices and reviews our approach regularly. No changes have been made as a result of the review and, in 2018, there were no instances of material non-compliance with regulations that would cause Hershey to amend its approach.  <b><u>Corporate Governance</u></b>			
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No instances of material non-compliance with regulations concerning anti-trust regulation occurred in 2018. Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b><u>2018 Form 10-K p. 12</u></b>			

## Environmental

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Materials</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Planet: Our 25 by 25 Commitments pp. 38-39 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 56-58, 61-62, 64 During the year, we changed some of our corrugate cases to expand their capacity. They went from holding five syrup containers to 10, resulting in a 435,000 lbs reduction in the amount of corrugate we required. We also developed a new in-store merchandising unit to replace the current models we use to display products in store. These enhancements resulted in a further 115,000 lbs reduction in the amount of corrugate we use.			
	103-3	Evaluation of the management approach	Our Approach and Performance: Governing for Sustainability p. 54 <b>Corporate Governance</b>			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2018 weight of materials used by renewable and non-renewable are reported for Hershey's North American operations and co-packers. Hershey maintains more than 80 percent packaging materials used that can be recycled. Appendix 301-1 p. 48			
	301-2	Recycled input materials used		Entire disclosure.	Information unavailable.	Hershey does not currently monitor or report on recycled input materials used, and there is no established timeline to do so.
	301-3	Reclaimed products and their packaging materials	Hershey does not currently reclaim products or packaging.			

## Energy

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Planet: Our 25 by 25 Commitments pp. 38-39 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 Reducing our energy consumption is a core part of Hershey's Shared Planet strategy and is critical in tackling climate change. Please note our energy data covers our North American manufacturing plants only. Please see our 2018 CDP submission, once released.			
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GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 56-58, 64 <b>Environmental Policy</b> <b>Code of Conduct p. 27</b> EHS Policy Statement Please see our 2018 CDP submission, once released.			
	103-3	Evaluation of the management approach	Our Approach and Performance: Governing for Sustainability p. 54 <b>Corporate Governance</b>			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Appendix 302-1 p. 49 This data will be in our upcoming CDP 2018 submission and covers North America-owned operations only. EPA conversion factors. In 2018, our Ashland (Dagoba) operations purchased 288 Renewable Energy Credits equivalent to 288,000 kWh.			
	302-2	Energy consumption outside of the organization		Entire disclosure.	Information unavailable.	We currently consider customer and supplier energy usage as falling outside our reporting boundary. As such, we do not collect or estimate the amount of energy used by our suppliers or customers. In addition, we focus on GHG emissions rather than energy consumption. We have committed to the Science Based Targets Initiative which includes calculating our Scope 3 emissions.
	302-3	Energy intensity		Entire disclosure.	Information unavailable.	We do not currently calculate energy intensity data nor do we have specific plans to do so. In addition, we focus on GHG emissions rather than energy consumption and have committed to the Science Based Targets Initiative.



GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	302-4	Reduction of energy consumption	The reduction of Hershey's energy consumption in 2018 compared to energy consumption in our 2017 GRI Report is 15,305.8 MWh/54,987,559.1 megajoules. This reduction was in part achieved by changing fuel types in Mexico where we optimized use of our co-generator, allowing our Mexico plants to more efficiently produce steam and electricity, and, in turn, reduce their Scope 2 emissions. Hershey's 2018 energy consumption is available in Appendix 302-1 p.49. Please see our 2018 CDP submission, once released.			
	302-5	Reductions in energy requirements of products and services	We decreased gasoline usage for the distribution of Hershey products by four percent compared to 2015 baseline. This is in part due to the discontinuation of using wood pallets for distributing products and lesser hours by our sales teams on the road.			

## Water

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Planet: Our 25 by 25 Commitments pp. 38-39 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 Please note our water data covers our North American manufacturing plants only. As our Sustainability Report launches before our CDP submission, the data reported here will be included in our forthcoming 2018 CDP submission.			
	103-2	The management approach and its components	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 56-58, 64 <b>Environmental Policy</b> EHS Policy Statement			
	103-3	Evaluation of the management approach	Our Approach and Performance: Governing for Sustainability p. 54 <b>Corporate Governance</b>			
GRI 303: Water 2018	303-1	Interactions with water as a shared source	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 61-62 We continue to grow in terms of our awareness of water issues and future risks around this issue. However, we do not currently have the resources to conduct a full-scale risk assessment, so we rely on stakeholder feedback, industry groups and tools such as WRI's Aqueduct to gather information on our future water risk. Water meters have been installed where metering problems arise. We continue to monitor the water usage by facility. We request our suppliers to report on their water use, risks and/or management. All plants are guided by our 25 by 25 commitment to reduce water usage. For those in water-stressed areas, our Monterrey (Mexico) plant has a water management team that is exploring how to create more efficient water usage. Our El Salto plant is in the process of re-establishing a water management team, which will be in place by May 2019. Please see our forthcoming 2018 CDP submission.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	303-2	Management of water discharge-related impacts	We comply with minimum water quality standards for the quality of effluent discharge, established by law, for each location where Hershey operates. The profile of the receiving waterbody was considered to the extent required by local laws. Please see our 2018 CDP submission, once released.			
	303-3	Water withdrawal	Our Approach and Performance: Our Progress pp. 61-62 Total water use: 3,126.8 megaliters i., ii. Percentage water withdrawal from ground: 23.16 percent. Please see forthcoming 2018 CDP submission for breakdown of surface water and groundwater. iii. We do not withdraw any sea water. iv. Percentage purchased water: 76.84 percent. v. We do not consume third-party water. Please see our CDP submission, once released, for water withdrawals for our El Salto and Monterrey plants (both in water-stressed areas) as well as the methodologies and standards used. All withdrawn water is freshwater.			
	303-4	Water discharge	Our Approach and Performance: Our Progress p. 62 Total water discharge: 2,397.4 megaliters Water discharge from water-stressed areas: 276.4 megaliters This constitutes our El Salto and Monterrey plants. All of Monterrey's water discharge is treated and used for irrigation on the operation's campus. 35 percent of El Salto's water discharge is treated and used for irrigation on the operation's campus, the remainder is discharged to the Santiago River Basin. Other water discharge: 2,121 megaliters This volume is sent to publicly owned treatment works. We do not have any priority substances of concern for which discharges are treated. Please see our 2018 CDP submission, once released.			
	303-5	Water consumption	Our Approach and Performance: Our Progress pp. 61-62 Total water consumption: 3,126.8 megaliters Our total water consumption dropped in 2018 in part because of water metering implemented in our Reese manufacturing plant. Our El Salto and Monterrey (Mexico) manufacturing plants are located in water-stressed areas. El Salto total water consumption: 227.9 megaliters of which 100 percent is groundwater. Monterrey total water consumption: 458.4 megaliters of which 58 percent groundwater; 42 percent purchased water. We have not identified water storage as having a significant water-related impact. Please see our 2018 CDP submission, once released.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Emissions</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Planet: Our 25 by 25 Commitments pp. 38-39 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 Please note our GHG emissions data covers our North American manufacturing plants only.			
	103-2	The management approach and its components	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 56-58, 64 <b>Environmental Policy</b> EHS Policy Statement <b>Code of Conduct p. 27</b> The Senior Vice President, Chief Supply Chain Officer is responsible for managing issues around climate change and oversight is provided by the Board. Please see our 2018 CDP submission, once released.			
	103-3	Evaluation of the management approach	Our Approach and Performance: Governing for Sustainability p. 54 <b>Corporate Governance</b>			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our Approach and Performance: Our Progress p. 61 Data methodologies used include: The Climate Registry: General Reporting Protocol, and we used the global warming potential for CO <sub>2</sub> for the IPCC Fifth Assessment Report (AR5-100year). Scope 1 emissions are from the use of biogas, natural gas, jet gasoline, motor gasoline, and propane in our operations. Emissions cover North American-owned operations only. Only CO <sub>2</sub> was included in our calculation. Base year for our Scope 1 emissions was 2009. Our Scope 1 and 2 emissions in 2009 was 417,542 and is when we set our 25 by 25 goal. Only CO <sub>2</sub> was included in our calculation. Our calculation does not include biogenic CO <sub>2</sub> emissions. Our Scope 1 emissions are third-party verified against the Climate Registry's General Verification Protocol.			
	305-2	Energy indirect (Scope 2) GHG emissions	Our Approach and Performance: Our Progress p. 62 Indirect Scope 2 emissions covers the emissions from purchases electricity for Hershey owned and operated sites in North America only. Only CO <sub>2</sub> was included in our calculation. Base year for our Scope 2 emissions was 2009. Our Scope 1 and 2 emissions in 2009 was 417,542 and is when we set our 25 by 25 goal. Only CO <sub>2</sub> was included in our calculation. Our calculation does not include biogenic CO <sub>2</sub> emissions. Data methodologies used include: The Climate Registry: General Reporting Protocol, and we used the global warming potential for CO <sub>2</sub> for the IPCC Fifth Assessment Report (AR5-100year) Our Scope 2 emissions are third-party verified against the Climate Registry's General Verification Protocol.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	305-3	Other indirect (Scope 3) GHG emissions		Entire disclosure.	Information unavailable.	We currently consider customer and supplier greenhouse emissions usage as falling outside our reporting boundary. As such, we do not collect or estimate the quantity of emissions released by our suppliers or customers. We have committed to the Science Based Targets Initiative, which includes calculating our Scope 3 emissions.
	305-4	GHG emissions intensity	Our Approach and Performance: Our Progress pp. 61-62 Only CO <sub>2</sub> was included in our calculations.			
	305-5	Reduction of GHG emissions	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 61-62 Only CO <sub>2</sub> was included in our calculations. 2009 is our baseline year for our 25 by 25 commitments. Data methodologies used include: The Climate Registry: General Reporting Protocol, and we used the global warming potential for CO <sub>2</sub> from the IPCC Fifth Assessment Report (AR5-100year). Our Scope 1 and 2 emissions reductions were third-party verified against the Climate Registry's General Verification Protocol.			
	305-6	Emissions of ozone-depleting substances (ODS)		Entire disclosure.	Not applicable.	We do not emit a significant amount of ozone-depleting substances. As such, we do not consider these emissions material to our business and we therefore do not monitor or report them.
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Our Approach and Performance: Our Progress p. 62 Data methodologies used include: The Climate Registry: General Reporting Protocol. Global warming potential for NO <sub>x</sub> , SO <sub>x</sub> , VOC and PM used from the IPCC Fifth Assessment Report (AR5-100year).	a. iii, v	Not applicable.	POPS and HAPS are not material to our business and we therefore do not track them.

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Effluents and waste</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Planet: Our 25 by 25 Commitments pp. 38-39 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 Our effluents and waste data cover North American manufacturing plants only.			
	103-2	The management approach and its components	Shared Planet: Our 25 by 25 Commitments pp. 38-39 Our Approach and Performance: Our Progress pp. 56-58, 64 EHS Policy Statement <b>Environmental Policy</b>			
	103-3	Evaluation of the management approach	Our Approach and Performance: Governing for Sustainability p. 54 <b>Corporate Governance</b>			
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Our Approach and Performance: Our Progress p. 62 In 2018, Hershey totaled 2,397.4 megaliters of water discharge. All water discharge is planned. All water discharge from our Monterrey facility discharge is treated and used for irrigation on the operation's campus. 35 percent of El Salto's water discharge is treated and used for irrigation on the operation's campus; the remainder is treated and discharged to the Santiago River Basin. The water discharge volume from the remainder of our facilities is sent to publicly owned treatment works. <b>Corporate Governance</b>			
	306-2	Waste by type and disposal method	Our Approach and Performance: Our Progress pp. 61-62 Total hazardous waste in 2018: 15.51 metric tons. All hazardous waste was transported nationally off-site to permitted treatment, storage and disposal facilities. Total weight of non-hazardous weight in 2018 by disposal method: 49,322 metric tons – Trash: 6,562 metric tons (only about two percent of trash is bound for landfill, the remainder is incinerated) – Stock feed: 27,297 metric tons – Recycling: 15,463 metric tons Disposal methods were determined by a combination of regional infrastructure and the make-up of the waste stream.			
	306-3	Significant spills	Hershey has reported no spills in 2018.			
	306-4	Transport of hazardous waste	All (15.51 metric tons) hazardous waste is transported off-site to permitted treatment, storage and distribution facilities. No hazardous waste is shipped abroad.			
	306-5	Water bodies affected by water discharges and/or runoff	No water bodies or habitats are significantly impacted by our water discharge or runoff. Please see our 2018 CDP submission, once released, for information on water discharge and/or runoff.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Environmental compliance</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 From our review of our environmental strategy, we know that the majority of our environmental impacts are within our supply chains. That's why we have specific responsible sourcing guidelines for key ingredients such as pulp and paper, responsible palm oil, sugar and cocoa. It's also why, in March 2018, we launched our Cocoa For Good strategy, which commits \$500 million to help cocoa communities and preserve natural ecosystems. It's also why we're partnering to tackle deforestation in our supply chain. At Hershey, we expect all of our suppliers to comply with our Supplier Code of Conduct and global sourcing policies, which sets forth compliance with environmental criteria.			
	103-2	The management approach and its components	Shared Business pp. 20-25 Shared Planet: Our 25 by 25 Commitments pp. 38-39 <b><u>Environmental Policy</u></b> EHS Policy Statement			
	103-3	Evaluation of the management approach	Our Approach and Performance: Governing for Sustainability p. 54 <b><u>Cocoa For Good</u></b> <b><u>Environmental Policy</u></b> <b><u>Corporate Governance</u></b>			
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	During the reporting period, we did not identify any non-compliance with environmental laws and/or regulations that would give rise to significant fines or sanctions.			

**Supplier environmental assessment**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 At Hershey, we expect all our suppliers to comply with our sourcing policies and Supplier Code of Conduct, which sets forth compliance with environmental criteria. As part of our review of our environmental strategy, we know that the majority of our environmental impacts are within our supply chains. That's why we have specific responsible sourcing guidelines for key ingredients such as pulp and paper, responsible palm oil, sugar and cocoa. It's also why, in March 2018, we launched our Cocoa For Good strategy, which commits \$500 million to help cocoa communities and preserve natural ecosystems. And it's why we're partnering to tackle deforestation in our supply chain.			
	103-2	The management approach and its components	Shared Business pp. 21-25 Shared Planet pp. 35-36 <b><u>Cocoa For Good</u></b> <b><u>Hershey Supplier Code of Conduct</u></b> <b><u>Environmental Policy</u></b>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	Shared Business pp. 20-25 Our Approach and Performance: Governing for Sustainability p. 54 <b><u>Environmental Policy</u></b> <b><u>Cocoa For Good</u></b> <b><u>Corporate Governance</u></b>			
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	We expect supplier adherence to our sourcing policies and Supplier Code of Conduct and reserve the right to conduct third-party social audits, which include labor, health and safety, environment and business ethics criteria. As a result of the release of our new corporate environmental and human rights policies, we are currently reviewing our supplier social audit process.			
	308-2	Negative environmental impacts in the supply chain and actions taken	We expect supplier adherence to our sourcing policies and Supplier Code of Conduct and reserve the right to conduct third-party social audits, which include labor, health and safety, environment and business ethics criteria.  As a result of non-compliance with our No Deforestation, No Peat, No Exploitation (NDPE) commitment, three palm oil producers were removed from our palm oil supply chain (Shared Business: Responsible Sourcing p.23). No other suppliers were identified as having significant actual or potential negative environmental impacts.			

## Social

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Employment</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Our Remarkable People pp. 47-52 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Our Remarkable People pp. 47-52 Our Shared Goodness Promise p. 10 Our Approach and Performance pp. 56-58, 64 <b>Code of Conduct</b> We have human resources policies for each region in which we operate, based on variances in local laws and regulations.			
	103-3	Evaluation of the management approach	Our Remarkable People pp. 47-49, 52 Our HR Leadership team is responsible for reviewing all HR-related policies and our management approach annually to ensure they are fit for purpose. <b>Corporate Governance</b>			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Appendix 401-1 p. 50			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<b>2018 Form 10-K pp. 43, 84</b> We provide a variety of benefits to our full-time employees from maternity and paternity leave, healthcare, life insurance, disability coverage, retirement provision and stock ownership. The benefits Hershey provides vary depending on location and are based on local human resources laws and regulations with which we comply.	a. i-iv, a. v outside the U.S., a. vi-vii, b	Confidentiality constraints.	Employee benefits packages received in each region vary and are confidential in order to maintain competitiveness.
	401-3	Parental leave	Included in Appendix: 401-3 p. 51, U.S. only We adhere to all relevant laws and regulations for maternity and paternity leave globally.	Entire disclosure outside of the U.S.	Information unavailable.	Outside of the U.S. individual instances of parental leave are monitored, however they are not aggregated. There are no specific plans to aggregate this data.

## Labor/Management Relations

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Our Remarkable People pp. 47-49, 52 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
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GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	Our Remarkable People pp. 47-49, 52 <b>Code of Conduct</b> <b>Human Rights Site</b> <b>Concern Line</b> In our unionized environments, specific grievance procedures are documented in each of the respective collective bargaining agreements. In our non-union environments, similar dispute resolution mechanisms are in place for employees. Specifically, in the U.S., this includes a formal peer review program where manufacturing employees can appeal certain employment decisions to the plant manager or to a panel of their peers.			
	103-3	Evaluation of the management approach	Our Human Resources Department and Legal Department are responsible for evaluating the management of labor/management relations. <b>Corporate Governance</b>			
GRI 402: Labor/management relations 2016	402-1	Minimum notice periods regarding operational changes	We do provide notification periods. The exact length of time varies by the significance of the change. In all union environments, we would meet and review with the labor representatives ahead of time. Exact times are not specified in Collective Bargaining Agreements.			
	GRI-FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country	No working time was lost due to industrial disputes, strikes and/or lockouts.			

### Occupational Health and Safety

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 At Hershey we're 100 percent committed to providing a safe and healthy workplace for all of our employees and business partners.			
	103-2	The management approach and its components	Our Remarkable People pp. 47-49, 52 <b>Code of Conduct p. 10</b> Hershey Environmental Health and Safety Policy, an internal policy, outlines our commitment to using an environmental health and safety management system to ensure the safety of all employees at all our sites and joint ventures. Our HR Policy Manual also outlines our commitment to ensuring the health and safety of contractors working at Hershey.			
	103-3	Evaluation of the management approach	Our Remarkable People: Health and Safety p. 52 <b>Corporate Governance</b>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	<p>Our Remarkable People: Health and Safety p. 52</p> <p>Hershey has previously implemented components of the environment management system and the health and safety management system. In 2018, we began combining the two separate management systems into one single system that will cover all Hershey's manufacturing sites.</p> <p>This system is not yet implemented because of legal requirements. It is part of our overall EHS strategy for continuous improvement. The system references ISO Standards 14001 and 45001.</p> <p>One component - our EHS information management system - is part of the overall management system in development, please see Remarkable People pp.52.</p>			
	403-2	Hazard identification, risk assessment and incident investigation	<p>Hershey uses job hazard assessment and analysis tools to conduct risk assessments for employees and workers who are not employees but whose work and/or workplace is controlled by the organization. Our Environment, Health and Safety (EHS) team is responsible for coordinating and oversee the process within our manufacturing plants. Our manufacturing employees participate and help lead the risk assessments. Results of risk assessments and corrective actions may be incorporated into Hershey's Process Operating Guidelines.</p> <p>Our new EHS information management system (SAP) allows workers to report work-related hazards and hazardous situations. Workers also have access to safety work order forms and safety suggestion forms in all operations. Hazards submitted to the management system or through forms initiate the process for appropriate EHS team members to investigate the hazard, capture information and take corrective actions.</p> <p><b>Code of Conduct p. 10</b></p> <p>Every employee is empowered to take immediate action for people safety regardless of role, title or responsibility. For example, our Brazil and Malaysia plants have implemented Golden Safety Rules, Our Remarkable People: Health &amp; Safety p. 52.</p>			
	403-3	Occupational health services	<p>Our manufacturing sites conduct compliance mandated screenings and health and wellness screenings for employees. Hershey's corporate occupational health group provides guidance on occupational health screening programs to our manufacturing sites.</p>			
	403-4	Worker participation, consultation, and communication on occupational health and safety	<p>The majority of Hershey manufacturing plants have health and safety committees that are made up of employees from across the site.</p> <p>As part of our continual improvement process, we are developing guidelines for the sites to follow in order to standardize EHS committees and to maximize employee engagement on these committees.</p>			
	403-5	Worker training on occupational health and safety	<p>Our sites provide all compliance mandated training to affected employees. We also provide other health and safety training that may not be required, such as off-the-job safety topics.</p> <p>We are developing internal Hershey trainings that will standardize the delivery of required training across all sites and training will be tracked centrally.</p>			
	403-6	Promotion of worker health	<p>At Hershey, our employees have access to wellness events throughout the year. Examples of wellness events that occurred in various operations in 2018 include flu vaccine programs, biometric screening, blood pressure checks and health fairs. Some Hershey operations, like our Brazil plant, host tailored wellness events, including a yellow fever vaccine campaign.</p>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	At Hershey, the health and safety of our employees is of utmost importance. We look out for each other. We follow our safety procedures and promote a culture of safety, because our employees are our greatest asset. Our occupational health and wellness programs are in place to support the health of employees. At Hershey, the health and safety of our employees is of utmost importance. We look out for each other. We follow our safety procedures and promote a culture of safety, because our employees are our greatest asset. Our occupational health and wellness programs are in place to support the health of employees. Our Remarkable People: Health and Safety p. 52			
	403-8	Workers covered by an occupational health and safety management system		Entire disclosure.	Information unavailable.	We are in the process of updating our occupational health and safety management system and are unable to disclose details about workers covered by that system until updates are complete. We expect to be able to report on this disclosure once the system is updated.
	403-9	Work-related injuries	We meet all regulatory record keeping and reporting requirements for work-related injuries.	Entire disclosure.	Confidentiality constraints.	We consider work-related injuries to be confidential information.
	403-10	Work-related ill health	We meet all regulatory record keeping and reporting requirements for work-related ill health.	Entire disclosure.	Confidentiality constraints.	We consider work-related ill health to be confidential information.

### Training and Education

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Hershey's Learning & Development program provides skills and role-based training for all salaried and hourly employees at our offices and manufacturing sites. <b>Code of Conduct</b> <b>Hershey's Total Rewards System</b> Hershey partners with Management Leadership for Tomorrow to not only identify highly diverse top talent but to work with our top talent to develop them into future leaders.			
	103-3	Evaluation of the management approach	Our Senior Vice President, Chief Human Resources Officer has strategic oversight over Hershey's human resources policies and talent management. <b>Corporate Governance</b>			
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Appendix 404-1 p. 52			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	404-2	Programs for upgrading employee skills and transition assistance programs	<p>Hershey’s Learning &amp; Development program provides skills and role-based training for all salaried and hourly employees at our offices and manufacturing sites.</p> <p>Office-based employees have access to learning from our Learning Catalogue, which covers the following topical areas: Leadership, Professional Development, Finance, Marketing, Research &amp; Development, Sales, Supply Chain and Workplace Productivity. Each topical area is managed by a Learning Manager. In addition, role-based onboarding curricula are provided for individuals moving into key roles.</p> <p>Manufacturing-based employees are offered specific training on Lean Manufacturing, Quality, Food Safety, Environmental Health and Safety and role-based Operational Training.</p> <p>All Hershey office- and manufacturing-based employees go through new hire orientation programs.</p> <p>Hershey also offers a tuition refund program to all full-time U.S.-based employees in good standing who wish to pursue education that is mutually beneficial to the company and the employee. Hershey will reimburse up to \$6,500 for allowable tuition expenses within a calendar year, less applicable Federal, State and Local taxes. There is no limit on the number of courses or credits within the reimbursement amount.</p> <p>Transition assistance provided for those qualified due to Job Elimination &amp; In-Voluntary (performance) is: severance based on years of service; OHIP payout prorated for following year; based on the month the employee exited; COBRA benefits including company subsidy for eligible weeks of severance; six-month career transition for Director and above (Challenger Gray &amp; Christmas); three-month career transition for Senior Manager and below (Lee Hecht Harrison); 401-K; unused prorated vacation (exception track free time off employees).</p> <p>Assistance provided to those who qualify due to Voluntary &amp; In-voluntary (conduct) is: unused prorated vacation; COBRA (unsubsidized); 401-K.</p>			
	404-3	Percentage of employees receiving regular performance and career development reviews	100 percent of our salaried employees receive regular performance and career development reviews.			

**Diversity and Equal Opportunity**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Our Remarkable People p. 49</p> <p>The Big Picture pp. 8-9</p> <p>Appendix: Hershey’s Material Issues Across Our Value Chain pp. 43-45</p>			
	103-2	The management approach and its components	<p>Our Remarkable People p. 49</p> <p>Our Approach and Performance: Being a Responsible and Ethical Business p. 55</p> <p>Our Approach and Performance: Our Progress p. 63</p> <p><b><u>Code of Conduct pp. 9-10</u></b></p> <p><b><u>Board of Directors</u></b></p> <p>We are an equal opportunity employer as outlined in our Equal Employment Opportunity Policy.</p>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	Our Remarkable People p. 49 <b>Board of Directors</b> <b>Corporate Governance</b>			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	The Board has 11 directors, all of whom have significant professional experience. All are over the age of 50. There are five women on the Board, representing a gender composition of 45 percent women and 55 percent men. Our Approach and Performance p. 55 Our Approach and Performance: Our Progress 63 Appendix 405-1b p. 53			
	405-2	Ratio of basic salary and remuneration of women to men	Across our U.S.-salaried workforce, on an aggregate basis, women earn \$0.99 for every \$1.00 men earn. For purposes of reporting gender pay equity for GRI, we consider the U.S. to be our only significant location of operations.			

### Non-discrimination

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45</p> <p>Hershey's mission is to bring goodness to the world through our iconic brands and remarkable people. Our legacy of supporting employees, communities and children is 125 years in the making. We frequently remind employees of our legacy, values and expected behaviors. We believe that our business is strongest when each of our remarkable employees can make a meaningful contribution. The diversity of our workforce is key to our continued business success. Diversity and inclusion provide richness and creativity to our thinking – and have a material and positive impact on everything we do.</p> <p>This is what is unique about our organization: a portion of Hershey's profits are designated to support the Milton Hershey School, a private boarding school for 2,100 pre-kindergarten through 12th grade children. We also enjoy the positive impact of having peer-leading diversity on both our Board of Directors and executive committee, which strengthens our focus on equal opportunity and treatment.</p> <p>Because of these compelling factors, our culture drives our business and CSR results, fuels employee engagement and creates an environment that does help prevent, but not eliminate, discrimination in the workplace. Our employees understand discrimination is prohibited. We have a zero-tolerance policy for discrimination. We also have a non-retaliation policy.</p> <p>While we do not have a culture that supports retribution, we have found instances where individuals are initially reticent to voice concerns. This generally stems from a fear of the unknown rather than a history of retribution. This is one of the reasons why we frequently remind employees of company values and behaviors. Employees are required to complete annual discrimination training. We provide resources on the topic through our policies, intranet and face-to-face meetings.</p>			
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GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	<p><b><u>Code of Conduct pp. 6-10</u></b></p> <p>We expect all managers to maintain a safe, respectful, and inclusive climate in accordance with our company values and behaviors. Managers are expected to promptly report any concerns or allegations of discrimination or harassment. Failure to do so may result in disciplinary action. Accordingly, all officers, directors, and employees are required to take our Discrimination and Harassment and Code of Conduct policy training on a bi-annual basis. In years when the Code of Conduct training is not provided, every employee, officer and director of our company is required to certify that they have read the Code of Conduct and that they understand and agree to abide by the requirements. Both trainings provide in-depth information around education and awareness of, and responsiveness to, discriminatory situations. In addition, we have an Inappropriate Conduct in the Workplace policy that all employees have access to. In 2018, we enhanced our Anti-Harassment and Discrimination training to be better aligned with current workplace and social issues. The new training is being distributed in the U.S. and internationally.</p>			
	103-3	Evaluation of the management approach	<p><b><u>Code of Conduct p. 7</u></b></p> <p><b><u>Discrimination and Harassment Prevention Policy</u></b></p> <p><b><u>Corporate Governance</u></b></p> <p>We expect all employees who feel they may have experienced or witnessed discrimination to immediately report the incident(s) to their manager, another manager, HR or the Concern Line. Vendors or contractors can use the same methods for reporting, in addition to managers within their organizations. We monitor all employee issues through our compliance reporting measures and documentation. Through this monitoring it helps us determine any additional training or resources that may be needed.</p>			
GRI 406: non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	<p>During 2018, in the U.S., Hershey did not have judicial or administrative determinations that it had committed any incidents of discrimination.</p> <p>At our operations in countries outside of the U.S., discrimination is treated differently under legal and cultural norms. These differences create challenges in collecting specific information to constitute a response to this disclosure. Having said that, we have no record of any judicial or administrative findings of incidents of discrimination at any of our locations.</p>			

### Freedom of Association and Collective Bargaining

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>Our Remarkable People pp. 47-48</p> <p>The Big Picture pp. 8-9</p> <p>Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45</p>			
	103-2	The management approach and its components	<p>Our Approach and Performance: Our Progress p. 63</p> <p>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.</p> <p>We have internal grievance mechanisms/issue resolution programs in place in all locations.</p>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-3	Evaluation of the management approach	Our Human Resources Department and Legal Department are responsible for the evaluation of the management of Freedom of Association and Collective Bargaining. <b>Corporate Governance</b>			
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Hershey recognizes and respects our employees' right to freedom of association and to collective bargaining within federal and local laws and regulations. Hershey did not have operations in FY2018 in which the right to exercise freedom of association and collective bargaining were at risk.  We do maintain a Supplier Code of Conduct that sets forth our expectations of suppliers and contractors in regards to key business practices including the right of employees to freely associate. To our knowledge, Hershey did not have any suppliers in FY2018 in which the right to exercise freedom of association and collective bargaining were at risk.			

### Child Labor

GRI 103: management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Business pp. 24, 26, 30-31 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <b>Cocoa For Good</b>			
	103-2	The management approach and its components	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b>Human Rights Site</b> <b>Supplier Code of Conduct</b> Shared Business: pp. 24, 26, 30-31 <b>Cocoa For Good</b>			
	103-3	Evaluation of the management approach	<b>Human Rights Site</b> <b>Supplier Code of Conduct</b> Shared Business: pp. 24, 26, 30-31 Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b>Cocoa For Good</b> <b>Corporate Governance</b>			
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b>Human Rights Site</b> <b>Supplier Code of Conduct</b> Shared Business: pp. 24, 26, 30-31 <b>Cocoa For Good</b>  Suppliers that sell certified and sustainable cocoa have systems in place to meet the control points to halt child labor. Côte d'Ivoire and Ghana are the countries identified most at risk for child labor; it's the farmers and cocoa communities that supply to the supplier (first-buyer) that are at risk. In 2018, we continued to source certified and sustainable cocoa. We also introduced the Child Labor Monitoring and Remediation System (CLMRS) through our suppliers on Cocoa For Good farms and their local communities and will report data on performance in the second half of 2019. In March 2018, we launched our Cocoa For Good Strategy, investing \$500 million by 2030 to nourish children, empower youth, build prosperous communities and preserve natural ecosystems, helping to tackle child labor.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Forced or Compulsory Labor</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Business: pp. 22-24 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <a href="#">Human Rights Site</a>			
	103-2	The management approach and its components	Shared Business: pp. 22-23, 25 <a href="#">Human Rights Site</a> <a href="#">Supplier Code of Conduct</a> <a href="#">Cocoa For Good</a>			
	103-3	Evaluation of the management approach	<a href="#">Human Rights Site</a> <a href="#">Cocoa For Good</a> Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <a href="#">Corporate Governance</a>			
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Shared Business: pp. 21-25 Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <a href="#">CocoaAction</a> <a href="#">Cocoa For Good</a> <a href="#">Palm Oil Facts</a>			

**Rights of Indigenous Peoples**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Shared Business: A Focus on Human Rights p. 24 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <a href="#">Human Rights Site</a>			
	103-2	The management approach and its components	Shared Business: A Focus on Human Rights p. 24 The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <a href="#">Human Rights Site</a>			
	103-3	Evaluation of the management approach	<a href="#">Human Rights Site</a> <a href="#">Corporate Governance</a> Our Approach and Performance: Being a Responsible and Ethical Business p. 55			
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	To our knowledge, Hershey did not have incidents of violations involving rights of indigenous peoples in FY2018.			



GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Human Rights Assessment</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Shared Business: A Focus on Human Rights p. 24 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <b>Human Rights Site</b>			
	103-2	The management approach and its components	Shared Business pp. 21-25 <b>Human Rights Site</b> <b>Code of Conduct</b> <b>Supplier Code of Conduct</b> <b>Corporate Governance</b> <b>Compliance Complaints</b> <b>Concern Line</b>			
	103-3	Evaluation of the management approach	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b>Human Rights Site</b> <b>Corporate Governance</b>			
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Shared Business: A Focus on Human Rights p. 24 <b>Human Rights Site</b> <b>Corporate Governance</b>  Our first Human Rights Saliency assessment in 2018, conducted in line with the UN Guiding Principles Reporting Framework and with the assistance of an independent third party, included the desk-based research and review of relevant internal policies and procedures across all of the manufacturing operations of Hershey in the U.S., Canada, Mexico, Brazil, India, China and Malaysia.  In 2019, we will conduct further research and analysis of our salient issues in priority value chains and geographies to deepen our understanding of risks and opportunities for impact. This research will inform and prioritize KPIs and action plans for future program work.			
	412-2	Employee training on human rights policies or procedures	<b>Code of Conduct: Upholding Human Rights p. 11</b> All Hershey employees complete annual mandatory Code of Conduct training, which requires approximately 30 minutes for each employee to complete. <b>Human Rights Site</b>  In 2019, we will communicate our new human rights policy to all Hershey employees and begin integrating human rights training into employee orientation and onboarding programs. We will identify specific training needs and begin to develop training programs for key functions such as procurement and manufacturing, among others.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>All suppliers to Hershey are contractually obligated to be in compliance with our Supplier Code of Conduct, which outlines human rights clauses around child labor, forced labor, working hours, freedom of association, non-discrimination and health and safety.</p> <p>In 2019, we will revisit our Supplier Code of Conduct in light of our saliency assessment and review our requirements on topics such as ethical recruitment practices, access to grievance mechanisms and supplier diversity among others.</p> <p><b><u><a href="#">Supplier Code of Conduct</a></u></b>  <b><u><a href="#">Human Rights Site</a></u></b>  <b><u><a href="#">Corporate Governance</a></u></b></p>			

### Local Communities

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	<p>The Big Picture pp. 8-9</p> <p>Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45</p> <p>Our Shared Goodness Promise and our Cocoa For Good strategies and goals aim to share more goodness across our value chain, including with communities and in our supply chains especially in cocoa-growing communities. Pillars such as Shared Futures and Shared Communities in our Shared Goodness Promise as well as Prospering Communities in Cocoa For Food support the basic needs of local communities where we operate.</p>			
	103-2	The management approach and its components	<p>Our Shared Goodness Promise p. 10</p> <p>Shared Futures pp. 15-16</p> <p>Shared Business pp. 20-23, 25</p> <p>Shared Communities pp. 41-47</p>			
	103-3	Evaluation of the management approach	<p>Our Approach and Performance: Governing for Sustainability p. 54</p> <p>Shared Futures pp. 15-16</p> <p>Shared Business pp. 20-23, 25</p> <p>Shared Communities pp. 41-47</p> <p><b><u><a href="#">Corporate Governance</a></u></b></p>			
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	<p>All Hershey operations have implemented local community engagement and development programs based on local communities' needs. Examples of local community engagement and development programs across Hershey operations and in our supply chain communities can be seen throughout our Sustainability Report.</p>			
	413-2	Operations with significant actual and potential negative impacts on local communities	<p>Hershey does not have any operations that have had an actual negative impact on local communities.</p> <p>We aim to mitigate any potential negative impacts from our operations on local communities. For example, our manufacturing plants in El Salto and Monterrey (Mexico) have been rated by the WRI Aqueduct tool to have high risk for future water stress. Please see our CDP Water submission, once released, for additional information on description of potential impacts as well as our response strategy and details of strategy implementation.</p>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Supplier Social Assessment</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 At Hershey, we expect our suppliers to comply with our Supplier Code of Conduct and sourcing policies, which sets forth compliance with social criteria such as health and safety and protection of human rights. We also have specific responsible sourcing guidelines for key ingredients such as pulp and paper, responsible palm oil, sugar and cocoa. In March 2018, we launched our Cocoa For Good strategy, which commits \$500 million to help cocoa communities and elevate youth.			
	103-2	The management approach and its components	Shared Business pp. 21-25 <b>Global sourcing policies</b> <b>Supplier Code of Conduct</b>			
	103-3	Evaluation of the management approach	Shared Business pp. 21-25 <b>Corporate Governance</b>			
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	We expect supplier adherence to our sourcing policies and Supplier Code of Conduct and reserve the right to conduct third-party social audits, which include labor, health and safety, environment and business ethics criteria. As a result of the release of our new corporate environmental and human rights policies, we are currently reviewing our supplier social audit process.			
	414-2	Negative social impacts in the supply chain and actions taken	We expect supplier adherence to our sourcing policies and Supplier Code of Conduct and reserve the right to conduct third-party social audits, which include labor, health and safety, environment and business ethics criteria.  As a result of non-compliance with our No Deforestation, No Peat, and No Exploitation (NDPE) commitment, three palm oil producers were removed from our palm oil supply chain (Shared Business: Responsible Sourcing p.23). No suppliers were identified as having significant actual or potential negative social impacts.			
<b>Public Policy</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 <b>2018 PAC Report</b>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	As per our Code of Ethical Conduct, our company does not make political contributions and only engages in corporate political activities through the Hershey Political Action Committee (PAC). Monies raised through the PAC, which is comprised of voluntary employee contributions, is used to support elected officials, regardless of political affiliation, who have demonstrated a willingness to consider Hershey’s perspective. All contributions are disbursed pursuant to our internal contribution guidelines and in accordance with applicable election laws. Company funds are used to support or advocate for 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. In accordance with The Lobbying Disclosure Act of 1995, our company files quarterly lobbying reports, which outline the company’s federal-level advocacy work.  <b><u>2018 PAC Report</u></b>			
	103-3	Evaluation of the management approach	The company’s advocacy activities are targeted and aligned on an ongoing basis with our company’s strategy and approved by the relevant members of the executive committee.  <b><u>Corporate Governance</u></b>			
GRI 415: Public policy 2016	415-1	Political contributions	<b><u>2018 PAC Report</u></b>			

**Customer Health and Safety**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	At Hershey, building a strong food safety culture is a top priority and supports the high level of trust that consumers have in our company.  The Big Picture pp. 8-9  Appendix: Hershey’s Material Issues Across Our Value Chain pp. 43-45  NOTE: GFSI Certification data for Contract Manufacturing and Co-Pack Partners includes only partners of Hershey and excludes Amplify and Krave.			
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GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	103-2	The management approach and its components	<p>Shared Business pp. 33-34</p> <p>Our Approach and Performance: Our Progress pp. 61-62, 64</p> <p><b><u>2018 Form 10-K, p. 4</u></b></p> <p><b><u>Code of Conduct pp. 12-13</u></b></p> <p><b><u>Packaging Supplier Quality Expectations Manual</u></b></p> <p><b><u>Supplier Quality Expectations Manual</u></b></p> <p>Everyone at Hershey has the responsibility to ensure food safety regardless of their role. Our Product Excellence Program (PEP) defines food safety, food quality and regulatory compliance requirements for our enterprise-wide operations. The program incorporates industry standards set forth by the GFSI, and in many cases, we exceed those standards. Our goal is to attain food-safety certification recognized by the GFSI at all our wholly owned manufacturing and joint-venture operations and contract manufacturing/co-packing facilities. As of 2018, we have obtained GFSI certification in 15 of 15 (or 100 percent) of our wholly owned facilities and in one joint-venture facility.</p> <p>Our PEP is designed to identify and prevent food safety risks throughout our supply chain, supported by audits from government agencies, third-party firms and our in-house quality-assurance staff. Globally, approximately 87 percent of our current contract manufacturers and co-packers have attained GFSI certification, including 100 percent in Canada (7 of 7), 94 percent in the United States (32 of 34) and 75 percent in the rest of world (22 of 29). The remaining non-GFSI certified contract manufacturing and co-pack partners are working toward certification as a condition of future business.</p>			
	103-3	Evaluation of the management approach	<p>Hershey enhanced our commitment to Food Safety Culture in 2018, launching Brandon Hall Award-winning Food Safety Culture training for all employees at Director level and above. We will continue to roll out this training and extend it to other departments across the enterprise. Additionally, Hershey participated in the GFSI Technical Working Group that published “<b>A Culture of Food Safety,</b>” a position paper from the Global Food Safety Initiative. This document defines food safety culture and aims to help food industry professionals across the globe establish and maintain a culture of food safety within their respective organizations.</p> <p>As an example of our ongoing commitment to allergy sensitive consumers, Hershey participated in the Food Allergy and Anaphylaxis Connection Team (FAACT) Industry day to share what we do to ensure the safety of our consumers as related to food allergens and other food safety risk. Additionally, Hershey proactively committed to adding sesame as the ninth priority allergen for the U.S. in 2018, allowing us to properly communicate allergen risks to this emerging demographic of allergen-sensitive consumers.</p> <p><b><u>Corporate Governance</u></b></p>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	<p>In 2018, our Quality and Regulatory Compliance team continued to evolve our Food Safety program in preparation for the final U.S. FDA Food Safety Modernization Act (FSMA) rule, “Mitigation Strategies to Protect Food Against Intentional Adulteration.” This rule is aimed at preventing intentional adulteration from acts intended to cause wide-scale harm to public health, including acts of terrorism targeting the food supply. A significant focus has been placed on training cross-functional teams of employees at all facilities and completing the required assessments and identified mitigations ahead of the July 2019 compliance deadline.</p> <p>Our Supplier Quality Management team added additional resources in 2018 and worked diligently to further strengthen auditing of food safety systems of our ingredient and packaging suppliers, as well as for managing our ongoing compliance with Supplier Verification rules.</p> <p>The U.S. Regulatory Compliance team worked to update product labels to comply with the Food and Drug Administration Revision of the Nutrition and Supplement Facts Label and Serving Size Rules. These updates to nutrition and serving size information ensure that consumers have access to the information they need to make informed decisions about the foods they eat. The team is on track to have all label revisions completed by the January 1, 2020 compliance deadline.</p>			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2018, there were no recalls or market withdrawals of any Hershey products globally.			
	GRI-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards		Entire disclosure.	Information unavailable.	The volume of production manufacturing in sites that have been third-party certified is monitored, but not reported in alignment with the requirements of this disclosure. There are no specific plans to report this data.
	GRI-FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Note: Hershey does not use trans fat in any products.	Entire disclosure.	Confidentiality constraints.	Information regarding breakdown of sales by product category and specific ingredients is not reported due to commercial sensitivity.

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
	GRI-FP7	Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives		Entire disclosure.	Confidentiality constraints.	Information regarding breakdown of sales by product category and specific ingredients is not reported due to commercial sensitivity.

### Marketing and Labeling

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Responsible labeling and transparency regarding the ingredients in our snacks and responsible marketing to children is an absolute must at Hershey. It helps to ensure our consumers can make informed decisions for their lifestyles and families.  The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Shared Business: Choice and Transparency p. 33 <b>SmartLabel™</b> <b>Sharing what's inside</b> <b>Children's Food and Beverage Advertising Initiative: The Hershey Company Pledge</b>			
	103-3	Evaluation of the management approach	Our Consumer Relations department reviews and answers all consumer-related questions and concerns about the ingredients and labeling on our snacks. It also proactively reviews social media, and engages individual consumers as well as retail partners to ensure our transparency, labeling, and marketing practices align with their expectations.  <b>Corporate Governance</b>			
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	The U.S. Regulatory Compliance team worked to update product labels to comply with the Food and Drug Administration Revision of the Nutrition and Supplement Facts Label and Serving Size Rules. These updates to nutrition and serving size information ensure that consumers have access to the information they need to make informed decisions about the foods they eat. The team is on track to have all label revisions completed by the January 1, 2020 compliance deadline.			
	417-2	Incidents of non-compliance concerning product and service information and labeling	There have been no material non-compliances with labeling laws or regulations.			
	417-3	Incidents of non-compliance concerning marketing communications	There have been no material non-compliances with laws or regulations governing marketing communications.			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Customer Privacy</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	<b><u>Code of Conduct p. 14</u></b> <b><u>Hershey's Privacy Policy</u></b>			
	103-3	Evaluation of the management approach	<b><u>Hershey's Privacy Policy</u></b> <b><u>Corporate Governance</u></b>			
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Hershey has not received any substantiated complaints concerning breaches of customer privacy.			
<b>Socioeconomic Compliance</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	We believe in being compliant with laws and regulations in the social and economic area where Hershey has operations. This is why we commit to being an ethical and responsible business. We expect our business partners and suppliers to do the same. The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Our Approach and Performance: Being a Responsible and Ethical Business p. 55 <b><u>Code of Conduct</u></b> <b><u>Supplier Code of Conduct</u></b> <b><u>Compliance Complaints</u></b> <b><u>Human Rights Site</u></b>			
	103-3	Evaluation of the management approach	<b><u>Corporate Governance</u></b>			
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	We had no material fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.			



GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)

**Animal Welfare**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey’s Material Issues Across Our Value Chain pp. 43-45 Hershey is dedicated to a transparent supply chain and we have a long history of safe and high-quality consumer products. Farm animal welfare is a key priority with respect to sourcing animal protein (dairy, egg and meat) ingredients. Our farm animal welfare position is that the ingredients supplied to Hershey will meet or exceed our high-quality standards.  Hershey does not own any animals and we therefore do not track or have this data; however, we work with our suppliers to uphold the Five Freedoms of animal rights.			
	103-2	The management approach and its components	<a href="#">Farm Animal Welfare Position</a>			
	103-3	Evaluation of the management approach	<a href="#">Farm Animal Welfare Position</a> <a href="#">Corporate Governance</a>			
	GRI-FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	<a href="#">Farm Animal Welfare Position</a>			

**Future of Retail (Non-GRI)**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey’s Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	<a href="#">2018 Form 10-K pp. 19-20</a> <a href="#">Retail Expertise</a> <a href="#">Digital Commerce Strategy</a> <a href="#">Mobile Customer Insights Center</a>			
	103-3	Evaluation of the management approach	<a href="#">Digital Commerce Strategy</a> Our Chief Customer Officer is responsible for leading Hershey’s customer-focused organization across all North America business segments, retail channels and global customers. Our Chief Digital Commerce Officer is leading the company’s future course with a holistic shopper-first digital framework. <a href="#">Corporate Governance</a>			
	Future of Retail	Policies, strategies and initiatives related to the future of retail	<a href="#">Retail Expertise</a> <a href="#">Digital Commerce Strategy</a> <a href="#">Mobile Customer Insights Center</a> <a href="#">Corporate Governance</a>			

GRI standard	Disclosure	GRI disclosure	Cross reference or answer	Identified omission		
				Part(s) omitted	Reason(s) for omission(s)	Explanation for omission(s)
<b>Innovation (Non-GRI)</b>						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45 As an innovative snacking powerhouse, Hershey aims to grow our portfolio of better-for-you options as part of a range of loved brands that give consumers choices for every snacking moment.			
	103-2	The management approach and its components	Shared Business: Choice and Transparency p. 33 Our Approach and Performance: Our Progress pp. 61-62, 64 <b>2018 Form 10-K pp. 4, 9, 19</b> <b><u>Leading Snacking Innovation</u></b>			
	103-3	Evaluation of the management approach	<b>Corporate Governance</b> <b><u>Leading Snacking Innovation</u></b>			
	Innovation within the snacking industry	Policies, strategies and initiatives related to innovation within the snacking industry	Shared Business: Choice and Transparency p. 33 Our Approach and Performance: Our Progress pp. 61-62 <b><u>Leading Snacking Innovation</u></b>			

**Business Continuity/Disaster Recovery (Non-GRI)**

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	The Big Picture pp. 8-9 Appendix: Hershey's Material Issues Across Our Value Chain pp. 43-45			
	103-2	The management approach and its components	Shared Communities: Taking Care of Our Own p. 45 <b>2018 Form 10-K pp. 10, 12</b> Our Enterprise Risk Management process quantifies the risk our company faces from each identified factor by building a scale influenced by the potential impact as well as the likelihood that the risk will come to bear on our company.			
	103-3	Evaluation of the management approach	Our Enterprise Risk Management (ERM) and Materiality process identifies risk, informs senior leaders and the Board and gives our organization the ability to mitigate and manage these risks. Our governance model empowers business units to identify risks that they face so that they can bring these to the attention of various stakeholders across the company. Our senior leaders serve as "owners" of these risks and provide our Board of Directors with regular updates on how the company is managing the risks. <b>Corporate Governance</b>			
	Business Continuity/ Disaster Recovery	Policies, strategies and initiatives related to	Shared Communities: Taking Care of Our Own p. 45 Our Enterprise Risk Management process quantifies the risk our company faces from each identified factor by building a scale influenced by the potential impact as well as the likelihood that the risk will come to bear on our company.			

## Hershey's material issues across our value chain

		Key: • Moderate •• Significant ••• Major				
Material issues	Definition	Farmers	Tier 1 suppliers	Hershey	Customers	Consumers
Climate Change	Greenhouse gas (GHG) reduction and mitigation, carbon regulation, climate adaptation planning, carbon offsets, sustainable operations and transportation emissions including refrigerants, agricultural emissions, indirect emissions, climate change impacts on supply chain, especially related to agriculture. Using the Hershey brand to advocate for climate positive policies.	•••	•••	•••	•••	••
Ecosystems	Protection of ecosystems, for example, protecting forests and areas of high conservation value; protection of species habitat, such as palm oil and orangutan habitats; sustainable agriculture, such as soil health and responsible use of fertilizer, chemicals, and pesticides; biodiversity; deforestation; and land and forestry management. Subissues: Deforestation Biodiversity Land and forestry management Responsible use of fertilizers and chemicals/pesticides	•••	•••	•••	••	••
Packaging	Initiatives to reduce materials consumption related to packaging, recyclability of packaging materials, efforts to promote recycling of used packaging materials by customers, safety and quality of packaging, utilizing more sustainable packaging and alternatives to plastic. Including consumer concerns on slack-fill: Packaging that does not allow the consumer to fully view its contents will be considered to be filled as to be misleading if it contains nonfunctional slack-fill, or the difference between the actual capacity of packaging and the volume of product contained.	•	••	•••	•••	•••
Human Rights	Ensuring the respect and protection of salient human rights across the value chain. Subissues: Labor relations Labor conditions and standards Migration Food security Living wage Indigenous rights	•••	•••	•••	•••	••
Child Labor	Combating the employment of children across the value chain, including work that deprives children of their childhood, is mentally, physically, socially or morally dangerous, and interferes with their schooling.	•••	•••	•••	••	••
Nutrition, ingredients, and product transparency	The impact that Hershey's products have on consumer nutrition, including health and wellness impacts, such as obesity and diabetes. Includes portion control, ingredient transparency (particularly regarding artificial flavorings, sugar, salt, fat reductions, preservatives, additives); policies and practices for communicating ingredients and nutritional information to consumers, front-of-pack. Subissues: Consumer wellness Alternative proteins	•	••	•••	•••	•••
Food Safety	Food quality and safety policies and procedures, including prevention of intentional adulteration, food safety standards and regulations, recalls, quality certifications such as GFSI facilities, food traceability, Product Excellence Program. Evolving food safety practices with emerging food risks.	•••	•••	•••	•••	•••

		Key: • Moderate •• Significant ••• Major				
Material issues	Definition	Farmers	Tier 1 suppliers	Hershey	Customers	Consumers
Consumer Engagement on Sustainability	Engaging and educating consumers on impact, areas of focus, initiatives and programs related to sustainability.	••	•••	•••	•••	•••
Farmer Livelihoods	Supporting farmer livelihoods through training on good agricultural practices, such as soil health to improve yields, working with farming communities to support young farmers, entrepreneurship, supporting a living wage and sustainable livelihoods through assets strengthening and resilience, ensuring food security for farmers in Hershey's value chain, strengthening business and agricultural practices.  Subissues: Land rights, title, and tenure Smart farming Living wage	•••	•••	•••	••	••
Responsible Sourcing	Management of and adherence to Supplier Code of Conduct, supply chain transparency and disclosure, supplier audits, sustainable supply chain policies, supplier diversity, supplier due diligence, practices to ensure supply chain continuity. Sourcing of virgin materials, including pulp, paper and palm oil, sustainable cocoa in a way that supports responsible agricultural practices and sourcing from reputable certification schemes such as Fairtrade and UTZ.	•••	•••	•••	••	••
Ethical Business	Anti-corruption, bribery, anti-trust, ethics training, codes of conduct and whistle-blower protection, general compliance with all relevant laws, policies, and regulations. Board composition, independence of board committees and leadership, anti-takeover measures, board and executive compensation (including CSR performance as part of individual compensation for executives).  Subissues: Ethical conduct Corporate governance Regulatory compliance Changing regulatory landscape Transparency	•••	•••	•••	•••	•••
Global Competitiveness	Global economic and financial conditions, as well as geopolitical changes influencing these conditions, ability to compete internationally in fast-growing markets, industry success, seasonality, company strategy for global growth, changes in consumer behavior affecting financial conditions.	••	•••	•••	•••	••
Financial Health	Hershey's economic position and slowing growth, mergers and acquisition activity, fluctuations in commodity prices, protection and ownership of trademarks, service marks and license agreements, and access to capital.	••	••	•••	••	•
Energy	Energy sourcing and conservation, energy costs, energy-efficiency measures, including renewable energy. Includes proactive engagement on RE100 and other initiatives on renewable energy.	•	•••	•••	•••	••
Water	Water sourcing, use, conservation and recycling, water pollution and treatment, water risk assessments, discharge of effluents and minimization of wastewater and other effluents, water as a human right/WASH, water use and conservation in the supply chain.	•••	•••	•••	••	••
Waste	Waste management, food waste, zero waste to landfill, circular economy, waste minimization (both hazardous and nonhazardous), efforts to increase recycling rates at production and office facilities, proper care and disposal of hazardous waste.	•••	•••	•••	•••	••
Air Pollution	Non-GHG air emissions, air quality measurement, NOx, SOx and particulate matter, toxics, mercury, ammonia pollution, nitrogen compounds.	••	••	••	••	••

Key: • Moderate •• Significant ••• Major

Material issues	Definition	Farmers	Tier 1 suppliers	Hershey	Customers	Consumers
Employee Experience	Employee satisfaction, job security, wages and benefits, quality of work environment and company culture, work-life balance, employee wellness programs and employee confidence in company direction. Attracting and retaining employees, professional development, succession planning, workforce retention. Subissues: Employee engagement Employee opportunity	•	•	•••	•	••
Workplace Health and Safety	Occupational health and safety performance and policies, safety standards (ISO 22000, OSHA), health and safety training, compliance with health and safety, fair labor and OSHA regulations, safety of drivers and others in transportation roles.	••	•••	•••	••	••
Diversity and Inclusion	Employee, management and board diversity and inclusion (including gender, age and ethnicity), equal pay, creating a culture of openness and inclusivity, diversity inclusion programs, nondiscrimination policy, veteran hiring.	••	•••	•••	•••	••
Supporting Communities	Community engagement and interaction in Hershey’s direct operations, including outreach, strategic community investments (both financial and nonfinancial, including the Milton Hershey School), social innovation, job creation, commerce, local investments and other indirect economic impacts in manufacturing locations. Subissues: Community relations Community investment Local economic impacts	•	•	•••	••	••
Responsible Marketing	Advertising and marketing campaigns appropriate for targeted age group and audience, mindfulness of cultural norms, diversity and inclusion, equity and respect, advertising standards and advertising to children, age-appropriate marketing messages, consumer messaging that adheres to internal and industry guidelines, compliance with all marketing standards and regulations in local markets. Subissue: Advertising to children	•	•	•••	•••	•••
Data Protection and Privacy	Compliance with data protection and privacy laws, cybersecurity, protection of consumer, business partner and employee data.	•	•	••	•••	•••
Transparent Policy and Lobbying	Transparency of political contributions and lobbying efforts, including participation through industry organizations, engagement with policy-makers.	•	•	••	••	•
Animal Welfare	Treatment and origin of livestock and livestock products, feeding practices, cage-free eggs, humane slaughter, use of antibiotics and growth/artificial hormones, animal welfare impacts in the supply chain.	•••	•••	•••	••	•••
Innovation	Innovation of new products as a result of changing consumer preferences, inventing new products from food waste, including healthier and more nutritious snacking opportunities, technology and operational practices, 3D printed food, personalized nutrition, new category innovation/entry, intellectual property development and protection, research and development, “innovation everywhere” mindset, exploring new business models.	•	•	•••	••	••
Business continuity/ disaster recovery	A significant natural event (e.g., hurricane, flooding) that would impact Hershey’s ability to continue operating. Including the risk that Hershey’s supply chain does not have the appropriate contingency protocol to continue plant operations, for example.	•••	•••	•••	•••	••
Future of Retail	Online shopping, evolving e-commerce and digital, automated food delivery, food delivery applications and services, QR codes.	•	•	•••	•••	•••

## 102-8

Total number of Hershey employees by employment contract (permanent and temporary), by gender	Total	Female	Male
Total	16,422	7,997	8,425
Permanent	14,787	6,899	7,888
Temporary	1,635	1,098	537

Total number of employees by employment contract (permanent and temporary), by region	Permanent	Temporary
Globally	14,787	1,635
United States	8,397	790
Non-US	6,390	845
Asia	1,431	12
Africa	–	–
North America	809	21*
Europe	15	–
LAC	4,135	812**

Total number of employees by employment type (full-time and part-time), by gender	Total	Female	Male
Total	16,422	7,997	8,425
Full-time	14,927	7,027	7,900
Part-Time	1,495	970	525

\*Canada only

\*\*Brazil, Mexico

## 102-13 – Member organizations

Leadership and Sustainability	Commerce	Food and Manufacturing Industry Groups	Ethical Sourcing and Sustainable Agriculture	Employee Engagement	Knowledge and Innovation
Sustainable Brands	Council for Better Business Bureau	Center for Food Integrity	World Cocoa Foundation	Thurgood Marshall College Fund	Pennovation
Committee for Encouraging Corporate Philanthropy	National Confectioners Association	International Food Information Council	International Cocoa Initiative	Human Rights Campaign	Carnegie Mellon University
AIM-Progress	Pennsylvania Chamber of Business and Industry	National Association of Manufacturers	UTZ Certified	Network of Executive Women	Institute for the Future
Ceres	Business Council for International Understanding	Sweetener Users Association	The Forest Trust*	National Organization on Disability	Knowledge Leadership Council
	Con Mexico	Cocoa Merchants Association of America	Sedex Information Exchange	National Black MBA Association (NBMBAA)	
	ASHOCO	Peanut and Treenut Processors Association	Roundtable on Sustainable Palm Oil (RSPO)	Hispanic IT Executive Council	
	American Association of Importers and Exporters	American Dairy Products Institute	Dun & Bradstreet	National Business Group on Health	
	Canadian Association of Importers and Exporters	University of Nebraska/Allergen Center	Bonsucro	CAHRS	
		ABIA-Brazilian Association of Food industries	Rainforest Alliance Certification	HR Policy Association	
		ABICAB-Brazil (Choc, Cocoa, Peanut, Candy)	Fair Trade Certified	DiversityInc.	
		Food and Drink Federation - FDF UK	Diversity Information Resources		
		ILSI Middle East and North America			
		CIFTI-FICCI-India			
		China National Food Industry Association			
		Food and Consumer Products-Canada			
	International Chewing Gum Association (ICGA)				
	ALAIAB				
	Food Information Asia (FIA)				

\*as of 1/1/19, known as “Earthworm Foundation”

**301-1**

Pack type	2018 North America HSY and co-pack Pack type by weight (lbs)
Non-Renewable	
Foil	6,564,937
Flex film	37,428,636
Merchandising	4,322,500
Rigid plastics	18,100,846
Total non-renewable	66,416,920

Renewable	
Corrugate and merchandise	145,970,000
Paperboard	36,646,000
Cupstock	4,578,346
Boardstock	9,912,500
Total renewable	197,106,846



### 302-1 – Direct energy used in 2018

Fuels	MWh in 2018	Megajoule in 2018
Propane	222.05	799,383.12
Natural gas	609,919.69	2,195,720,027.80
Distillate fuel oil no 2	829.32	2,985,568.70
Motor gasoline	930.60	3,350,191.03
Biogas	25,125.24	90,548,433.09
Electricity consumed	441,793.78	1,590,464,237.20
<b>Total</b>	<b>1,078,820.7</b>	<b>3,883,867,840.9</b>

## 401-1 – New employee hires and employee turnover

401-1	Age group					Gender		Region					
	18-24	25-34	35-44	45-54	55+	Male	Female	Asia	Africa	North America	Europe	LAC	Oceania
a. Total number and rate of new employee hires during the January 1, 2018–December 31, 2018	1,204	1,082	558	291	182	1,600	1,889	415	0.00	1,585	3	1,486	0.00
	68.56%	29.07%	15.37%	8.04%	5.36%	18.97%	24.02%	27.89%	0.00	15.95%	21.95%	30.57%	0.00
b. Total number and rate of employee turnover during the January 1, 2018–December 31, 2018	2,377	2,050	1,144	583	454	2,843	3,886	557	0.00	1,895	–	4,277	0.00
	135.35%	55.09%	31.52%	16.11%	13.36%	33.70%	49.40%	37.43%	0.00	19.06%	0.00%	88.00%	0.00

**401-3 – Parental leave**

401-3	Female	Male	Total
Entitled to parental leave	31	72	103
Took intermittent	0	12	12
Took continuous	24	37	61
# of employees who did not elect	7	23	30
Returned to work after parental leave	31	72	103
Return to work rate	100%	100%	100%

US only

#### 404-1 – Average hours of training per year per employee

Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category	Total	Female	Male
Total	11.65	7.00	16.34
Full-time	12.76	7.60	17.07
Part-Time	1.54	1.55	1.50

Note: This captures the training hours logged through Hershey's Learning & Development program. These hours do not account for outside team or individual training programs not offered through Hershey's centralized system. Amplify is not included in the number since they do not keep track of training hours.

## 405-1 – Diversity of employees

Percentage of employees per employee category in each of the following diversity categories: (e.g., Veterans, Race)		Grand Total	Gender		Management sub-total	Non-management sub-total	Executive sub-total	Non-executive sub-total
			Female	Male				
Total*		–	48.70%	51.30%	–	–	–	–
POC /Non-POC**	POC	<b>19.58%</b>	19.98%	19.27%	14.97%	20.20%	22.22%	19.57%
	Non-POC	<b>80.42%</b>	80.02%	80.73%	85.03%	79.80%	77.78%	80.43%
Age*	Under 30 years old	<b>24.78%</b>	26.47%	23.18%	4.03%	26.93%	0.00%	24.80%
	30–50 years old	<b>44.47%</b>	43.82%	45.07%	68.42%	41.98%	11.11%	44.48%
	Over 50 year old	<b>30.75%</b>	29.70%	31.75%	27.55%	31.08%	88.89%	30.72%

\*Globally

\*\*US only