



HERSHEY

SHARED GOODNESS

2015 CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

ABOUT THE HERSHEY COMPANY



Established in 1894, The Hershey Company is a leading global manufacturer of chocolate and non-chocolate confections, gums, mints and snacks. We manufacture, market, sell and distribute our many products in approximately 70 countries. From *Hershey's Kisses* to *Reese's*, *Ice Breakers* to *Brookside*, our iconic brands have become household names to consumers around the world.

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

21,000

employees

80+

brands sold in approximately 70 countries

US\$7.4 B

consolidated net sales in 2015

HSY

Hershey is publicly traded on the New York Stock Exchange and headquartered in Hershey, Pa.

ABOUT THIS DOCUMENT

This Shared Goodness Highlights document summarizes The Hershey Company's progress on our corporate social responsibility (CSR) commitments.

For more complete information on these topics and our 2015 Global Reporting Initiative disclosure index, please download our full [2015 CSR Report](#), which applies the GRI G4 Guidelines at the core "in accordance" level, at [HersheySharedGoodness.com](#).

OUR PRIMARY BRANDS



ALLAN CANDY	ICE BREAKERS	MUNCHING MONKEY	ROLO*
BROOKSIDE	JOLLY RANCHER	PAYDAY	SOFIT
CADBURY*	KIT KAT*	PELON PELO RICO	TAKES
HERSHEY'S	KRAVE	REESE'S	TWIZZLERS
HERSHEY'S KISSES	LANCASTER		

*Manufactured in the United States under license.

TO OUR STAKEHOLDERS



At Hershey, we've long recognized our industry is changing as a result of shifts in consumer preferences, globalization and disruptive technologies. In response, we've developed strategies to leverage these trends in ways that will help keep us growing. The past year gave us the opportunity to demonstrate some of the very real benefits these strategies are providing our business and our stakeholders.

No trend impacts our industry more than consumers' changing relationship with food. People want the tastes they've always loved, but also want simpler and more sustainable ingredients and greater transparency.

This past year, we met these needs better than ever before.

In February 2015, we announced our commitment to use simpler, more familiar ingredients and began delivering on that promise with the launch of our new *Brookside* Dark Chocolate Fruit & Nut Bars and the reformulation of our iconic *Hershey's Kisses* Milk Chocolates and *Hershey's* Milk Chocolate Bars, which now contain no artificial flavors but have the same delicious taste—and a simpler label.

To make it easy for people to access extensive product information, we partnered with industry peers to help create the new SmartLabel™ technology. We also became the first company to adopt the technology, which allows consumers to scan our products with a mobile device and instantly receive detailed nutritional information.

We're also developing a wider range of products with diverse nutritional profiles. Examples include the U.S. launch of *SoFit*, inspired by our soy protein brand from India, and our acquisition of *Krave* Pure Foods, Inc., which added *KRAVE* Jerky, a protein-packed meat snack, to our snacking portfolio.

Meanwhile, our progress in sourcing ingredients responsibly is improving the sustainability of both our products and the communities that make them possible. We met our 2016 goal to source 50 percent of our cocoa from farms certified to be operating sustainably. This sustainable sourcing commitment

complements our efforts across West African cocoa-growing regions to improve the livelihoods of farmers and strengthen farming communities.

Another important milestone in 2015 was the launch of *Nourishing Minds*, our global social purpose, which does the important work of providing basic nutrition to help children learn and grow. To extend our long legacy of benefiting children in need, we've partnered with *Feeding America*® to reach children here in the United States. And in Ghana, our flagship program, *Energize Learning*, is already providing schoolchildren with *ViVi*, an innovative nutritional supplement we've developed.

In October, we strengthened our environmental commitments when we signed the White House's American Business Act on Climate Pledge. We also broadened our efforts to limit deforestation within our supply chain, particularly when it comes to how we source palm oil, pulp and paper.

Finally, I want to highlight our dedication to providing a compelling and contemporary workplace. We are particularly focused on creating a diverse and inclusive workplace through the recruitment and development of people of varied backgrounds and perspectives.

We enter 2016 confident we have the right structure and strategies to ensure that our company and iconic brands will remain trusted household names far into the future. While our business faces macroeconomic challenges such as the economic slowdown in Asia and the impact on exports of the rise in value of the U.S. dollar, we have nonetheless been able to accomplish much this past year. This has been supported by reorganizing and streamlining certain aspects of our operations and taking steps such as the hiring of a Global Chief Sales Officer.

I'm equally confident that our Shared Goodness efforts will only continue to increase in quality and importance—both in how they create value for our business and in the ways they help us have a more positive impact in the world each day.

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

GROWING OUR PORTFOLIO AND MARKETS GLOBALLY

By adding delicious new snacks to our product portfolio and evolving our consumer-centric strategy, we're broadening our business and brand around the world.

The Hershey Company has built iconic confection brands and delivered great-tasting products by always listening and responding to our consumers. In the United States and around the world, tastes are shifting, and we're changing with them.

As people's relationship with food changes, they want more and different snacking options. That's why we're focused on building both our core business in chocolate and confections as well as new snacks for people on the go in the United States and key international markets. By adding snack bites and mixes, protein snacks and snacks with simple, wholesome ingredients, we're building on our core business in a way that meets the needs of today's consumers.

In 2015, we restructured the company to better deliver on these strategies, support our core business and position Hershey to capitalize on growth opportunities. This resulted in greater productivity that will drive margin enhancement by simplifying our structure and improving the ways we work. Combined with our firm foothold among the rising millennial demographic, efforts such as these position us to be a brand of choice for years to come.

[LEARN MORE AT HERSHEYGOODNESS.COM](http://HERSHEYGOODNESS.COM)



NEW SNACKING CHOICES

In 2015, we acquired *KRAVE* Jerky, a premium, chef-inspired snack, to begin including more protein choices among the products we offer consumers. This move positions us to expand further into the broader snacking space.

ONLINE CONVENIENCE

We're making it easy to make purchases through any digital device. Purchasing *Ice Breakers* Mints through Amazon Prime is popular with millennials, who are making it one of Hershey's top e-commerce brands.





EXPANDING GLOBAL BRANDS TO THE UNITED STATES

We launched top-selling brands from overseas in U.S. markets, like *SoFit*, our soy protein brand; in India, it is a soy beverage.

CULTIVATING SUSTAINABLE COCOA AND AGRICULTURAL COMMUNITIES

By helping cocoa farmers stay up to date on the latest agricultural practices and providing more opportunities for education in the communities they live in, we are working to ensure a sustainable supply of certified cocoa.

We rely on farmers in cocoa-growing regions throughout West Africa to produce the high-quality cocoa beans we use to make our delicious chocolate. We are committed to improving the livelihoods of these cocoa farmers, while protecting the environment and ensuring there is a sustainable supply of cocoa now and far into the future.

We have designed the central components of our cocoa strategy to help develop a new generation of successful cocoa farmers, while helping today's generation prosper:

- Our Learn to Grow programs in 464 cocoa communities in Ghana, Côte d'Ivoire and Nigeria currently help more than 31,000 farmers, 15 percent of whom are women, by providing information on best practices in sustainable cocoa farming.
- CocoaAction—an industry collaboration of cocoa and chocolate companies that we played a key role in founding—is advancing the sustainability of the cocoa industry and improving the livelihoods of cocoa farmers and communities.
- We have committed to purchase 100 percent certified and sustainable sourced cocoa by 2020—currently on schedule.

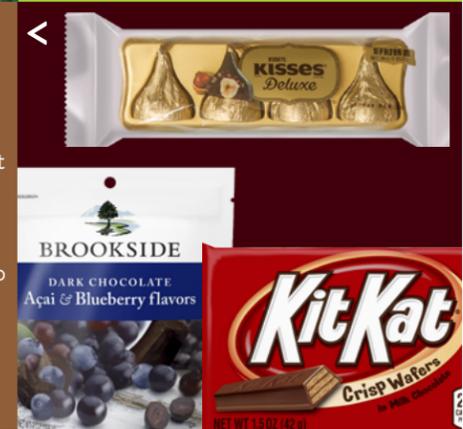


LEARN TO GROW

Our Learn to Grow programs across West Africa have provided training to many farmers and entrepreneurs like Patricia Amino (second from left), who has used her new skills to establish her own cocoa farm.

STEADY PROGRESS ON CERTIFIED COCOA

We have set a goal to have 100 percent of our cocoa supply be certified and sustainable by 2020. By 2017, at least 75 percent of our cocoa will be certified and meet this standard—enough to supply five of our most popular global chocolate brands: *Hershey's*, *Hershey's Kisses*, *Reese's*, *Kit Kat*® (U.S. only) and *Brookside*.



OUR COCOA COMMITMENTS

100%
certified and sustainable cocoa by 2020

70,000
West African cocoa farmers enrolled in Learn to Grow by 2019

[LEARN MORE ABOUT OUR RESPONSIBLE SOURCING AT HERSHEYRESPONSIBLE.COM](http://HERSHEYRESPONSIBLE.COM)

MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

By committing to reducing our environmental impact and setting ambitious new sustainability goals for our operations and supply chain, we're helping protect our planet for future generations.

Protecting the natural resources our business and stakeholders rely on has been a priority for us since the days when Milton Hershey established the company's first recycling center in the 1930s.

In October 2015, we attended a White House summit to offer our support for meaningful climate action in advance of the Paris Climate Change Conference (COP21) held in December. At the summit, we signed the White House's American Business Act on Climate Pledge and announced our new 2025 goals to reduce the environmental footprint of our operations and within our supply chain.

Among our 2015 achievements in environmental sustainability:

- We have decreased our GHG emissions by 8 percent since 2014 and 23 percent since 2009. In 2015, we reduced our emissions by 13,000 metric tons CO₂e, which is equivalent to taking 2,700 passenger cars off the road for one year.
- We have 11 zero-waste-to-landfill (ZWL) facilities, 10 in the United States and 1 in Mexico; these plants consistently exceed an 88 percent recycling rate. In 2015, 71 percent of our total production globally took place in ZWL plants.
- At our plant in Monterrey, Mexico, our new desalination system implementation saved 16 million gallons of water last year, enough water to fill 24 Olympic-size swimming pools.

[LEARN ABOUT OUR APPROACH TO REDUCING ENVIRONMENTAL IMPACTS AT HERSHEYGOODNESS.COM](#)

PALM OIL COMMITMENT LIMITS DEFORESTATION

By the end of 2016 our supply of palm oil will be traceable back to the plantations level, which helps us to verify our usage is not contributing to deforestation.



PULP AND PAPER SOURCING POLICY

The new policy sets stricter environmental criteria for virgin fiber. This helps guarantee we're protecting the land for our ingredients and that our suppliers respect local communities and their rights.



OUR 2015 ACHIEVEMENTS

NO. 6

out of 500 companies in Newsweek's U.S. Green Rankings

88%

recycling rate across all of our facilities globally

6,250

metric tons of our fleet's carbon emissions offset through Verified Emission Reductions

7 MILLION

pounds of packaging material have been saved since 2013

A WORKPLACE FOR REMARKABLE PEOPLE

Our employees have always been the secret to our success. We've grown because of the unmatched knowledge, expertise and excellence that our entire team brings to work each day.

To ensure we remain a leader in our industry, we're focusing resources and attention on creating an "innovation everywhere" mindset across our organization. We're moving toward a diverse and inclusive company culture defined by agile collaboration—focused on action and open to change, with people always working together. To get there, we're empowering and inspiring our employees to take a hard look at how we do things and find fresh opportunities to collaborate and take smart risks to drive our business forward.

We offer coaching and development opportunities and reward performance. We empower people to take calculated risks for the benefit of the company and we value individuals for the quality of their innovative ideas.

Continued success requires constant evolution, and in 2015 our senior management made strategic organizational shifts that will enable our continued growth. These changes ensure we have unmatched expertise in our fields and the right people to deliver on our consumer-centric strategies. To support this refreshed structure, we have developed robust communications and changed management approaches for our teams around the world.

[READ ABOUT CAREERS AND JOB OPPORTUNITIES AT HERSHEYCAREERS.COM](#)



PROMOTING GOOD CITIZENSHIP

We encourage employees to be active members of the community by granting two paid days of community volunteer time annually. In addition, the Matching Gifts and Dollars for Doers programs encourage our employees to support causes around the world with their time and financial resources.



OUR DIVERSITY AND INCLUSION (D&I) FRAMEWORK AIMS TO:

Make Hershey an industry leader in D&I by 2020

Make Hershey the employer of choice for talented young people; right now, 36% of our employees are millennials—a number we're working to increase

Continue to focus on gender equity in all parts of the world where we do business

Encourage veterans to apply for jobs at Hershey

SIMPLE INGREDIENTS, EASY-TO-ACCESS INFORMATION

Today's consumers want to know what's in their food and are choosing foods with simple, familiar ingredients that deliver the tastes they love.

We're focused on making our same, great-tasting treats and snacks with simple, familiar ingredients—and providing clear information about ingredients in every product so consumers can make informed choices.

In 2015, we announced our commitment to use simpler, more familiar ingredients and began delivering on that promise with the launch of our new *Brookside* Dark Chocolate Fruit & Nut Bars and the reformulation of our iconic *Hershey's Kisses* Milk Chocolates and *Hershey's* Milk Chocolate Bars, which now contain no artificial flavors but have the same delicious taste—and a simpler label.

We started making great-tasting chocolate in 1894 using a few familiar ingredients you might find in your kitchen pantry, like cocoa, milk, sugar and vanilla. With the commitments we made in 2015, we're returning to that tradition today to ensure that current and future generations can enjoy great taste with the simple ingredients they prefer. Making these fundamental changes is a complex endeavor and will occur over a number of years as we continue to evaluate alternate ingredients and adapt those recipes where it is possible.

EASY-TO-ACCESS INFORMATION

Hershey was one of the first U.S. confectionery and snacking companies to voluntarily provide nutrition information on food packages, and we continue to embrace transparency as a core value. We are proud to have spearheaded the development of, and been the first company to adopt, the Grocery Manufacturers Association's SmartLabel™ program in 2015. And for people who are interested in additional information about our products, we provide a wealth of information online, including:

- Our 400+ ingredient glossary
- In-depth information on ingredient topics
- Videos about what we do



The Quick Response (QR) code on our SmartLabel™ can be scanned by mobile devices, allowing consumers to learn where our products come from and what goes into making them.

[LEARN MORE ABOUT SMARTLABEL AT SMARTLABEL.ORG](#)



INGREDIENT INFORMATION AT YOUR FINGERTIPS

Hershey is using the power of technology to put ingredient information at consumers' fingertips. We helped develop and became the first company to adopt the Grocery Manufacturers Association's SmartLabel™.

A STRONG PARTNER TO COMMUNITIES

We're helping the communities where we work thrive by contributing our time and funds and by partnering with effective organizations.

Through generous giving, purposeful action and volunteer efforts, we have worked to better the lives of people and the communities where we work across the globe in partnership with leading nonprofits at the national, regional and local levels.

GIVING BACK

The Hershey Company donated more than US\$20.7 million in cash and products to 1,300 organizations in 2015. And 2,300 Hershey employees donated more than US\$1.7 million and volunteered more than 98,250 hours to worthy causes and nonprofit organizations.

- Our employees once again demonstrated their generosity during our annual United Way Campaign, as their donations and our company's match totaled more than US\$2.7 million.
- In 2015, we raised more than US\$364,000 for Children's Miracle Network, which uses these donations to fund critical treatments and healthcare services, pediatric medical equipment and charitable care for children.
- During 2015, we helped donate more than 7,000 pounds of fresh produce from the abundant harvest of the Hershey Community Garden to people in need.

[LEARN MORE ABOUT ABOUT HERSHEY'S GIVING AND VOLUNTEERISM AROUND THE WORLD AT HERSHEYCARES.COM](#)



ENCOURAGING KIDS TO RUN, JUMP AND THROW

Our newest U.S. youth learning program, *RunJumpThrow*, encourages kids to have fun and learn new skills through noncompetitive physical activities. More than 250,000 students participated through school or one-day events in 2015.

SUPPORTING TEAM USA

The United States Olympic Committee and our company embarked on a five-year partnership in which Hershey will serve as an official sponsor and the confectionery partner of Team USA. Partnering with Team USA is a perfect fit for Hershey—a company with deep American roots and brands that have been American touchstones for generations. Hershey is honored to support America's elite Olympic and Paralympic athletes.



OFFICIAL SPONSOR

OUR GIVING AND VOLUNTEERING

Total Giving: US\$20.7 million in cash and product donations

Total Volunteer Hours: 98,250

Total Employees Involved: 2,300

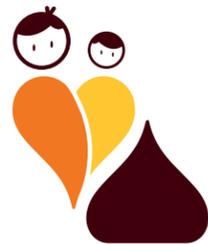
GOOD TO GIVE BACK WEEK

In 2015, 1,200 employees in eight countries volunteered more than 8,400 hours at our annual Good to Give Back Week, Hershey's global week of volunteerism

At our largest 2015 event, nearly 700 Hershey people partnered with the nonprofit Stop Hunger Now to pack more than 255,000 meals for families in need

BRIGHT FUTURES START WITH BASIC NUTRITION

Nourishing Minds, our new shared social purpose initiative, draws on the skills, expertise and passion of our employees to provide children with the basic nutrition they need to build bright futures and successful lives.



We've seen firsthand that children learn best when they have the energy and nourishment to help them focus on their studies rather than their stomachs. Today, 16 million children in the United States don't have access to the basic nutrition they need each day to learn and grow. Across the developing world, 166 million primary school-age children come to school hungry, with 23 million in Africa alone.

We launched Nourishing Minds in 2015 to build on our company's unique expertise in food processing, production and distribution in combination with our tradition of improving children's lives.

Nourishing Minds focuses not only on feeding children but also on investing in the agriculture and food systems needed to ensure nutritious food is available now and into the future. Our platform is built on three objectives:

- Provide immediate and basic nutrition through local and global programs
- Invest in local and sustainable nourishing food systems
- Build a more food-secure future through research and development

OUR ENERGIZE LEARNING PROGRAM IN GHANA

Through Energize Learning, our flagship program in Ghana, a team of Hershey employees worked with Project Peanut Butter to develop ViVi, a unique, peanut-based vitamin- and mineral-fortified nutrition supplement specifically developed to provide basic nutrition for schoolchildren.



OUR CHILD HUNGER PARTNERSHIP WITH FEEDING AMERICA®

To make a difference in Hershey's local communities, our partnership with Feeding America supports Backpack, School Pantry and Kids Café, and includes both financial and volunteer support for six food banks in key sales districts. In 2015, we provided meals to more than 13,000 schoolchildren through our partnership with Feeding America.

We aim to nourish one million minds by 2020 in the communities where we live and work.

OUR VIVI COMMITMENTS

50,000 Ghanaian schoolchildren receive ViVi, a nutritional high-protein supplement, by the end of 2016

100% of peanuts sourced from local farmers to produce ViVi by the end of 2018

[LEARN MORE AT NOURISHINGMINDS.COM](http://NOURISHINGMINDS.COM)

OUR NEW GOALS

In late 2015, we announced ambitious new goals to significantly reduce our environmental impact, increase our purchase of responsibly sourced ingredients and become a recognized leader in employee diversity. Many of our new goals build upon current commitments and achievements, while others reflect more recent focus areas for the company. We will begin reporting progress toward these goals in our next CSR report.

OUR WORKPLACE OBJECTIVES

BECOME A GLOBAL INDUSTRY LEADER in diversity and inclusion by 2020

OUR ENVIRONMENTAL GOALS

REDUCE GREENHOUSE GAS (GHG) EMISSIONS 50% by 2025, compared to 2009 baseline, augmenting the 23% reduction we have already achieved

EXPAND THE UTILIZATION OF ELECTRIC VEHICLES in our corporate fleet and continue to purchase carbon credits to offset unavoidable emissions in our sales and corporate fleet of vehicles while concurrently reducing these emissions

ACHIEVE ZERO-WASTE-TO-LANDFILL STATUS at all Hershey facilities by 2025, building on our existing roster of 11 zero-waste-to-landfill facilities

IMPROVE OUR COMPANY-WIDE RECYCLING RATE to 95% by 2025, up from our 2009 baseline of 72%

REDUCE ABSOLUTE WATER USE by an additional 25% by 2025, building on our existing progress of reducing water use by 70% since 2009

SAVE AN ADDITIONAL 25 MILLION POUNDS OF PACKAGING MATERIAL by 2025, augmenting the 16 million pounds we have already saved since 2009

OUR RESPONSIBLE SOURCING COMMITMENTS

ACHIEVE 100% CERTIFIED AND SUSTAINABLE COCOA in all our chocolate products worldwide by 2020. By 2017, source at least 75% certified and sustainable cocoa, enough to supply five of our most popular global chocolate brands: *Hershey's*, *Hershey's Kisses*, *Reese's*, *Kit Kat*® (U.S. only) and *Brookside*

TRACE 100% OF OUR PALM OIL PURCHASES to the plantation level by 2016, striving to ensure the palm oil we purchase is deforestation-free and grown and processed sustainably, in alignment with the 2014 New York Declaration on Forests

ENROLL 70,000 FARMERS by 2019 in Hershey's Learn to Grow programs

SOURCE 100% VIRGIN FIBER in any pulp and paper from certified sources by 2017

SOURCE 100% CAGE-FREE EGGS for products in the United States by 2020



Your feedback is important to us.

Please [contact us](#) with comments or questions.